



IN THE NAME OF SERVICE: EXPLORING THE SOCIAL
ENTERPRISE WORKPLACE EXPERIENCE THROUGH
THE LENS OF SERVANT-LEADERSHIP

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While the profit motive has significantly shaped the language and practice of business and bounded the interpretative frame of entrepreneurship, a profoundly new form of entrepreneurial organization is emerging: the social enterprise. Social entrepreneurs are reimagining the capitalist paradigm, reinventing the field of entrepreneurship, and redefining the social sector in promising new ways. Individuals fluent in the language of business are creating positive social impact and, at the same time, striving for commercial excellence. Whether by pioneering the business of micro-lending, distributing fair-trade products, or employing at-risk adults, social entrepreneurs are passionate about addressing otherwise unmet societal needs. They target the gaps made when public service and private markets fail to deliver critical goods and services, particularly for those most marginalized by society (Hartigan, 2003). Social entrepreneurs recognize that the complex and systemic problems facing society must be met by radically transformed mindsets and new institutional arrangements.

The demands of this century compel us to envision a future in which the bottom line stands in service to social good, not in competition. Yet it is in transforming individual drive into collective purpose and commitment that the critical challenge of entrepreneurship emerges (Pettigrew, 1979). In attempting to master this transformation leaders have learned that dictating vision, no matter how heartfelt, is counter-productive (Block, 1993; Senge, 1990). The command and control model of leadership inhibits people from working together in meaningful ways and is out of step with the require-



ments of a dynamic world marketplace (Wheatley, 1999). Today, individuals yearn for a leadership paradigm that rekindles the spirit, supplants self-promotion with service, and acknowledges that meaning and purpose arise out of the dynamism of relationships (Covey, 1994; Jaworski, 1996; Pollard, 1996).

Leadership is a dynamic and emergent property of interpersonal interaction (Day, 2001). Servant-leadership animates this dynamic by inviting members to be personally accountable for the success of their organization. The practice of servant-leadership nurtures autonomy and self-responsibility in all organizational members by cultivating critical thinking skills, expanding capacity for moral reasoning, and enhancing participative competence (Graham, 1991). Servant-leaders enact this form of participatory and transforming (Burns, 1978) social engagement by seeking to value and develop others, building community, behaving authentically, and sharing power and status for the good of others (Laub, 1999). When organizational members participate in the expression of servant-leadership, they co-create a lived experience of “servanthood.” This fosters a workplace experience in which leadership excellence becomes manifest in the productive spirit of self-management (O’Toole, 1996).

Servant workplaces do not emerge accidentally; we must construct them with focused intention. Action, generated from a stance of service, is a duty and responsibility of servant-leaders. Human beings possess the unique ability to align intentions with actions; it manifests from will in the expression of leadership (Hunter, 1998). In theory, what renders servant-leadership distinct from other leadership models yet akin to social entrepreneurship is the ethical motivation that inspires individuals to act. In practice, questions remain. Do social entrepreneurs internalize their service commitment, modeling leadership behaviors that inspire full participation, self-responsibility, and interdependence? Do the pillars of social justice and service bind together social entrepreneurship and servant-leadership in an extraordinary relationship of servanthood?

This research introduced the lens of “organizational climate for



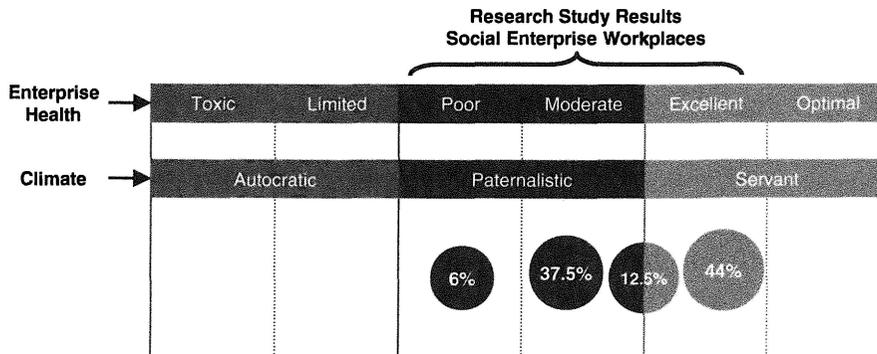
servanthood” to examine whether two intriguing and emerging phenomena, servant-leadership and social entrepreneurship, intersect to create a compelling new model of servant organization. The Organizational Leadership Assessment (OLA) was used to measure an organizational climate for servanthood and profile organizational health (Laub, 2003). When organizational members enact a climate for servanthood, they create true communities inside their enterprises. These communities keep vibrant the conditions of freedom and connectedness, not through prescribed behaviors but by clarity of purpose and voluntary commitment (Wheatley, 1999).

RESEARCH FINDINGS

Overview Summary

To a considerable extent, enterprise members in this study created healthy, servant-oriented workplaces (see Figure 1). Almost one-half of the social enterprises (44%) in this sample met the empirical requirements for servant organizations. The extent to which servanthood behaviors are evident in an organization distinguishes servant-oriented from servant-minded climates and generates organizational health levels ranging from excellent to optimal (Laub, 2003). An additional 12.5% were at the servant-paternal boundary, suggesting that they, too, materially share the attributes of healthy, servant organizations.

This finding illumines social enterprise organizational life, and is notably more positive than prior research investigating other workplace settings (Laub, 2005). Still, the study results call for balanced optimism. Just over one-third of the study enterprises (37.5%) created a positively paternalistic climate, and a further 6% enacted a negatively paternalistic climate. Members’ perceptions about their workplace were generally more diverse in paternalistic versus servant enterprises, reflecting differing views about their organizational experience. This suggests that some enterprise members sensed they were valued in the organization while others were uncertain. Diminished levels of organizational health, associated with



Adapted from "Six Organizational Health Level Descriptions" (p. 180) by J. Laub (2005). In *The International Journal of Servant-Leadership*

Figure 1. Social Enterprise Results Summary

paternalistic climates (Laub, 2003), directly affect the enactment of an enterprise's mission, resulting in detrimental consequences for the organization and organizational members (White, 1997). If left unattended, paternalistic practices can inhibit the conditions that foster productive, sustainable organizational outcomes.

No participating enterprises enacted an autocratic climate. This stands in marked contrast to the 31% representing autocratic organizations found in prior research (Laub, 2003).

Detailed Findings and Practitioner Implications

The behavioral practices that stem from and reinforce leaders' values and beliefs were core to understanding this research. Over one-half of the survey questions (55%) gathered perceptions about executive leaders and directors, those individuals who hold formal authority in their organizations. Interestingly though, on average, survey ratings were lower on questions about leader behavior than on questions pertaining to all members or questions specific to the respondents (see Figure 2). In other words, respondents' perceptions indicated that the entire community of organizational members demonstrated characteristics of servant-leadership to a



greater extent than did the social enterprise leader cohort. This outcome acknowledges the central role organizational members play in shaping climate and culture, and simultaneously draws attention to the opportunity for social enterprise leaders to grow into a more complete model of servant-leader.

Respondents perceived their personal relationship with their leaders more positively than they viewed all leaders in general (see Figure 2). Several survey questions explored respondents' perceptions about their personal role in the organization. For example, the questions inquired whether the respondents personally felt appreciated, listened to, and affirmed by those above them. The results suggest that either individuals experienced servanthood behaviors more consistently in the interpersonal interaction with their bosses, or the individuals were less familiar with other organizational leaders and therefore unable to comment on the presence of the targeted behaviors, resulting in a neutral rating score.

Patterns emerged from the servant-leadership dimensions (see Figure 3). *Building communities* and *displaying authenticity* moved upward in servant-oriented enterprises, making these characteristics more distinctive among the six servant-leadership dimensions. In contrast, *displaying authenticity* received one of the lowest scores of all subscales in the negatively paternalistic environment. Perceptions related to *providing leadership* moved downward in servant and positively paternalistic environments, while they increased in the negatively paternalistic workplace. This upward movement suggests that members perceived clarity of direction, goal definition, and accountability with greater emphasis (relative to other dimensions) in the negatively paternalistic organization than in servant-oriented or positively paternalistic enterprises. This may be a signal that respondents in servant-oriented and positively paternalistic environments look for more focused direction from their leaders.

Social entrepreneurs are constructing a new worldview that combines social activism with business discipline. Civil and business societies now share the common language of entrepreneurship, enabling radically new

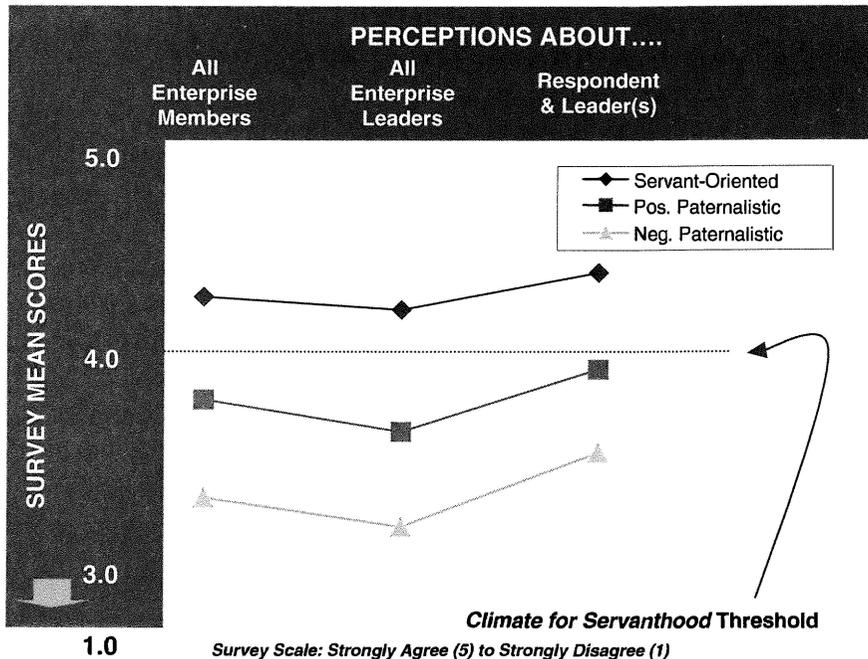


Figure 2. Survey Subgroup Perceptions

patterns of collaboration and ushering in new organizational forms. Nonetheless, a vast pool of resources from the private sector remains largely untapped and unincorporated in social enterprise practice. There remains an opportunity to more broadly communicate the existence of this compelling new workplace proposition to inspire and attract talented, entrepreneurial business practitioners in search of the very things they can no longer muster in their corporate experience: passion, purpose, and commitment to something larger than themselves. By tapping into this source, business practitioners can behold an extraordinary opportunity to co-create this field.

Servant organizations achieve and sustain the highest levels of organizational health (Laub, 2003). These organizations call forth the wisdom of their employees, contribute to their sense of greater purpose, and reinforce

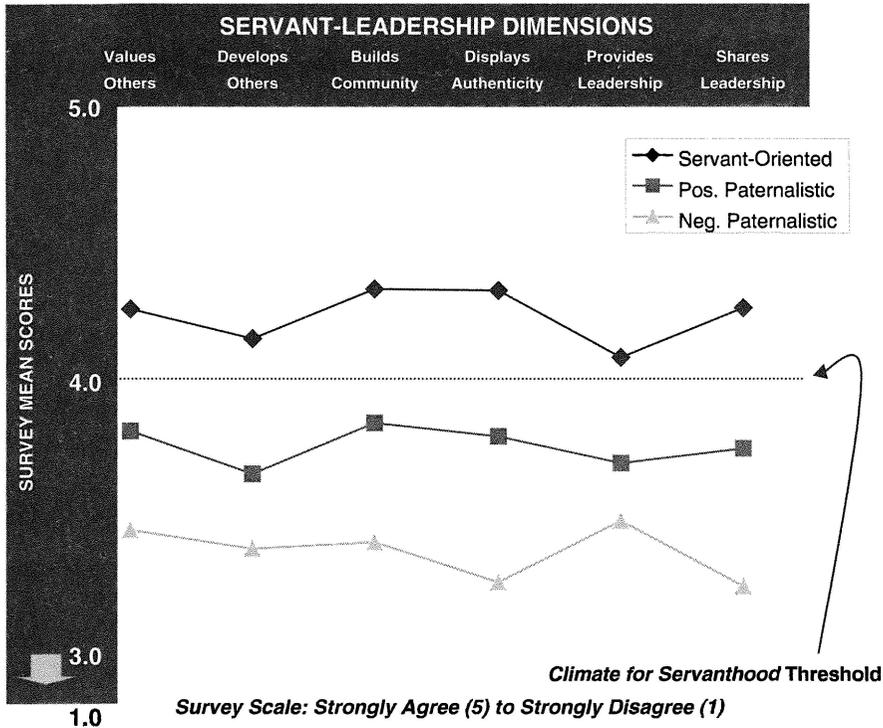


Figure 3. Servant-Leadership Dimension Results

their personal and professional values in a manner that invites full participation, self-responsibility, and interdependence. Servant organizations attract motivated individuals who welcome positive change and encourage continuous improvement (Laub). Here, organizational energy is continually renewed. In servant workplaces, failures are viewed as learning opportunities and creativity is both encouraged and rewarded. Successful innovation, the bedrock of social entrepreneurship, requires an organizational climate conducive to creativity. Innovation is both elusive and material; it is a feeling that is rooted in the prevailing organizational psyche that reflects both the organizational climate and the organizational culture (Ahmed, 1998). Certain characteristics must be embedded in the workplace experience to



promote innovation, including: (a) cooperative teamwork, empowerment, and autonomy; (b) resource diversity, time to think creatively, and intrinsic rewards for creative risk-taking behavior; (c) tolerance of mistakes and constructive conflict management; (d) open and transparent communication based on trust; (e) a sense of pride and ownership; (f) congruence between espoused and enacted values; and (g) celebration and encouragement (Ahmed; Martins & Terblanche, 2003). These conditions, so vital for advancing innovation, can be fully leveraged to catalyze social change.

However, in paternalistic enterprises organizational trust is more fragile, leaving some members uncertain about just how open they can be with one another (Laub, 2003). In these workplaces, risks may be taken, but there is an underlying fear of failure. Such organizations encourage creativity, but only to a point: moving too far away from status quo is undesirable. Either moderate or limited levels of organizational health may characterize paternalistic workplaces, depending upon the nature and expression of paternalistic behaviors.

In positively paternalistic environments where organizational health is moderate (Laub, 2003), reward power may be used to establish member loyalty (Wong, 2003). Leaders value relationships when they benefit organizational goals, but task execution is the first priority. Furthermore, members may experience tension stemming from an implicit expectation of conformity instead of open acceptance of diversity. In negatively paternalistic environments, conformity is expected and individual expression is discouraged (Laub). Members are valued more for their contribution and less for who they are. Even if utilizing a team structure, teams tend to be task-focused and display competitive energy versus collaborative behaviors. Leaders may delegate power, but only for specific tasks and positions. Generally, this is a noticeably individualist environment with limited organizational health.

Paternalistic leadership typically emerges as a form of benevolent rule (Wong, 2003), creating a tacit assumption that leaders are wiser and more knowledgeable than “followers” (i.e., other organizational members).



Paternalistic leaders tend to treat members as children, and whether positive or negative, remain firmly in a parental role (Laub, 2003). This behavior creates dependent relationships and inhibits individual and organizational maturation. Members come to rely on leaders for guidance and decision-making, ultimately jeopardizing long-term enterprise sustainability.

Social entrepreneurs are portrayed as transformative forces, relentlessly pursuing a vision to advance new ideas for addressing major problems. Often they are described as unique change agents, distinct from other social sector actors. Yet entrepreneurship requires that a multiplicity of individuals actively participate in the transformational process. Individuals distributed throughout an organizational network each possess essential, but incomplete, information. An entrepreneurial network creates innovation by combining skills and information in a manner that leverages resourcefulness and improvisation (Garud & Karnøe, 2003). Although building a social enterprise community was a distinguishing feature of servant-oriented social enterprises, with approximately half the study enterprises classified as paternalistic, there exists an opportunity for social enterprises to more actively foster the organizational conditions that nurture relationships and catalyze the emergence of productive enterprise communities.

While survey respondents in servant-oriented social enterprises perceived a notable presence of authentic behavior, perceptions in paternalistic workplaces trended downward. These results highlight the opportunity to foster deeper levels of authenticity among enterprise members and specifically among leaders. Similar to *building communities*, members in servant-oriented enterprises scored *displaying authenticity* among the highest dimensions (refer to Figure 3). The survey emphasizes the personal characteristics of integrity, honesty, and trustworthiness. The questions specifically draw attention to whether leaders are open to learning from others, able to constructively receive criticism, and voluntarily admit mistakes. When individuals create a negatively paternalistic climate, advancing from limited organizational health to a more productive climate requires profound transformation.



In practice, social enterprise leaders may struggle in expressing *provides leadership* and *shares leadership* behaviors as complementary. These dimensions were inversely related when comparing servant-oriented and negatively paternalistic climates (refer to Figure 3). It is both possible and desirable to empower others while providing leadership direction. As scholars similarly point out, organizations perform best when individuals are adaptive, yet highly consistent and predictable, and foster high involvement, but do so within the context of a shared vision (Denison & Mishra, 1995). Strikingly, members in servant-oriented and positively paternalistic enterprises scored *provides leadership* among the lowest dimension, yet *shares leadership* was scored relatively high. In contrast, members in the negatively paternalistic enterprise scored *provides leadership* as the highest subscale and *shares leadership* among the lowest. Social enterprise leaders would benefit by developing a more balanced expression of *provides leadership* and *shares leadership*.

A distance exists between knowing who others are and acting on the capacity to support who they want to become. This finding suggests a possible “knowing-doing” gap. The scored relationship between *valuing others* and *developing others* was similar in all enterprise climates (refer to Figure 3). In general, members perceived a higher level of *valuing* versus *developing* behaviors. Notably, in both servant-oriented and positively paternalistic enterprises, members’ perceptions of *developing others* measured among the lowest. Social enterprise members, particularly leaders, may benefit from developing coaching and mentoring skills so they can, in turn, facilitate the development of others.

LITERATURE REVIEW

A review of the literature centered on three primary theoretical models: (a) social enterprise and the corresponding field of social entrepreneurship; (b) organizational climate, as an embedded construct of culture; and (c) servanthood, as an organizational expression of servant-leadership. This first section includes a review of the emerging field of social entrepreneur-



ship and social enterprise models. The following section provides a review of the organizational climate and culture literatures. The third section presents the philosophy of servant-leadership, specifically the defining attributes of servanthood, and the servanthood climate survey instrument.

Emerging Field of Social Entrepreneurship

The institutionalization of social entrepreneurship, considered a phenomenon of recent history, was shaped by key events unfolding in a larger story (Hartigan, 2004; Martin, 2004). In the late 1980s, Bill Drayton founded Ashoka, an organization dedicated to developing the profession of social entrepreneurship by shaping a citizen sector that is entrepreneurial, productive, and globally integrated (Ashoka, 2005). Drayton traveled the world in search of individuals using innovative methods for advancing social change. Through Ashoka, Drayton assembled a global fellowship of social entrepreneurs and created a thriving social innovation community of practice.

In the ensuing years, the social entrepreneurship movement drew wider public attention as citizens became increasingly aware of exploding social and economic inequality occurring in the world (Martin, 2004). Corporate social responsibility and citizenship agendas emerged in parallel, largely motivated by anti-globalization sentiment and heightened media attention to social issues. Alongside these events, the rising legitimacy of commercial entrepreneurship, particularly evident in the United States, stimulated a new enterprising model. Social entrepreneurs leveraged these events, constructing a radical new worldview that combined social activism with business discipline.

The supposition is that this historic transformation now provides a bounty of compelling new careers that focus on instrumentally addressing the economic and social divide (Emerson, 2004; Drayton, 2002). Further, others acknowledge that civil and business societies now share the common language of entrepreneurship, enabling new patterns of collaboration and ushering in new organizational forms (Fourth Sector Network, 2005).



Three overarching perspectives characterize the variations in contemporary social entrepreneurship applications (Alvord, Brown, & Letts, 2002). One view holds that social entrepreneurship is a vehicle to catalyze large-scale social transformation (Ashoka, 2005). This perspective claims that small local changes reverberate across the social system network, producing larger long-term change (Alvord et al., 2002). Accordingly, this process demands an understanding of the complex social system interdependencies, permitting the introduction of new paradigms at critical junctures “that can lead to cascades of mutually-reinforcing changes that create and sustain transformed social arrangements” (Alvord et al., p. 137).

A second perspective describes social entrepreneurship as innovating for social impact. Innovations and social arrangements are the key mechanisms to advance social change, and little emphasis is placed on commercial viability (Dees, 2001). This view endorses the idea that unique traits of social entrepreneurs enable the discovery and exploitation of novel forms of organizing.

A third perspective defines social entrepreneurship as the combination of commercial enterprise with social outcomes. Often the organizing form takes the shape of social enterprise. From this view, social entrepreneurship is “the art of persistently and creatively leveraging resources to capitalize upon marketplace opportunities in order to achieve sustainable social change” (Social Enterprise Alliance, 2004, Lexicon section, ¶ 9).

Social Enterprise

As depicted in Figure 4, organizations may be distinguished from one another according to their business purpose and conceptually aligned along a spectrum of motives (Alter, 2004; Emerson, 2000; Dees, 1996). Purely philanthropic organizations that serve the public interest and rely solely on capital, labor, and in-kind donations (e.g., church pantry) anchor one end of the spectrum. Purely commercial enterprises that operate in a rational self-regarding interest, and exchange goods, services, and payments through economic markets, anchor the opposing end. In purely philanthropic orga-



nizations, money is neither the primary medium of exchange nor the measure of value creation. In contrast, pecuniary motives and measures are salient features of the purely commercial enterprise. Each of these organizations tends to be referenced by their legal status, non-profit versus for-profit, or colloquially described mission-driven versus profit-driven organizations. However, shorthand use of legal status or motive in isolation from other organizational variables is only partially informative (Dees).

Hybrid organizations operate in the middle ground between purely philanthropic and commercial enterprises and serve differing aspects of both social and commercial value creation (Alter, 2004; Dees, 1996; Emerson, 2000). A social enterprise is but one of four different hybrid organizations that uses a blend of market and mission-driven methods to achieve social impact (see Figure 4). Hybrid organizations adjacent to social enterprises include non-profit organizations with income-generating activities and socially responsible businesses.

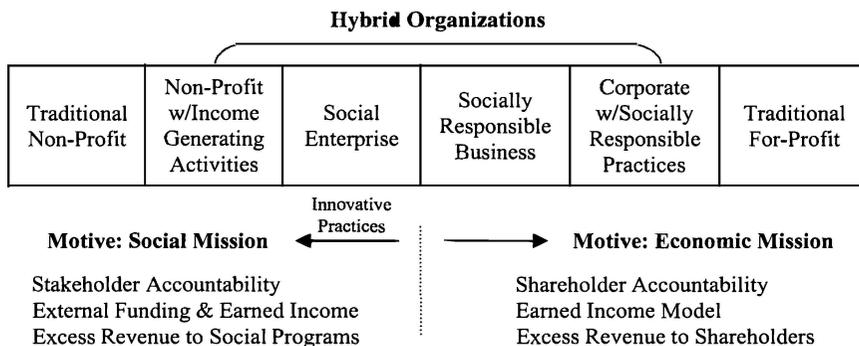


Figure 4. Spectrum of Hybrid Organizations

The legal structure of a social enterprise may vary; however, non-profit status is more common than for-profit structure. Furthermore, the distinction between a non-profit social enterprise and a non-profit organization with income generating activities is subtle and subject to debate (Alter, 2004). Alter argues that income-generating activities, when operated as a



business, differentiate social enterprises from other non-profit organizations. Dees (2005) augments this definition, incorporating a requirement for entrepreneurial and innovative methods for creating social change. For this reason, non-profit hospitals and other similar non-profit institutions are classified as non-profit income-generating organizations, not social enterprises (Dees, 1996). Innovative methods for delivering against a social mission, supported by entrepreneurial self-financing activity, render social enterprise unique. Entrepreneurship scholars and practitioners are becoming increasingly particular about making these attributes requisite components of the social enterprise construct (Boschee & McClurg, 2003; Dees, 2005). Their intention is partly to honor the remarkable contributions of social entrepreneurs and to call attention to the risk of endorsing exaggerated claims absent evidence of fundamental change (Boschee & McClurg).

A socially responsible business, situated on the commercial end of the spectrum, serves a primary goal of economic value in a way that respects ethical values, people, communities, and the environment (Dees & Anderson, 2003). Notable examples of this type of hybrid organization include Ben & Jerry's and The Body Shop. Emerson (2004) claims that "the work of social entrepreneurship and the creation of social enterprise is also the work of a for-profit manager striving to drive the practice of corporate social responsibility into her firm" (p. viii). Hence, a corporation with socially responsible business practices constitutes the fourth hybrid form. These businesses typically achieve social impact through the work of their corporate foundations or employee volunteer activities.

Advancing toward the commercial end of the organizational spectrum offers no guarantee of success, and Dees (1996) cautions that social enterprise leaders should be judicious when exploring this territory. Embedded in each structural option are management implications that warrant consideration. Subscribing to a market-discipline approach may be beneficial, but it may also risk diverting attention from an enterprise's social mission.

Social entrepreneurship is a key interpretive frame for elucidating the present-day construct of social enterprise; however, the non-profit manage-



ment and for-benefits perspectives also inform this practice. While the various interpretative frames define similar social enterprise characteristics, the perspectives reflect implicit assumptions about differing individual and organizational mindsets. These assumptions shape the behaviors of social enterprise practitioners and their workplace environments.

When social enterprise becomes a vehicle for non-profit self-sufficiency, then the non-profit mindset informs individual and organizational behavior. The Institute for Social Entrepreneurs (2005) suggests that attitudinal differences embedded in traditional non-profit and for-profit mentalities often elicit profoundly contradictory behaviors. Flannery and Deiglmeier (1999) point out that the differences stem from conflicting underlying assumptions concerning risk-taking, time, human relationships, and purpose for existence. For example, the “nonprofit arena is set up to minimize risk” (p. 5), creating a risk-averse mindset. These underlying assumptions manifest in activities ranging from everyday decision-making to strategic planning.

Interestingly, the nonprofit paradigm may be obscuring the potentialities of this field by overshadowing the entrepreneurial influence that ignited the movement. Today, some non-profit organizations adopt the social enterprise construct to mitigate the consequences of declining funding sources, rather than as an expression of entrepreneurship. Dees (1996) posits that the increasing popularity of market-based solutions to social problems artificially accelerated this form of commercial activity. The non-profit vocabulary and mindset are now embedded in the social enterprise discourse, particularly in the United States. While non-profit organizations have a long history of generating revenue to supplement or complement their social mission (Sealey, Boschee, Emerson, & Sealey, 2000), the application of market-based approaches for non-profit organizations has sparked critical debate. The recent literature now employs a cautionary tone when discussing the use of commercial methods for non-profit revenue generation (Dees & Anderson, 2003).

In contrast, when social enterprise is conceptualized as the institutional



expression of social entrepreneurship, then the individual and organizational mindsets reflect the trademark characteristics of entrepreneurship. Schneider (1987) argues that people behaving in organizations make organizations what they are. Social entrepreneurs embrace the exploitation of novel opportunities, using innovative methods and distributed entrepreneurial agency. Furthermore, they pursue opportunities to deliver against a dual mission without regard to resources at hand, consequently bearing more risk than would be associated with more secure forms of access to resources (Dees, 2001). These behaviors distinguish entrepreneurial management from administrative management (Dees).

Organizational Climate and Culture

The climate and culture literatures address the creation and influence of social contexts in organizations and reveal considerable conceptual and definitional similarity (Denison, 1996; McMurray, 2003), offering crucial building blocks for organizational analysis (Schein, 2000). Climate and culture scholars seek to uncover the mysteries of organizational life, to distinguish between what is manifest or latent, the cognitive from the social, and the objective from the subjective (Denison, 1996).

Organizational climate research, the elder sibling to organizational culture, made early strides in research and literature, but was quickly eclipsed by significant interest in the culture phenomenon (Schneider, 2000). Set against the 1980s landscape of global competitive markets, academics shifted focus from climate to culture, targeting a rising commercial market of business practitioners and positioning culture as a vehicle for competitive advantage (Deal & Kennedy, 1982; Pascale & Athos, 1981; Peters & Waterman, 1982). Organizational culture, with its emphasis on underlying values and assumptions, captivated an audience eager for a new language with which to speak about and understand an elusive aspect of organizations—organizational behavior. Concurrent with the growing prominence of organizational culture, culture researchers trained in ethnographic tech-



niques leveraged this opportunity to reassert the qualitative paradigm as scientifically legitimate (Martin, 2002).

Today, organizational climate and culture are often viewed as integrated phenomena. A review of the literature revealed numerous instances in which climate and culture studies were interchangeably classified as one or the other. Despite the difficulty of distinguishing between culture and climate definitions, it is possible to claim that climate is a way of measuring culture (Payne, 2000). Climate describes how individuals experience their organizations by measuring their perceptions of their workplace. How leaders behave and what actions leaders reward largely shape these perceptions. Behavior and espoused values comprise the surface and intermediate levels of organizational culture, which are measurable through the construct of climate. Organizational climate is a measurable phenomenon that reflects a social psychological reality that is shared by organizational members and impacts organizational behavior (Evan, 1968).

The most widely used definition claims that *climate* refers to common perceptions held by individuals in reaction to a situation (Denison, 1990, 1996).

Organizational climate is a relatively enduring characteristic of an organization which distinguishes it from other organizations: and (a) embodies members' collective perceptions about their organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation and fairness; (b) is produced by member interaction; and (c) serves as a basis for interpreting the situation; (d) reflects the prevalent norms, values and attitudes of the organizations' culture; and (e) acts as a source of influence for shaping behavior. (Moran & Volkwein, 1992, p. 20)

Climate research targets issues of interest, referred to as dimensions, such as a climate for service, or innovation, or empowerment (Schneider, 1975). Some scholars (Denison 1996; Schneider et al., 2000) note that there is no natural limit to the dimensions characterizing the climate domain. Ultimately, the development of climate measures should specify a



theoretically meaningful and analytically practical universe of all possible dimensions, from which a salient subset can be used (Koys & DeCotiis, 1991). Choosing a subset does not deny the existence of a larger universe of facets; rather, it indicates the relevance of some particular dimensions within a given context.

The most basic characteristic of an organizational climate index is its referent, the organization (Denison, 1990, 1996). As a theoretical model, organizational climate is a unit-level construct with shared unit properties; the properties originate in the individual unit members' experiences, attitudes, and perceptions and emerge as a consensual, collective aspect of the unit as a whole (Kozlowski & Klein, 2000). The aggregation of lower-level variables into higher-level variables creates an aggregate-level construct that is both related to and different from its lower-level counterpart; it is partially isomorphic (Bliese, 2000). Bliese refers to this aggregation as a "fuzzy composition process."

James and Jones (1974) argue that homogeneous perceptions can be aggregated to represent climate as an organizational property; however, perceptual agreement is a precondition for use of aggregated mean scores as a meaningful indicator of this organization-level construct (George & James, 1993). In establishing agreement, it must be evident that organizational members' responses are more similar to each other than would be expected by chance.

Servant-Leadership: A Construct of Servanthood

Servant-leadership requires new terms of engagement between individuals in a leadership relationship. This philosophy calls each member to be personally accountable for the success of a group or organization, dispersing responsibility throughout the organization. The mental model shifts from a mechanistic to a quantum paradigm (Zohar, 1997). Mechanistic perspectives embed hierarchy, structure, and control in the organizational environment (Wheatley, 1999). The quantum mindset claims that unity is the fundamental truth; relationships are processing structures that function best



when there are participation, empowerment, autonomy, and the unobstructed generation and exchange of information (Wheatley).

Greenleaf (1977) proposed the organizing concept of *primus inter pares*, first among equals, to facilitate the creation of dynamic and agile organizational systems guided by a conceptual leader who “sees the whole in the perspective of history—past and future—states and adjusts goals, analyzes and evaluates operating performance, and foresees contingencies a long way ahead” (p. 66). This organic system leverages the diversity and capacities of each individual, enabling the group to anticipate and create the future (McCollum, 1995). Wheatley (1999) claims that self-managed teams are more productive than any other organizing form and exceptionally successful in adapting to uncertainty.

Although Greenleaf was a life-long business practitioner, he articulated his philosophy as a conceptual framework, rendering its application difficult (Northouse, 2001). Greenleaf’s inspired servant-leadership writings did not materially circulate among leadership scholars and practitioners until the last ten years. Mainstreaming this literature has been a slow process. In an attempt to operationalize this philosophy, other writers extracted characteristics, behaviors, and attitudes from Greenleaf’s original work. A review of Greenleaf’s writings resulted in the publication of ten key characteristics of a servant-leader, including: (a) listening, (b) empathy, (c) healing, (d) awareness, (e) persuasion, (f) conceptualization, (g) foresight, (h) stewardship, (i) commitment to the growth of people, and (j) building community (Spears, 2000).

Greenleaf was purposeful in sidestepping the convention of prescribing attributes or traits of servant-leaders. His focus was the consequential impact of servant-leaders’ actions on others and the institutional environments in which they worked. He positioned servant-leadership outcomes as the ultimate test of effectiveness. Leadership theories often espouse effectiveness, yet few define the measure by which it is evaluated. The performance measure for servant-leadership is whether those served grow as individuals, and whether they become healthier, wiser, more autonomous,



freer, and more likely to serve others, while benefiting or at least not further depriving the least privileged of society (Greenleaf, 1977; Spears, 1995).

Although scholars, business leaders, and organizational consultants claim that servant-leadership core concepts are essential prescriptions for the twenty-first century organization (Bennis & Nanus, 1998; Block, 1993; Drucker, 1999; Jaworski, 1996; Senge, 1997; Wheatley, 1999; Zohar, 1997), few tools exist that operationalize and measure this construct. A review of the literature identified only three research instruments that explicitly target servant-leadership in an organizational context. Abel (2000) identified the work environments in which servant-leaders are effective or ineffective. However, Abel's theory of workplace effectiveness focused exclusively on the servant-leader cohort in the context of the environment, and empirical validation was not conducted. Ehrhart (2001) developed a general measure of servant-leadership based solely on a literature review and validated by a field test consisting of 254 university students averaging 19 years of age with limited work experience. Furthermore, he defined leadership as a "unit-level cognition about how unit members as a whole are treated by the leader" (p. 36). This definition overlooks the reciprocal and relational nature of social exchange in the servant-leadership paradigm.

Laub (1999) constructed a survey instrument, the Organizational Leadership Assessment (OLA), based on a Delphi process consisting of 14 servant-leadership experts. Laub translated the servant-leadership conceptual framework into an applied model, creating the only empirically field-tested instrument known to the researcher. The OLA was designed as a comprehensive model of servant-leadership applied to organizational life (Laub). The OLA examines the distributed aspects of leadership and servanthood by measuring perceptions across all organizational levels. It has proven to be a valid and reliable instrument with strong construct and face validity (Laub, 1999, 2003). In operationalizing the servant-leadership philosophy, six dimensions emerged as key characteristics: 1) values others, 2) develops others, 3) builds community, 4) displays authenticity, 5) provides leader-



ship, 6) shares leadership (Laub, 1999). These six dimensions underpinned this research study.

The OLA instrument intentionally employs common use vocabulary terms to facilitate ease of understanding for all organizational members. The instrument is sectioned into three parts, measuring the respondent's perceptions of: (a) a generalized view of all organizational members; (b) a generalized view of all executive leaders/directors, managers, and supervisors; and (c) his/her direct relationship with his/her leader(s). The data may be analyzed at the organizational or organizational sub-group level. As it is a multi-rater instrument, perceptual comparisons may be made to assess differences between cohorts based on predefined demographics (e.g., level, tenure, gender).

RESEARCH METHODOLOGY AND SAMPLE DESCRIPTION

This study was designed as exploratory research, employing a survey method based on nonprobability sampling. The OLA survey instrument supported the introduction of the multilevel climate for servanthood construct, aligning theory with measurement. The OLA instrument is consistent with the protocol requirements for organizational climate instruments, specifically: (a) non-evaluative, non-objective measures are to be used; (b) data are perception-based and amenable to analysis at various levels; (c) dimensions are theoretically sound; and (d) items describe facets of the organizational experience/environment, exclusive of organizational structure (Koys & DeCotiis, 1991; Newman, 1977; Schneider, 1975).

Thought and practice leaders in the social enterprise domain recommended organizations to include in the sample. Each expert was asked to provide at least five recommendations based on sample selection criteria that included: (a) the study definition of social enterprise; (b) a geographic region defined as the United States of America; and (c) a requisite number of organizational members (i.e., employees and volunteers) totaling at least ten individuals. Some individuals suggested additional field experts and provided email addresses to facilitate direct inquiry. Twenty social enter-



prise organizations agreed to participate in the study from the sample frame of 49 enterprises. Of the 20 participating organizations, 16 provided useable data. Results were based on 208 surveys collected from these 16 social enterprises located throughout the United States and in Canada.

The survey, conducted via the Internet, ran from September 21 to October 17, 2005 on a 24x7 schedule. WebSurveyor® Corporation, an independent commercial application service provider, hosted the survey site, capturing data via secure and confidential electronic methods. Organizational demographic information was collected from each participating social enterprise. These organizational data included: social enterprise business area, year founded, total FTEs, total budget, and social enterprise profitability status. This data is displayed in Table 1.

In addition to the organizational information collected, five personal demographic questions were asked of the survey respondents. Specifically, the questions inquired about respondents' organizational role and tenure, gender, education, and age. The survey required that respondents give responses to all questions, but they could choose the option of "decline to answer" for age, gender, and education related questions.

The survey sample included 52.9% female, 38.1% male, and 9% who declined to answer. Over half of the respondents (57.1%) completed undergraduate or graduate education. Of those providing an age, 43.8% were less than 40 and 45.2% were 40 or older; 11% declined to answer. The majority of participants (69.5%) worked for the social enterprise three years or less, 18.2% worked between four to six years, and 12.3% had a tenure of seven years or greater. Overall, the sample consisted of 21.0% Executive Leaders/Directors, 31.9% Managers/Supervisors, 37.6% Staff, 5.2% Board Members, and 3.3% Volunteers. One percent of organizational role data was missing.



Table 1: Social Enterprise Organizational Demographic Data

Variable	Category	N	Percentages	n	Percentages
Business Area	Education	1	6.3	25	11.9
	Environment/Animals	1	6.3	6	2.9
	Health	2	12.5	13	6.2
	Human Services	5	31.3	100	48.1
	Public/Society Benefit	2	12.5	11	5.2
	Other	5	31.3	53	25.7
	Total		16	100.0	208
Year Founded	Before 1990	4	25.0	98	47.1
	1990-1999	6	37.5	46	22.1
	2000-2005	6	37.5	64	30.8
	Total	16	100.0	208	100.0
FTEs	0-9 FTEs	6	37.5	49	23.3
	10-19 FTEs	6	37.5	50	24.3
	20-39 FTEs	2	12.5	30	14.3
	> 40 FTEs	2	12.5	79	38.1
	Total	16	100.0	208	100.0
Tax Status	Non-Profit	15	93.7	196	94.3
	For-Profit	1	6.3	12	5.7
	Total	16	100.0	208	100.0
Operating Budget	< \$499,999	4	25.0	30	14.3
	\$500,000 - \$2.4 million	6	37.5	46	22.4
	> \$2.5 million	6	37.5	132	63.3
	Total	16	100.0	208	100.0
Profit Status	Requires Subsidy	5	31.2	40	19.0
	Breakeven	4	25.0	29	14.3
	Financial Surplus	3	18.7	80	38.1
	Uncertain	1	6.3	5	2.4
	Other	3	18.7	54	26.2
	Total	16	100.0	208	100.0

This research study viewed climate and culture through the “Integration” frame (Martin, 2002) whereby perceptual consensus was necessary to justify aggregating data (George & James, 1993). When studying organiza-



tional climate, it is important to show that group members agree in their perceptions of the workplace. Measurement indices must indicate that survey ratings are more similar to each other than would be expected by chance. Climate-related agreement levels for the study enterprises ranged from moderate to high, and were accompanied by a considerable degree of respondent reliability. Therefore, survey responses could justifiably be aggregated for each study enterprise. Based on the aggregated average survey score, each enterprise was placed into one of the organizational climate and health categories. This study utilized the procedure for estimating agreement based on the indices presented by Lindell (2001). Findings from this exploratory study of social enterprise organizational climate may be used, with caution, to draw inferences about deeper levels of organizational culture.

Directions for Future Research

As with all empirical research, certain limitations were associated with this study. First, a non-random and restricted sample size limited this research. Second, since this study pioneered exploration of the social enterprise workplace experience, a lack of comparative data constrained interpretive analysis. Finally, OLA research using the Autocratic-Paternalistic-Servant model of organizational health is nascent and OLA norm group data are limited. This study also introduced new measurement methods for OLA research, and comparative data from multi-organization OLA studies do not exist.

Because this study was the first to examine the interior life space of social enterprises, additional research is needed to more broadly characterize the enterprise workplace experience. Therefore, future directions for research include replicating this study, but increasing the number of social enterprises with a particular focus on diversifying enterprise size and age demographics. Doing qualitative research to experientially investigate the lived organizational practices in social enterprises would be beneficial,



since individuals may respond to survey questions based on idealized perceptions of behavior.

Are all servant organizations great workplaces? Furthermore, are all great workplaces servant organizations? Great workplaces outperform the market based on economic indicators. Whether servant enterprises demonstrate higher levels of organizational performance is uncertain, presenting another interesting area for further study. The opportunity exists to explicitly test whether the servant-oriented enterprises found in this study meet the empirical requirements for great workplaces as measured by the Great Place to Work Institute® (2005).

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