



## SERVANT-LEADERSHIP

### *A Response to Downsizing*

—MARK MCVAY

Downsizing and devaluation of the human asset are traditional responses to difficult economic times. Traditional approaches that support this method, command and control or authoritarian leadership models, do not deliver the benefits promised as a result of downsizing. Of great significance in the current context of complexity and dissonance, servant-leadership is a valid alternative and companies that are supportive of Robert Greenleaf's characteristics of servant-leadership have demonstrated positive results in the marketplace.

In this time of economic turmoil, the world cries out for servant-leadership. The sad truth is that “many companies treat their people as disposable. At the first sign of business difficulty, employees—who are routinely referred to as “our greatest asset”—become expendable (Sirota, Mischkind, & Meltzer, p. 1). Looking at an organization as a tree, we see that it needs leaves (customers) to carry out photosynthesis. It needs a strong trunk (physical assets) to protect and support it. Most importantly, it needs a solid root structure (the organization's people) as a base so that it may thrive. Servant-leadership is focused on an organization's root structure in the knowledge that trunks can be repaired and leaves may grow back, but without a solid root structure, a tree will certainly perish.

Three of the tenets of servant-leadership are stewardship, commitment to the growth of people, and building community (Spears & Lawrence, 2004, pp. 15–16). Downsizing, firing, and laying people off may be a necessary part of business, but too often they are employed as valid strategies to maximize shareholder value. Left in the wake of these decisions are disgruntled employees and, too often, companies that do not perform at the level to which they aspire. The problems created by downsizing can lead to long-term mistrust of leadership. As Legace (2006) explained,



We recently saw this same type of tension at Hewlett-Packard, the Silicon Valley technology giant. HP is famous for its values, known as the “HP Way.” Employees saw the actions of former CEO Carly Fiorina in 2001–2002, including large-scale layoffs and the HP-Compaq merger, as violating HP values, which they understood as revolving around mutual respect and the company as a family. (Lagace, 2006, para. 15)

Servant-leadership is a better model than command and control for business because it addresses the needs of society. Servant-leadership has a way of fulfilling both those affected by it and those who practice it. Finally, companies that are committed to a servant-leadership model can perform at very high levels both ethically and financially. In order to conceptualize servant-leadership and its positive potential with regard to downsizing or the elimination of employee downsizing, it is important to understand the argument for authoritarian control and the factors that make authoritarianism, ultimately, a mistake. Next, it is important to understand what servant-leadership is and what it is about. Finally, it is important to be aware of the factors that have allowed servant-leader-based organizations to thrive in today’s competitive marketplace.

#### COMMAND AND CONTROL: THE COUNTER OF SERVANT-LEADERSHIP

Critics of servant-leadership will claim that it is too soft or too weak a leadership style to effectively navigate a company through the tumultuous waters of the twenty-first century. Such leaders, in this case represented by Al Dunlop, contend that

the essence of Mean Business is competitiveness—how to become competitive and perhaps more important, how to stay competitive. That’s what I am about. That’s what you need to be about because the harsh reality of business life is that what works today won’t even be satisfactory tomorrow. The predators are out there circling, trying to stare you down, waiting for any sign of weakness, ready to pounce and make you their next meal. (Dunlop, 1996, p. ix)

In the 1990s, “Chainsaw” Al Dunlop was revered as one of America’s great business leaders. Many business thinkers might argue that a CEO’s job is simply to improve the financial performance of the company he or she is running (Ivans, 2000, p. 1). Dunlop’s method of leadership was transactional and autocratic. He had no qualms about sacrificing jobs for profits. He once stated as proof of his positive relationship with labor that “the incredible thing was that we eliminated 7,000 union jobs, one in every five, yet had no



strikes and, to the best of my knowledge, no grievances. Not one” (Dunlop, p. 172). Many leaders in business reject the servant-leadership approach to work and career and take a much more Nietzschean approach to work. Frank Pacetta, a well-known sales leadership consultant, wrote of the will to win in business: “What I do as a manager is give my people permission to compete, to win—to exult when they’re the best. And to despair when they’re not” (Pacetta, 1994, p. 46). Pacetta also asserted, “Consequences. I know I’ve used the word before, but I’ve got to keep repeating it. You’ll never have a high-energy, high voltage workplace without consequences” (p. 145).

To leaders like Dunlop and Pacetta, the workplace is about building themselves up. They employ an autocratic leadership style in order to accomplish what they deem important. The authority-compliance leadership style they employ devalues the person in an attempt to achieve particular results (Northouse, 2007, p. 73). The only time the appearance of a servant attitude would be tolerated by these autocrats would be, as Nietzsche put it, “so as to satisfy the will to power in a larger whole: submission, making oneself indispensable and useful to those in power; love, as secret path to the heart of the more powerful—so as to dominate him” (1968, p. 406). Nietzsche might call servant-leadership an attempt to “rescue” one’s otherwise woefully inadequate “common life” (p. 114). Nietzsche expressed the belief that the real purpose in life was the “will to power.” He argued from a Nihilistic approach, contending that humanities values have no real purpose and that morality is a farce (p. 34). He claimed that there was no reason not to aggressively pursue one’s own self-interest and that we should accept that all other life purposes are cultivated “in vain” (p. 34).

The gurus of the nineties are not the only ones advocating the antithesis of servant-leadership. Many of our business leaders today have willfully accepted this view. Memories of Enron’s misdeeds remain all too fresh for many of us. The company’s manipulation of accounting procedures eventually led to its total collapse, and thousands of employees lost their life savings. Several members of the executive team were sentenced to prison (“Ex-Enron Executive Gets Prison Sentence,” 2006). Selfish and autocratic leadership styles can create business environments that effectively “burn out” employees (Rude, 2003, pp. 1–8). In fact, Sirota, Mischkind, and Meltzer (2006) of Harvard University have concluded that a command and control style of management generally leads to failure. Their contention is that many business leaders create a negative working environment: “About half of the workers in our surveys report receiving little or no credit, and



almost two-thirds say management is much more likely to criticize them for poor performance than praise them for good work” (p. 1). Rather than urging people to success, command and control leadership can actually create an environment of indecision that hampers change. According to Janice Molloy, in her interview with Iva Wilson (one of the authors of the 2000 book *The Power of Collaborative Leadership*), she learned that command and control created an environment at Philips Display Components in which

employees waited for direction from above before acting, and trust between management and the workforce was low. Wilson and her management team became convinced that, for the company to regain its competitive advantage, they would have to adopt a more collaborative management style. (Molloy, 2002)

Complex work environments and technology make a command and control style difficult, as utilizing many decision makers has become the norm (Zdenek & Steinbach, 2000).

Authoritarian leadership rarely works for an extended period. Al Dunlop was successful at turning Scott Paper around financially, albeit at the expense of thousands of jobs. His next venture was not as profitable for any of the players. Shortly after taking the reins at Sunbeam, Dunlop’s next corporate assignment, he speculated,

Well, I think that, when you looked at when I came to Sunbeam, the stock went up fifty-nine percent the first day, and that’s, we’re led to believe, the highest, biggest increase in the stock price of a New York Stock Exchange traded company in the history of the New York Stock Exchange. But I think, why is that happening? That’s happening because people know what I’m gonna do. They know I’m gonna put together the best management team. They know I’m gonna dramatically cut the cost. They know I’m gonna focus on the core business. And they know I’m gonna come up with a winning strategy, and that’s really what they’re betting on. And they know I’ll implement it. (Smith, Part I, p. 1)

The reality of what happened at Sunbeam was much different. Shortly after taking over, Dunlap fired most of the senior management staff and announced plans to lay off six thousand workers (Stanwick & Stanwick, 2003, p. 1). By 2001, Sunbeam had declared bankruptcy (p. 1). Dunlap’s ego had driven him to alter accounting documentation. This eventually led to his prosecution by the Securities and Exchange Commission. In 2002, Dunlap agreed to pay \$500,000 for his wrongdoing (Roland and Mathewson, 2002).



There do appear to be consequences for a Nietzschean, moral-less quest for power. Finally, I know the frustration a leader experiences when he or she places the needs of the individual ahead of the needs of the larger group of employees. At Cascade Windows, I served as Chief Operating Officer and vice president of sales and marketing. During that time, I frequently reduced headcount as a tool to bring budgets into line or to assert control over poorly performing business units. What I was left with as a leader was not an awareness of my own power, although I made significantly more money each time I slashed headcount. I was left with the knowledge that I had contributed to a loss of community, an awareness that I had failed to act with true empathy, and an overwhelming sense of guilt that I had sacrificed others for my own and other executives' personal gain.

#### SERVANT-LEADERSHIP DEFINED

If an authoritarian command and control view of leadership derives its energy from Nietzsche's idea that there are no moral justifications and that man is essentially living a meaningless life aside from his animalistic pursuit of power, then it could be said that the idea of servant-leadership might derive some momentum from Victor Frankl's idea of purpose or will to meaning. Frankl explained that he and practitioners of his philosophy "are convinced that there is a meaning to fulfill" (Frankl, 1970, p. 68). Servant-leaders believe that there is meaning in the life of each employee. Servant-leadership is not simply a strategy for accomplishing goals within this workplace. As Wallace put it,

A key implication is that servant-leadership does not exist as merely a tool to use; rather, it is more of an archetype or ego ideal that governs daily interactions. It does not represent leadership that merely serves, but servant-leadership as a whole. It has more to do with being than merely doing. In my view, what servant-leadership presents is being a servant. (Wallace, 2007, p. 128)

In this way, servant-leadership differs from a command and control-based strategy. According to Larry Spears,

Servant-leadership is providing a framework from which many thousands of known and unknown individuals are helping to improve the way in which we treat those who do the work within our many institutions. Servant-leadership truly offers hope and guidance for a new era of human development. (2002, p. 166)



James Autry, one of the pioneers of modern servant-leadership and a former Fortune 500 executive, considers servant-leadership to be a mixture of helping and serving, or, as he calls it, being a resource. He explains:

The leader's responsibility, or one of them, is to ensure that the people have the resources that they need to do the work to accomplish their objectives, and the principal resource is you, the leader. You have to serve the people and to think of yourself as a resource, as a servant to them. (2004, p. 61)

Margaret Wheatley defined servant-leadership as getting back in touch with the heart, noting,

In this great myth of individualism, we have created a culture of people who are often selfish, who are often self-serving, who are often greedy, who are often indifferent to each other's presence, wonder or human plight. But it feels imperative for me to say that the people we are faced with now, those negative behaviors of cynicism, and anger, withdrawal, and paralysis—which are worldwide in my experience—those negative behaviors are not who we are. And it's not those negative behaviors that made your heart leap out. Whenever your heart leapt out, and you knew you needed to serve, that was a moment to recall because at that moment, you knew the truth about human nature. You knew who we are. And the motivation to be a servant-leader is always, in my experience, from the recognition of who we really are. Beyond the cynicism, beyond the dependency, beyond the paralysis, beyond workers and colleagues and communities who don't know how to talk to each other anymore, beyond all of that you knew at some point that in the human being, there is enormous capacity. And you wanted to help bring that capacity forth. (1999, para. 13)

Greenleaf (2002) described servant-leadership, explaining, "A fresh critical look is being taken at the issues of power and authority, and people are beginning to learn, however haltingly, to relate to one another in less coercive and more creatively supporting ways" (p. 23). Greenleaf suggested that "a new moral principle is emerging" that proposes "allegiance" is granted by the follower to the leader only when the leader demonstrates the characteristics of a servant (pp. 23–24). He wrote, "Those who choose to follow this principle will not casually accept the authority of existing institutions. Rather, they will freely respond only to individuals who are chosen as leaders because they are proven as trusted servants" (p. 24).



## GREENLEAF'S TEN CHARACTERISTICS OF SERVANT-LEADERSHIP

Robert Greenleaf explained that servant-leadership “puts serving others—including employees, customers, and community—as the number one priority. Servant-leadership emphasizes increased service to others, a holistic approach to work, promoting a sense of community, and sharing of power in decision making” (Spears, 2004, p. 12). Larry Spears, president and CEO of the Spears Center for Servant-leadership, identified Robert Greenleaf’s ten key traits of servant-leadership (2004, pp. 13–16).

### *Listening*

In the Smith article on “Chainsaw” Al Dunlop, the autocratic leader referred to himself nine times in one quoted paragraph (Smith, para. 19). This demonstrates that Dunlop really did think highly of himself. His tactic was to look over a company and begin changing things all around the firm. According to DeGraff, Tilley, and Neal, listening is one of the key elements of servant-leadership (2004, p. 135). They explain,

We acknowledge the importance of communication within our organizations, and we recognize that ineffective communication leads to misunderstandings and mistakes. Yet it is estimated that 45 percent of organizational energy is dissipated because of misunderstanding, and that two out of every three mistakes occur because of miscommunication. (p. 135)

Greenleaf (2003) cautioned that many leaders are not good listeners (p. 45). He observed, “Listening begins with attention and the search for understanding, both the outward manifestation and the inward conviction of really searching to understand” (p. 45). According to Spears, “Listening, coupled with regular periods of reflection, is essential to the growth of the servant leader” (2004, p. 13).

### *Empathy*

Greenleaf (1998) wrote that as a servant-leader, “One assumes the good intentions of co-workers and does not reject them as people, even when one is forced to refuse to accept their behavior or performance” (p. 5). Greenleaf (2002) defined empathy as “the imaginative projection of one’s own consciousness into another being” (p. 33). Lastly, Greenleaf noted that



acceptance and toleration of imperfection are key elements of empathy (p. 34). In fact, he observed,

People grow taller when those who lead them empathize and when they are accepted for what they are, even though their performance may be judged critically in terms of what they are capable of doing. Leaders who empathize and who fully accept those who go with them on this basis are more likely to be trusted. (p. 35)

In order to develop empathy for those we seek to lead, it is important to understand the expectations that we hold for our team members, our position within the organization, and ourselves (DeGraaf, Tilley, & Neal, 2004, p. 138). As Spears put it,

The servant-leader strives to understand and empathize with others. People need to be accepted and recognized for their unique spirits. One assumes the good intention of co-workers and does not reject them as people, even when one is forced to refuse to accept their behavior or performance. (2002, p. 157)

### *Healing*

According to Spears, “One of the great strengths of servant-leadership is the potential for healing one’s self, and others” (Spears, 2002, p. 157). DeGraff, Tilley, and Neal note that management buzzwords such as “downsizing, reengineering, and doing more with less” have left those remaining in organizations in a constant state of change, leaving them unable to do so much as reflect and catch their breath (2004, pp. 141–142). The authors pointed out the “importance of responding in a healing manner as problems and crises develop” (p. 142). Greenleaf (2003) described healing as an attempt to make one whole (p. 60). He wrote, “There is something subtle communicated to one who is being served and led if, implicit in the compact between servant-leader and led, is the understanding that the search for wholeness is something they share” (p. 60).

### *Awareness*

Marcus Aurelius cautioned us to “Look deeply. Don’t miss the inherent value and quality of everything” (cited in Forstater, 2000, p. 252). Similarly,



DeGraaf, Tilley, and Neal suggested that “reflection also offers the opportunity for us to renew the passion that attracted us to our jobs in the first place” (2004, p.143). Greenleaf noted,

The cultivation of awareness gives one the basis for detachment, the ability to stand aside and see oneself in perspective in the context of one’s own experience, amid the ever-present angers, stresses, and alarms. Then one sees one’s own peculiar assortment of obligations and responsibilities—a detached view of oneself in the world that enables one to sort out the urgent and the important from the less urgent and less important and perhaps deal with the latter. (1996, p. 323)

Spears cautions that awareness is not always a comforting trait. Awareness can open our eyes to injustice and pain, provoking us to action (Spears, 2004, p. 14). Awareness of the situations in which we are involved leads to a better understanding of the relevant issues and ethics (p. 14).

### *Persuasion*

Perhaps the largest difference between authoritarian command and control leadership and servant-leadership is the reliance on persuasion. Greenleaf (1998) explained, “Leadership by persuasion has the virtue of change by conviction rather than coercion. Its advantages are obvious” (p. 135). Rather than dictating control and direction, servant-leadership calls on its practitioners to have a “primary reliance on persuasion rather than positional authority in making decisions within an organization” (Spears, 2004, p. 17). In fact, very effective organizations are populated with passionate communicators capable of persuasion rather than “impersonal, authoritarian hierarchies that bully people into producing results under pressure” (DeGraaf, Tilley, & Neal, 2004, p. 145). Persuasion is based on open dialogue. There must be participation by both the object of the persuasion and the persuader. If the people being persuaded aren’t engaged and encouraged to participate, then dialogue is not occurring (p. 146).

### *Conceptualization*

Another key to servant-leadership is the ability to look beyond the day-to-day events that each manager or leader must address in order to conceptualize the whole of the organization (Spears, 2004, p. 14). Greenleaf



(1996) describes conceptualization as “the ability to see the whole in the perspective of history—past and future—to state and adjust goals, to evaluate, to analyze, and to foresee contingencies a long way ahead” (p. 217). The ability to develop a vision for the organization is crucial to its success. Without this vision and focus on the whole, an organization risks losing its focus and becomes susceptible to the forces of downsizing and other inhuman forms of correction. According to DeGraff, Tilley, and Neal, “The following words, etched over the entrance to the main post office in St. Louis, seem to sum it up best: ‘Where there is no vision, the people perish’” (2004, p. 150).

### *Foresight*

Another key to servant-leadership is foresight. People look to leaders to navigate the future. Although there is no way to predict the future, leaders who work on scenario building and planning can prepare their people and their organization for the future (Kim, 2004, p. 203). Forecasting and predicting are not the same. Daniel Kim gives us an example.

If it rains in the foothills of the Himalayas, we cannot forecast exactly when the rivers will swell and flood the valleys, but we can predict with certainty that flooding will occur. The better we know the structure of the terrain, the greater knowledge we have about the flooding to follow. An ethical responsibility of all leaders is to know the underlying structures within their domain of responsibility and to be able to make predictions that can guide their people to a better future. (pp. 203–204)

Kim was also aware that Greenleaf felt very strongly about this aspect of leadership, calling lack of foresight an “ethical failure” (p. 202). Greenleaf expected servant-leaders to be “in every moment of time, historian, contemporary analyst, and prophet—not three separate roles” (2002, pp. 38-9). He believed that lack of foresight was an ethical failure (p. 39). Downsizing is a response to lack of foresight. One study found that companies that downsized and pursued major cost-cutting initiatives rarely experienced renewed growth down the road (Baptista & Gertz, 1995, p. 37). In fact, research conducted by Baptista and Gertz between 1988 and 1993 showed that only 7 percent of companies that had pursued a downsizing strategy were able to resume a growth model in the following years (p. 37).



## *Stewardship*

The idea of stewardship really means that we are accountable to something higher than ourselves (DeGraaf, Tilley, & Neal, 2004, p. 154). In other words, a servant-leader is not in his or her position merely to achieve a better standing, but to take care of the organization for all—especially since “research in the United States has shown that staff-friendly policies can make an impact directly on the bottom lines of small and multinational companies alike” (p. 155). A servant-leader assumes the role of organizational trustee. Greenleaf (2002) described trustees as “members and representatives of the general public, whose trust they hold” (p. 107). The followers in an organization take a real risk in trusting the leader, and there is real expectation that the leader will act as “a strength-giving element in the institution” (p. 256). According to Spears, “Servant-leadership, like stewardship, assumes first and foremost a commitment to serving the needs of others. It also emphasizes the use of openness and persuasion rather than control” (2004, p. 15).

## *Commitment to the Growth of People*

According to Spears, a servant-leader must be committed to the growth of people. In other words, a servant-leader will create more servant-leaders, because “the servant leader recognizes the tremendous responsibility to do everything possible to nurture the personal, professional and spiritual growth of employees” (Spears, 2004, p. 15). For Spears, it is not enough for an individual to lead with a servant’s heart. This individual must change those he or she works with for the better. This is an area in which I have fallen short. Too often, I have taken the approach that an employee’s personal life is just that: personal. I have even gone so far as to tell employees this when they started to confide in me. I have also been less than committed in my attempts to bring education into the workplace. Regarding stewardship, John Burkhardt and Larry Spears explained,

If our commitment is to the growth of individuals, our evaluation of impact will be guided by very different considerations. We will look for the measurable improvement in the lives of individuals, in their opportunities, their capacities, the relief of their pain and the maximization of their potential. (2004, p. 85)



The charge of a servant-leader is to act for the good of others, not merely to desire that other's benefit. Greenleaf (2002) noted, "Servant-leaders differ from other persons of goodwill because they act on what they believe. Consequently, they 'know experimentally' that there is a sustaining spirit when they venture and risk" (p. 341).

### *Building Community*

Marcus Aurelius wrote,

Since you are an integral part of a social system, let every action of yours contribute to the harmonization of social life. Any action that is not related directly or remotely to this aim disturbs your life, and destroys your unity. (As cited in Forstater, 2000, p. 105)

According to Spears, one of Robert Greenleaf's central tenets was that all we need to change the world is to create enough servant-leaders, and they will show us the way through small, interrelated groups (2004, p. 16). Another tenet of servant-leadership is that community building can greatly reduce employee turnover by engaging and empowering employees (Atruy as cited in Spears & Lawrence, 2004, pp. 51–53). Referring to healthcare, Greenleaf wrote, "Only community can give the healing love that is essential for health" (2002, p. 51). Believing in the idea of community is crucial to our well-being, Greenleaf charged servant-leaders with the task of rebuilding it:

All that is needed to rebuild community as a viable life form for large numbers of people is for enough servant-leaders to show the way, not by mass movements, but by each servant-leader demonstrating his or her own unlimited liability for a quite specific community-related group. (2002, p. 53)

#### EXAMPLES OF SERVANT-LEADERSHIP

Irving and Longbotham (2007) clarified the concept of servant-leadership:

Rather than servant-leadership wandering aimlessly without initiative, servant leaders care about taking initiative toward goal clarification and attainment. The distinctive [element] of servant-leadership is not that goals are not accomplished, but rather that the leader's focus on serving the best interest of followers becomes the essential pathway for reaching goals. (p. 105)



In other words, servant-leaders are not soft leaders. They enable their people to reach their goals. They assist their employees toward their success rather than driving them autocratically.

Robert Greenleaf claimed that Martin Luther King Jr. was right when he said that we must love our oppressors rather than flee from them (as cited in Ferch, 2004, pp. 236–237). One of my former employees, Robert Sorrels, provided a good example of the restorative power of forgiveness. In February 2009, I terminated Robert, who had been one of our top producers before the collapse of the housing industry. He had proven unable to respond to my autocratic demands for renewed focus and improved performance. The reality was that there was no market to pursue in California. We had the right sales representative for the long term, but we wanted action immediately. Robert was released to correct a short-term budget shortfall. Rather than holding a grudge or pursuing legal action, Robert chose to stay in touch with me. At first, I felt uncomfortable when he would call to see how I was doing. Finally, after a few calls, I confessed that I had made a mistake in releasing him. I felt guilty for not standing up for Robert to our executive team. When I explained this to Robert, he simply said, “Consider yourself forgiven. We all do things we regret from time to time. I have always enjoyed working with you and I honestly hope we’ll be able to work together in the future.” Robert is an example of the servant-leader manifested in the heart of an organization. He is proof that leaders are not always those chosen by management.

According to Wally Rude of Western Trinity College, Southwest Airlines’ executive management team has made Southwest a servant-leader-based organization (2003, p. 8). Rude pointed out that Southwest took a people-first approach when faced with the 2003 airline crisis. Rather than institute mass layoffs, Southwest took a progressive approach. *People Management* reported in May 2003 that

the only American airline to post a profit and avoid redundancies since September 11, 2001 accredits its success to a servant-leadership culture. Southwest Airlines gave hourly updates of events to its 35,000 employees. Its top three leaders chose to work without pay for the rest of the year. Last year the airline was the most valuable in the US and rated “Most admired airline” in *Fortune* magazine. Certainly from this example, servant-leadership seems to impact the “bottom line” of companies. (p. 8)

One Southwest executive describes the company’s management style as servant-leadership, explaining that their policy is “to follow the Golden



Rule—to treat people the way that you want to be treated, and pretty much everything will fall into place” (“Southwest Airlines’ Colleen Barrett Flies High on Fuel Hedging and ‘Servant-leadership,’” 2008, para. 3).

Broetje Orchards has managed to improve the lives of numerous migrant farm workers in an industry well known for denying benefits and increased pay. As Rude explains,

In their pursuit of excellence in growing fruit, the company employs approximately 900 people year round using a largely Hispanic workforce. They have gone beyond simply paying their workers for their time and have the workers build a community and family environment where affordable housing, daycare services and educational facilities have been provided on site to help employees and their families grow personally. (2002, p. 8)

Ari Weinzweig and Paul Saginaw, founders of the \$30 million Zingerman’s Community of Businesses, a restaurant management and training company, assert that there are three keys to running a successful business:

First, the higher you rise, the harder you must work for others; no kicking back in the Barcalounger of success allowed. Second, although you hold formal authority over employees, you must treat them like customers and, when reasonable, do their bidding. Third, when your desires and the needs of your organization conflict, your desires draw the low card. (Buchanon, 2007)

Vanguard is a well-known financial services company that strives to be a servant-led organization. Excepting the recent financial crisis, they have performed very well financially in the marketplace. Assets topped \$400 billion in 2004, and market share grew to equal one dollar in every four invested in no-load funds, or 24 percent (Bogle, 2004, p. 94). According to John Bogle, the company’s founder, these results were a direct result of the company’s servant-leadership model. He is especially cognizant of Greenleaf’s belief that organizations need to have foresight and be caring institutions (pp. 99–102). His company was among the first to reduce fees and sales charges, knowing it was their job to serve their customer base (pp. 103–104). Bogle noted, “I’ve long thought that servant-leadership is on the right side of evolving corporate history” (p. 111).

Perhaps the most well-known American servant-leader comes to us from the movies. In the 1946 film *It’s a Wonderful Life*, George Bailey spends his whole life in the service of others as he helps the people of



Bedford Falls thrive and survive the Great Depression. Rather than sell out his firm to the authoritarian bank down the street, George decides to stick it out and forgo the worldly possessions he is offered. Margaret Wheatley says this type of servant-leadership is experienced as “very fulfilling always to respond to a person who needs something” (Wheatley, 2004, p. 248). As the movie closes out, George Bailey finally understands that spending a life as a servant-leader, although not without stresses and tribulations, is a truly rewarding experience. Bailey demonstrated personal courage. According to Wheatley, “One of the things we are sorely lacking in our lives is a necessary level of courage to stand up against the things we know are wrong, and for the things we know are right” (p. 253). If we all had the courage of George Bailey, servant-leadership would be the dominant form of leadership in business today.

#### CONCLUSION

If we looked at an organization as a tree, we would see it takes a number of elements to succeed in its environment. It needs leaves (customers) to carry out photosynthesis. It needs a strong trunk (physical assets) to protect it and to provide strength. Most importantly, it must have a strong root structure (the organization’s people) to keep it nourished, anchored, and thriving. Servant-leadership is focused on keeping the root structure of the tree or organization alive and well. Leaves and branches can grow back and trunks can be damaged, as long as there is a sound root structure to support the tree. If the root structure is nurtured, the tree can survive drought, flood, and fire. If it is not, the tree may perish at the first sign of trouble.

The world cries out for servant-leadership in the face of downsizing and the devaluation of the human asset. Command and control or authoritarian leadership models have, in the case of Al Dunlop and others, shown to be less effective than expected. Conversely, corporations such as Southwest Airlines and Vanguard, which practice servant-leadership, perform well. Studying Robert Greenleaf’s ten characteristics of servant-leadership can prepare business leaders to resist the urge to downsize and focus their organizations on constructive areas such as building an effective organization that improves the lives of customers, employees, and leaders.



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Mark McVay is a doctoral student in leadership studies. He has spent nearly twenty years in executive management and ownership in the building products industry. During this time, he served as president of McVay Brothers, Inc. and as vice president/COO at a \$60 million manufacturing company. He earned his MBA at Indiana Wesleyan University and his BA from Whitworth University. He also serves on the board of directors for Whitworth University's Whitworth Foundation.

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