Servant-Leadership Context: A Multi-Case Pilot Study

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In the 1970s, Greenleaf (1977) observed, "A new moral principle is emerging which holds that the only authority deserving one's allegiance is that which is freely and knowingly granted by the led to the leader in response to, and in proportion to, the clearly evident servant stature of the leader" (p. 10). Greenleaf stated, "*The great leader is seen as servant first,* and that simple fact is the key to his [sic] greatness" (p. 7). Consequently, Spears (1996) credited Greenleaf with originating the term "servant-leadership." Similarly, Russell (2001) stated, Greenleaf "inspired the servant leadership concept among modern organizational theorists" (p. 78). Further, Greenleaf predicted, "To the extent that this principle prevails in the future, the only truly viable institutions will be those that are predominantly servant-led" (p. 10). Despite Greenleaf's contention, Smith, Montagno, and Kuzmenko (2004) suggested that servant-leadership appears less viable than other approaches in dynamic and challenging environments. Thus, research is necessary to determine the contextual patterns in which servant-leadership operates viably.

According to Greenleaf (1977), the key to viability in servant-led organizations is commitment to a "people first" philosophy resulting in "people-building" (p. 40) institutions. He stated, "The first order of business is to build a group of people who, under the influence of the institution, grow taller and become healthier, stronger, more autonomous" (pp. 39-40). Further, Greenleaf observed, "A hopeful sign of the times, in the sector of society where it seems least expected—highly competitive business—is that people-building institutions are holding their own while they struggle successfully in the market place" (p. 39). Spears (1996) argued that unlike

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many leadership fads, "servant-leadership has proven to be a concept with real staying power" (p. 33). Thus, three decades after Greenleaf's conclusion about competitiveness, research should determine whether such servant-led, people-building institutions continue to hold their own in the business market.

Although Greenleaf (1977) proposed that servant-led institutions are able to compete in the business world, he suggested that servant-leadership also is viable in education and religious sectors. Similarly, Spears (1996) wrote, "Servant-leadership crosses all boundaries and is being applied by a wide variety of people working with for-profit businesses, not-for-profit corporations, hospitals, government, churches, universities, and foundations" (p. 34). Further, Greenleaf indicated that the desired outcomes of such people-building organizations entail more than bottom-line results. He explained, "Business exists as much to provide meaningful work to the person as it exists to provide a product or service to the customer. The business then becomes a serving institution—serving those who produce and those who use" (p. 142). Accordingly, research exploring the contexts in which servant-leadership operates and the outcomes achieved by servant-led organizations is warranted.

Although Laub (2003) noted that Greenleaf (1977) "did a beautiful job of describing the concept" (p. 2) of servant-leadership, Laub proposed the need for an operational definition and for explication of the constructs comprising servant-leadership. Building from Greenleaf's writing, Spears (1998) distilled ten significant attributes of the 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 others, and (j) ability to build community. Spears noted, "These ten characteristics of servant-leadership are by no means exhaustive" (p. 6). Thus, subsequent researchers have identified characteristics or variables and constructed descriptive or causal models related to servant-leadership. Several models exist including those set forth by (a) Farling, Stone, and Winston (1999), (b) Russell and Stone (2002), (c) Wong and Page (2003), (d)

Sendjaya and Sarros (2002), (e) Patterson (2003), and (f) Winston (2003). However, Winston (2004) noted that there has been insufficient research to provide evidence of the actual existence and practice of the values and behaviors attributed to servant-leaders such as those identified by Spears, and scholars such as those listed above who have followed after Spears, from Greenleaf's work. The lack of empirical research contributes to such claims as Eicher-Catt's (2005) that servant-leadership is a myth. Thus, despite development of the servant-leadership concept since Greenleaf, need remains for empirical research to determine whether support exists for the servant approach to leadership.

Related to the claim that servant-leadership is a myth (Eicher-Catt, 2005) is concern regarding the utility of servant-leadership for influencing organizational level measures such as productivity or efficiency. Although Greenleaf (1977) proposed that servant-led organizations are viable and competitive, K. A. Patterson (personal communication, June 2006) noted that a common question asked during business conferences regarding servant-leadership is whether servant-leadership actually *works* for organizations. Stone, Russell, and Patterson (2003) further complicated the issue of utility by claiming that servant-leaders focus more on follower needs than organizational objectives, creating vagueness regarding servant-leaders' influence on organizational outcomes. Smith et al. (2004) echoed the follower focus of servant-leadership, stating, "Though the organization and external stakeholders are mentioned, it is clear that needs of the members of the organization are placed in priority over organizational success" (p. 82). Such perceived priority of follower needs over organizational success underscores the importance of research into servant-leadership's effectiveness for organizations.

Beyond proposing that servant-leadership focuses on follower needs more than organizational outcomes, Smith et al. (2004) also suggested that contextual factors might influence the utility of servant-leadership for producing organizational results. The authors proposed that servant-leadership is most appropriate in static environments rather than in dynamic environ-

ments. Additionally, Winston (2004) hinted at contextual influences in the conclusion to his case study of Heritage Bible College (HBC), suggesting that future research should examine secular organizations "to see if HBC's non-profit Christian education emphasis plays a role in employees' comments" (p. 613). However, Humphreys (2005) concluded, "The literature has been silent as to servant-leadership and contextual influences" (p. 1417). Accordingly, there is cause for research exploring the contextual factors related to servant-leadership's existence and its effectiveness for organizations.

To contribute to the literature and to help end the silence noted by Humphreys (2005), this paper reports the results of a pilot, qualitative research study involving several companies reputed to operate via servant-leadership. The review of Greenleaf's (1977) writing and the work of subsequent researchers have suggested the need for research regarding the current contextual patterns of servant-led institutions. Creswell (2003) indicated that qualitative research should begin with a central research question that is broad enough "so as not to limit the inquiry" (p. 105). Thus, the central research question for this study was, *What are the contextual factors within which servant-leadership appears to function?* Further, Creswell indicated that a small number of sub-questions should follow the central question and should guide the research design and methods. Sub-questions for the study focused on the contextual patterns of organizations operating via servant-leadership, including (a) What ownership models are represented in servant-led companies? (b) What industry types are represented by servant-led companies? (c) What geographic locations are represented by servant-led companies? (d) What philosophical commitments are represented by servant-led companies? and (e) What stock performance outcomes are demonstrated in servant-led companies? This report begins by explicating the multiple-case study methodology utilized to address the research questions. Next, the report describes the multiple cases via cross-case analysis of emergent themes. Finally, the report concludes with a summary of findings and suggestions for future research.

De Vaus (2001) indicated that case studies might involve either single-case or multiple-case designs. However, he proposed that "multiple cases are essential if the case studies are being used for inductive purposes" (p. 227). Because the stated research questions express interest in inductively exploring contextual patterns relative to servant-leadership, the study utilized a multiple-case design. De Vaus also suggested that multiple-case designs might be parallel wherein different investigators simultaneously examine each case, or that designs might be sequential wherein investigators explore one case before exploring a subsequent case. De Vaus proffered that sequential explorations best serve inductive purposes. Further, De Vaus proposed that case studies might entail either nomothetic or idiographic approaches. Idiographic studies seek "to develop a complete explanation of each case" (p. 233), while nomothetic studies seek to identify key factors related to a "class of cases" (p. 233). Because the intent of this study was to inductively explore some of the key contextual factors related to a class of cases, the study was conceptualized as a (a) multi-case, (b) sequential, and (c) nomothetic design and method.

Case Selection

Yin (2003) indicated that selection of cases in a multiple-case study should be done for replication logic rather than sampling logic. That is, rather than by random selection, cases are selected because of the theory-based prediction that a case will produce similar or contrasting results to other cases in the study. Figure 1 shows a process model of the multi-case method described by Yin. Dotted lines in the model represent feedback points at which growing insights from sequential exploration of cases might lead to modification of (a) underlying theory, (b) selected cases, or (c) data collection protocols.

For the present study, a broad conceptualization of servant-leadership comprised the initial theory for case selection. Winston (2004) noted the
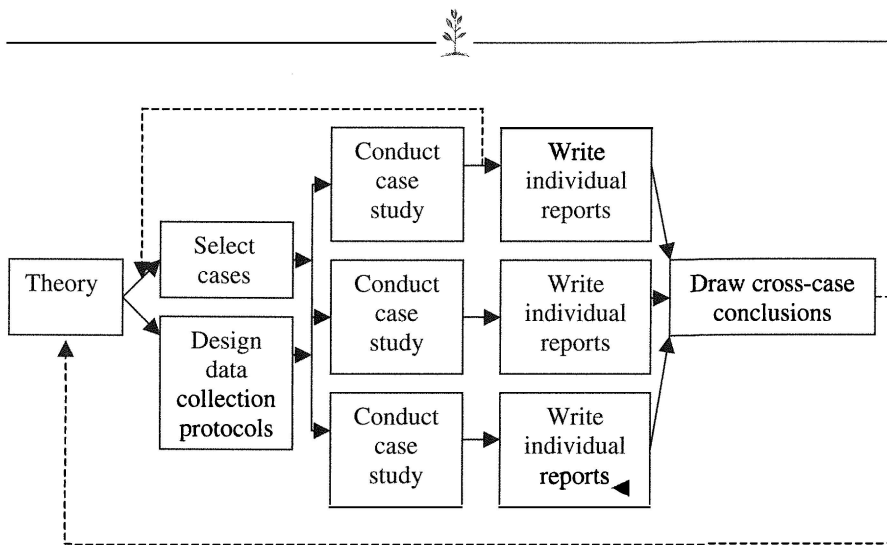
Figure 1: Multi-case method (Yin, 2003).

presence of multiple models and definitions of servant-leadership in the literature. However, no specific conceptualization was utilized in this pilot study to allow for the inclusion of a maximum number of cases. Cases were identified through a search of online databases and through an examination of published books with tables of contents suggesting discussion of servant-leadership in corporate contexts. This process yielded a list of twenty companies identified in the literature as servant-led. One limitation generated by this method of selection was that cases were included based on *reputed* servant-leadership rather than empirically concluded servant-leadership. Further, included cases can be subdivided as self-attributed servant-leadership, which denotes a company claim to follow servant-leadership, and literature-reported servant-leadership, which denotes a claim by the media rather than the company. A second limitation was that only companies with national exposure were likely to be included. Thus, the study does not account for the number of extant companies without national exposure that might utilize servant-leadership.

Reflecting the feedback-induced modifications of the multi-case

method (Yin, 2003), four companies were eliminated during the process of conducting the individual case studies. Because The Body Shop was the sole United Kingdom-based company in the list of twenty, it was eliminated so that the study remained focused on companies in the United States. Because Summa Health was the sole non-profit organization in the original list, it was eliminated to keep the study focused on for-profit businesses. Because Sisters of St. Joseph and Townsend & Bottum, which had been reported as servant-leadership organizations, have been subsequently acquired by non-servant-leader organizations, they were removed from the study. Thus, the modified selection criterion for cases was *for-profit companies in the United States who are reported in the literature to be led via servant-leadership.*

Sources of Information

Yin (2003) suggested six sources of information for case studies including (a) documentation, (b) archival records, (c) interviews, (d) direct observations, (e) participant-observations, and (f) physical artifacts. Further, Yin proposed that triangulating data sources helps to establish the rigor of a case study. For the present study, information about each of the companies was gleaned from publicly available sources including (a) popular press, (b) company web sites, (c) search engines such as Google and Hoover's research, (d) servant-leadership books (e.g., Collins, 2001; Collins, 2005; Spears, 1995; Spears & Lawrence, 2002; Spears & Lawrence, 2004), (e) academic databases, and (f) historical observations. Because the data were not triangulated with interviews or recent observations of actual leadership behaviors, this study is proposed as a pilot study for making a preliminary assessment of contextual patterns relative to reputed servant-leadership. The research did not attempt to verify whether these organizations were actually operating via servant-leadership. Accordingly, any findings would need substantiation and explication in subsequent research.

CASE DESCRIPTIONS

Yin (2003) indicated that a multiple case study might be reported through the exclusive use of cross-case comparison. In a cross-case comparison, each segment of the case report is devoted to a separate cross-case theme rather than to separate narratives for each case of the study. Cross-case themes were developed via coding of individual case descriptions relative to the research questions of the study. Creswell (2003) noted that coding involves organizing material into "chunks" (p. 192). Flick (2002) indicated that the first two stages in the coding process include the development of open codes and the arranging of open codes around axial codes. Flick described the third stage of coding as the creation of one or two manifest codes that explain the relationship between the axial codes. Table 1 shows a list of the U.S.-based, for-profit corporations reputed as servant-led in the literature. From a cross-case comparison, several axial themes emerged including (a) conservatism, (b) consumer orientation, (c) social responsibility and environmentalism, (d) individualism, and (e) conflicting results. The following segments of the case-report discuss each of these axial codes. The manifest codes *value alignment* and *various components* are summarized in the conclusion to the report.

Conservatism

Conservatism is a conspicuous theme for those organizations that self-claim to be servant-led corporations. *Conservatism*, which means "traditional or cautious" (American Heritage, 2000), is used in this study to refer to values and to philosophies such as views on work ethic and finances. Most of the major companies in the top half of Table 1 appear to be conservative companies based on the coding of their philosophical orientation and geographic locations.

Table 1

U.S.-Based, For-Profit Companies in the Servant-Leadership Literature

Inclusion Rationale	Ownership	Industry	Consumer-Focused	Location
Company-Claimed SL				
Men's Wearhouse	Public	Retail	Yes	South
PPc Partners	Employee	Construction	No	Central
Schneider Engineering	Family	Civil Engineer	No	Central
Southwest Airlines	Public	Transportation	Yes	South
Synovus	Public	Financial	Yes	South
TDIndustries	Employee	Construction	No	South
Vanguard Group	Client-owned	Financial	Yes	Northeast*
Literature-Reported SL				
Ben & Jerry's	Subsidiary	Retail	Yes	Northeast
Container Store	Private	Retail	Yes	South
Herman Miller	Public	Manufacturing	No	Central
Meridith Corporation	Public	Media	Yes	Central
Schmidt Associates	Private	Architects	No	Central
ServiceMaster	Public	Services	Yes	Central
Starbucks	Public	Retail	Yes	Northwest
Toro	Public	Manufacturing	No	Central
U.S. Cellular	Subsidiary	Communications	Yes	Central

* Valley Forge, PA; Charlotte, NC; Scottsdale, AZ

Philosophical orientation

Smith et al. (2004) suggested that servant-leadership works best in static environments. Accordingly, a conservative philosophical orientation appears reflected in the selection of an industry or approach that yields a level of stability. Companies like Vanguard and Synovus might be consid-

ered stable due to a conservative philosophical orientation in the financial industry, as the industry generally strives to be and to appear extremely stable. Vanguard and Synovus publicly state their conservative philosophy as part of their finance-industry approach and as part of their leadership expectations. Vanguard is known for conservative investing and conservative hiring practices (Hoovers, 2006). Synovus says they expect their leaders to lead with (a) moral integrity, (b) trust, (c) fairness, and (d) servant-leadership (Synovus, 2006). Companies such as Southwest might be considered somewhat stable due to operating in regulated or semi-regulated industries. Although the airline industry might be perceived as volatile, partial regulation introduces a measure of stability. For example, airlines are not entirely free (a) to choose destination cities, (b) to determine what items can be carried by passengers, or (c) to predict when their airplanes will take off or land.

Geographic location

The majority of the companies in the study are based in the south and central U.S. All of the companies who claim to be servant-led, except for Vanguard, have most of their employees in states that tend to vote Republican, as shown in Figure 2. Conspicuously absent from the entire list are the states of New York and California, which house more corporate headquarters than any other states. Further, the State of California dominates the list of Best Companies to Work for (Great Places to Work, 2005), but they do not appear to have any corporations publicly following a servant-led model. The two companies that are located in more liberal geographies, Ben & Jerry's and Starbucks, are both focused on social activism and environmental responsibility, and neither company makes a self-attribution of servant-leadership.

The companies who self-claim servant-leadership yet are not located in the South are (a) employee-, (b) family-, or (c) client-owned corporations (i.e., PPc Partners, Schneider Engineering, and Vanguard). PPc Partners and Schneider Engineering are privately held and relatively small, which might

give them flexibility in practicing and publicly stating their beliefs. The third company, Vanguard, has publicly stated their conservatism as part of their financially conservative posture, even though their headquarters is not located in the South. Vanguard's headquarters is located in Pennsylvania, yet their employees are split between three large centers in Pennsylvania, North Carolina, and Arizona, which are not generally considered culturally liberal.
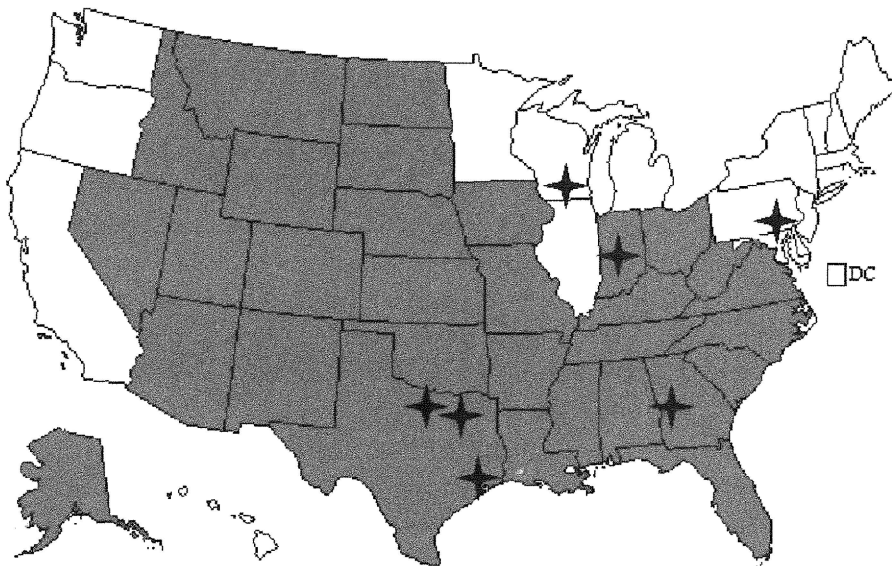

Figure 2: Self-claimed servant-leadership organizations plotted on 2004 Presidential election map with gray as Republican and white as Democrat.

The contextual dimension of self-claimed servant-leadership companies appearing to be located in specific geographic regions suggests possible value alignment of employees with servant-leadership. That is, the stated or espoused values of employees in the South might make them more

likely to accept the terminology and the practice of servant-leadership. Conger (1999) suggested that different cultural value systems might influence leadership effectiveness. Further, Russell (2001) suggested that certain values are the core elements of servant-leadership. Accordingly, it appears that personal values in certain regions of the country align well with the organizational values embodied by servant-leadership, reflecting Chatman's (1989) concept of person-organization fit.

Consumer Orientation

Consumer-orientation is a second theme emerging from cross-case comparison. Although it might be argued that all products and services are directed toward a consumer, some industries function in a business-to-business or manufacturing-oriented manner rather than in direct association with the public. However, a common characteristic of the cases in the current study is a tendency to operate in a face-to-face relationship with the populace. For example, Men's Warehouse and The Container Store conduct business in a retail environment. Table 1 reveals that ten of the sixteen cases function within a face-to-face context.

Consumer orientation as a typical characteristic of servant-led companies appears to suggest the existence of certain values in the organizational culture, such as respect and concern for individuals. Great customer service and great attitudes might require happy, motivated employees (Heskett, 1994). Follower-focused or participative leadership models seem more conducive to producing satisfied employees than autocratic models (Yukl, 2002). Although not identified as adopting servant-leadership, the Ritz Carlton hotel chain claims to be "ladies and gentlemen serving ladies and gentlemen" (Sucher & McManus, 2001), hinting at a possible link between follower- and consumer-focus. The follower orientation of servant-leadership might reflect a cultural pattern consistent with consumer orientation. Schein (1990) suggested that culture is the pattern of values and behaviors that develop as members of an organization respond to both internal and external stimuli. Similarly, Laub's (1999) description of the servant organi-

zation suggested, "The characteristics of servant-leadership are displayed through the organizational culture and are valued and practiced by the leadership and workforce" (p. 3). Thus, servant-leadership values imbedded in a culture might resonate in a consumer orientation.

Of the six companies in Table 1 that are not coded as consumer-focused, three claim to utilize servant-leadership including (a) PPc Partners, (b) Schneider Engineering, and (c) TDIndustries. A common characteristic of these companies is an employee- or family-ownership structure. The three remaining companies that are not coded as consumer-focused do not self-claim to utilize servant-leadership and include (a) Herman Miller, (b) Toro, and (c) Schmidt Associates. A common characteristic of these companies is geographic location in the central part of the country. Although these six companies do not operate in a face-to-face environment, their ownership model or geographic location seems to underscore the relevance of culture as a contextual factor. Marquardt and Engel (1993) suggested that culture might manifest at various layers including (a) geography, (b) family, and (c) structure. Thus, the values embodied in consumer-orientation might be evident at the level of ownership models and geographic culture even when a consumer-orientation is not inherent in the business model of the organization.

Social Responsibility and Environmentalism–Confounding Theme

The third theme revealed by the research was social responsibility and environmentalism. However, this theme tended to be isolated within those companies that do not make a self-attribution of servant-leadership. Further, it is unclear that social responsibility and environmentalism are essential to the principles of servant-leadership, suggesting that the constructs are potentially confounding themes. That is, the media sources reporting that some organizations are servant-led might have confused the concepts of servant-leadership with those of social and environmental activism. Their view might be that acting in an environmentally conscientious manner is a

way of serving each other and future generations (Dryzek, Downs, Hernes, & Schlosberg, 2003).

The cases that are located in assumedly more culturally liberal geographies shown in Figure 2, such as the northeastern United States and the Pacific Northwest, are most likely to be focused on social and environmental activism. Although only two companies from this study (i.e., Starbucks in the Northwest and Ben & Jerry's in the Northeast) are located in those areas, this theme is very consistent with non-servant-leader companies from those regions (Dryzek et al., 2003). Although Vanguard is located in Pennsylvania, it was not grouped with Starbucks and Ben & Jerry's. Vanguard's employees are split between three large centers in (a) Pennsylvania, (b) North Carolina, and (c) Arizona, which are not generally considered culturally liberal. Additionally, the emphasis on social and environmental activism in the individual case reports of Starbucks and Ben & Jerry's offers a striking contrast to all of the other individual case reports, suggesting that such focus might not be synonymous with a servant-leadership approach. None of the companies that were coded with the conservative theme claim to be social- or environmental-activist organizations.

Although not synonymous with servant-leadership, social concern and environmentalism appear compatible with the construct. Laub (2003) indicated that servant-leadership provides for the good of "the total organization and those served by the organization" (p. 3). Presumably, the emphasis might be extended to the larger social and environmental level. However, Laub's fundamental definition of servant-leadership is "an understanding and practice of leadership that places the good of those led over the self-interest of the leader" (p. 3). Similarly, Stone et al. (2003) emphasized the follower-focus of servant-leadership, and Patterson (2003) indicated that servant-leadership is concerned with follower development. Thus, social responsibility and environmentalism might coexist with servant-leadership but are not identical with the construct. Social responsibility does not necessarily require a leader to put the interests of the follower above his or her

own interests. Further, an organization can emphasize social responsibility but not necessarily focus on follower development.

Individualism—Confounding Theme

As shown in Table 1, nine of the companies in the study possessed literature-reported rather than self-attributed servant-leadership claims. Thus, the term "servant-leadership" does not appear in the companies' literature or on company websites. Rather, individualism seems to be a key theme among the nine companies. Several possibilities exist to explain the absence of a servant-leadership self-claim. A first option might include the attempt to substitute less controversial words in place of "servant-leadership" while continuing to use servant-leadership concepts in human resource practices. The Container Store and ServiceMaster might be examples of this approach. Container Store and ServiceMaster both stress the opportunities for individual growth and achievement, and they have a history of promoting from within. Although both companies have leadership philosophies consistent with servant-leadership, neither organization explicitly uses the term "servant-leadership."

Herman Miller and Toro might represent another option. Both companies experienced an economic downturn that resulted in employee layoffs. Because it could be perceived as hypocritical to talk about being a servant-led company wherein people take priority over organizational objectives while leadership closes plants and lays off thousands of employees, public references to servant-leadership might have been removed. The websites of Herman Miller and Toro now focus on (a) individuals, (b) diversity, and (c) community service.

A third possibility is that individualism has been confused with servant-leadership. A culture of self-serving behaviors and benefits could conceivably lead to a servant-leadership attribution because the follower gets what he or she wants. Individual gratification appears to be a predominant reason that many of the current companies on the list of best companies to work for achieved their status. Although the definition of a best place to

work suggests that employees "trust the people they work for, have pride in what they do, and enjoy the people they work with" (Great Places to Work, 2005, What makes a great place to work® section, para. 1), these criteria are not obvious in the comments from employees whose organizations made the list. The comments from the winning companies' employees in 2005 focused on rewards and astonishing amenities, including (a) lucrative profit-sharing, (b) stock options for all new employees, (c) vacations to Maui for all employees, (d) 100% tuition reimbursement, (e) a low-cost fitness center open 24 hours, (f) free cappuccino, (g) made-to-order sushi, (h) parties every Friday night, (i) onsite day care, (j) free hair and nail salons onsite, (k) monthly cake days to celebrate employee birthdays, (l) strolling musicians, (m) chair massages, and (n) a concierge service that can organize a birthday party at a moment's notice (Great Places to Work).

Despite the potential attraction of strolling musicians and other amenities, the focus on follower needs (Patterson, 2003) that is a central tenet of servant-leadership does not imply satisfaction of all employees' wants. Burns (1978) noted, "Leaders are distinguished by their quality of *not* necessarily responding to the wants of 'followers'" (p. 69). Accordingly, leadership in an organization might focus on individualistic wants in a manner that is not consistent with the altruism and empowerment associated with servant-leadership. Further, the claim to servant-leadership by an organization or the media does not determine the ontological existence of the construct in a company. Laub's (2003) definition indicated that servant-leadership is a specific "understanding and practice of leadership" (p. 3).Thus, the existence of servant-leadership in an organization is determined by the actual form of leadership revealed in beliefs and behaviors. Individualism appears to be an understanding and a practice that might mimic servant-leadership on some levels, but not necessarily be indicative of the construct.

Conflicting Results

Because a question arising in servant-leadership conferences relates to

Table 2

U.S.-Based, For-Profit Public Companies' Financial Performance Compared to the S&P 500

Company	Stock Ticker	Stock as of July 5, 2001	Stock as of July 5, 2006	Percent Change
Company Claims SL				
Men's Wearhouse	MW	$17.93	$31.21	+74%
Southwest Airlines*	LUV	$18.67	$16.60	−11%
Synovus	SNV	$27.73	$26.76	−3%
Literature Reports SL				
Herman Miller*	MLHR	$24.76	$26.48	+7%
Meridith Corporation*	MDP	$35.09	$48.98	+40%
ServiceMaster*	SVM	$10.39	$10.25	−1%
Starbucks	SBUX	$10.96	$37.56	+243%
Toro*	TTC	$10.80	$46.00	+326%
U.S. Cellular	USM	$58.40	$59.41	+2%
S&P 500	GSPC	$1,219.24	$1,270.92	+4%

*Layoffs and off-shoring during period.

the utility of the leadership theory (K. A. Patterson, personal communication, June 2006), individual case analysis included the company's stock performance where applicable. An exploration of stock performance suggests conflicting results among the publicly traded companies. Only three out of the seven cases in the study with company-claimed servant-leadership are traded publicly in stock markets. Six out of the nine cases with literature-reported servant-leadership are traded publicly. The other seven organizations utilize some type of private ownership approach, and financial data are less available. Table 2 shows a five-year stock price comparison for each of the public companies. Only one company-claimed servant-led organization, Men's Wearhouse, demonstrated performance superior to the S&P 500 index during the five-year period. Of note relative to performance

is Men's Wearhouse' acquisition of other companies between 2001 and 2006. Five of the seven literature-reported servant-led organizations demonstrated stock price growth superior to the index. Notable points for consideration relative to performance include the following: (a) the company with the largest increase, Toro, closed their U.S. plants and moved production to Mexico; (b) the company with the second largest increase, Starbucks, made a major acquisition and launched an international expansion; and (c) five of the nine public companies engaged in layoffs and off-shoring during the five-year period. However, the discussion herein relative to social responsibility and individualism casts doubt that some of the literature-reported servant-leadership companies actually embody servant-leadership.

The existence of contextual factors such as acquisitions and off-shoring in the companies demonstrating performance superior to the S&P 500 reflects the position that leadership is only one factor in the success of organizations (Northouse, 2004). Other contextual factors such as (a) business strategy, (b) workforce strategy, (c) industry trends, and (d) business execution should be considered along with the style of leadership. Multiple factors played a role in the success of such companies as Men's Wearhouse and Toro, and it is likely that multiple factors played a role in the poorer performance of other companies. Ruschman (2002) reported TDI executives as indicating that servant-leadership and trust provide only some of the underpinnings for a successful organization. TDI executives articulated the belief that in addition to these variables, an organization must have a solid business strategy and great customer focus. Similarly, Southwest Airlines says their distinct business strategy and anti-establishment culture have helped them to soar above the legacy carriers (Ruschman). Vanguard had a well-constructed business model and perfect timing for their industry, as history has proven that low-cost index funds were the best investment strategy during the bull markets of the last thirty years. Container Store rode the largest home buying and home improvement trend in history as two-income baby boomers sought to organize their hurried lives. Men's Wearhouse joined the movement toward better clothing at discount prices, along with

the outlet and "seconds" stores, while other stores such as Sears and J. C. Penney lost ground in the market. Starbucks started a new industry, riding the lifestyle trend toward self-indulgence. TDI and PPc Partners joined the construction boom, while ServiceMaster performed services for two-income families and Synovus rode the credit card wave. U.S. Cellular was part of the cell phone revolution, and Toro had the boomers playing golf (commercial landscape equipment) and buying nicer tools for themselves. Many of these companies had great business models and solid execution along with an employee-focused workforce strategy, which are elements that are not exclusive to servant-leadership in organizations although appearing consistent with it. Because focus on individual employees can result in (a) employee satisfaction, (b) positive employee behaviors, and (c) a profitable bottom line (Corporate Executive Board, 2004), having an employee-focused workforce strategy consistent with servant-leadership may have been one of the defining factors in the cases with positive stock performance.

CONCLUSION

The cross-case comparison of organizations explored for this pilot study suggests that the typical organization using servant-leadership might be described as an organization located in a conservative geographic location and operating in a consumer-oriented industry. Figure 3 shows the graphical positioning of cases in the study when plotted according to conservative and consumer-oriented axes. Further, the cross-case comparison suggests that organizations steeped in an individualistic mindset or with a social responsibility focus might be identified incorrectly as servant-led. Accordingly, this study proposes that a manifest code (Flick, 2001) relative to the context of servant-leadership is value alignment, conceived as including (a) geographic influences, (b) philosophical orientation, and (c) cultural themes such as consumer orientation. Even confounding themes such as social responsibility and individualism might be included in

value alignment as these themes can be consistent with, but not synonymous with, a servant-leadership approach.
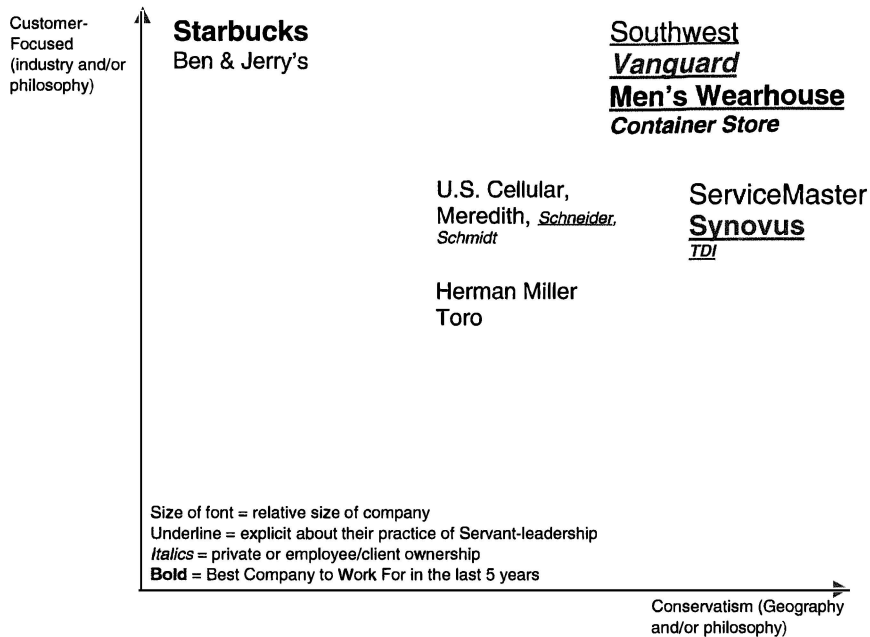
Customer-
Focused
(industry and/or
philosophy)

Starbucks
Ben & Jerry's

Southwest
Vanguard
Men's Wearhouse
Container Store

U.S. Cellular,
Meredith, _Schneider_,
Schmidt

ServiceMaster
Synovus
TDI

Herman Miller
Toro

Size of font = relative size of company
Underline = explicit about their practice of Servant-leadership
Italics = private or employee/client ownership
Bold = Best Company to Work For in the last 5 years

Conservatism (Geography
and/or philosophy)

Figure 3: Case positioning by conservatism and customer-orientation.

The study proposes that a second manifest code relative to the context of servant-leadership is various components. That servant-leadership did not result in uniform stock performance among cases in the study suggests servant-leadership is not the sole causal factor for organizational outcomes. Other factors such as (a) industry, (b) environment, and (c) business execution commingle with an adopted leadership approach.

Although Smith et al. (2004) proposed that servant-leadership is appropriate in stable environments, lack of previous research and theory suggests that the understanding of the context is immature (Morse, 1991).

Following Yin's (2003) multiple-case study method as shown in Figure 1, the findings of this study might be used to refine theory relative to context and to move the servant-leadership literature forward. However, several limitations suggest that the typical profile and manifest codes identified by this study should be considered tentative and subject to further substantiation. These limitations also indicate areas for future research.

1. The study assumed that companies reported to employ servant-leadership actually operated via a servant-leadership philosophy. In an associated assumption, the claims of servant-leadership were often drawn from limited sources such as websites or quotations from one senior leader. No empirical research was conducted to determine whether these companies actually practiced servant-leadership at any levels in the organization. Future researchers should explore whether servant-leadership in the listed companies comprises an actual theory-in-use.

2. An individual organization's model and definition of servant-leadership were not confirmed via observations of the organizations or through interviews with organizational personnel. As mentioned in the confounding themes, reports of servant-leadership might be referring to constructs different from those theorized in the literature about servant-leadership. Additionally, individual companies might utilize different servant-leadership models. Researchers should determine whether a specific model or definition of servant-leadership available from the literature is utilized more often by organizations that have adopted a servant-leadership philosophy.

3. The companies' levels of conservatism were also assumed without empirical research. The corporations located in Texas and Georgia were assumed to be conservative primarily because the bulk of their workforces lived in the so-called Bible Belt and because both states' citizens tend to vote Republican. Corporations in the central part of the country tend to have traditional work ethics and family values, with many of the districts voting Republican. Vanguard was also coded as conservative due to their approach in the financial industry and due to a contextual analysis of their website, which strongly expressed their conservatism as an institutional philosophy.

However, future research should seek to operationalize more precisely and to measure a conservatism variable.

4. The companies' levels of consumer focus were assumed from their respective (a) industries, (b) websites, and (c) reports such as the "best companies to work for" and "most admired companies." One of the authors, Novak, has been observing consumer industries for many years from a marketing and customer service perspective. Many of the well-known companies are legendary for their focus on customers and customer service, and those standards were used to code the consumer focus of these companies. Future research might develop a more specific measure of consumer focus.

5. The performance measure of servant-leadership for this study was limited to companies' stock performance. However, it is unclear whether this measure is the appropriate outcome criterion for the servant-leadership construct. Stone et al. (2003) noted, "The servant leader does not serve with a focus on results; rather the servant leader focuses on service itself" (p. 8). Further, Greenleaf (1977) indicated that the true test of servant-leadership is the development of people and the reproduction of the service inclination in others. Thus, future research should operationalize the appropriate outcome standards of servant-leadership and argue for the valence of those measures to organizations above other possible measures.

In summary, this study does not attempt to identify or to discuss all of the factors that are essential to organizational effectiveness, but seeks to explore some of the contextual patterns related to the reported practice of servant-leadership. Servant-leadership appears to operate in contexts that provide a value match to servant-leader constructs, including conservative contexts and consumer-oriented philosophies. Although an individualistic focus and an emphasis on social responsibility are likely compatible with servant-leadership, these themes are not synonymous with the concept and might provide confounding variables for research to explore.

Consideration of the context for servant-leadership also brings the issue of performance outcomes into view. Smith et al. (2004) suggested that servant-leadership is most suitable in a stable economic environment.

Accordingly, it might be easier to be a generous, follower-focused employer when the profits are flowing and the company stock continues to rise. Collins (2001) proposed that success and momentum drive continued success and momentum because people like to be part of a winning organization. Additionally, success and momentum drive profits, which are often reflected in employee compensation and benefits. Many of the studies and articles that claimed servant-leadership to be competitive in the corporate world (Spears & Lawrence, 2002) were published when the U.S. economy was growing steadily. The economic downturn of 2002 caused many of these servant-led companies to (a) close plants, (b) offshore manufacturing, (c) lay off employees, and (d) enter into tumultuous labor negotiations with unions. A more turbulent environment might make servant-leadership less effective (Smith et al.). Similarly, the value culture that places a priority on short-term material and monetary gain seems to have taken precedence over the more spiritual, morally-driven, and long-term value culture. In the present climate of economic uncertainty, publicly traded companies appear to be making shareholders their first priority, customers second, and employees last.

For servant-leadership to continue to demonstrate "staying power" (Spears, 1996, p. 33) in the corporate world, the question of context (Smith et al., 2004; Humphreys, 2005) must be addressed and a database of success stories must be built. Additionally, the success stories need supporting data and sustainable models beyond mere anecdotal references. Until that support is established, the definitions and models of servant-leadership are incomplete, and some will continue to posit that servant-leadership is a myth (Eicher-Catt, 2005). Consistent with the iterative feedback and theory modification of the multi-case method described by Yin (2003), the findings of this pilot study should be used to stimulate further research exploring the context and competitiveness of servant-leadership.

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