



SERVANT-LEADERSHIP IN CORPORATE STRATEGY

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Where do servant-leadership and corporate strategy meet? What does servant-leadership look like in corporations when it manifests in strategy rather than through personal leadership? How do we know when all or many of the elements within the philosophy of servant-leadership express themselves in and through an institution?

Corporations tend to categorize servant-leadership embodied as a way to lead rather than a corporate strategy to exist and grow with customers. For us to move beyond the accepted territories of leadership style to the way a corporation wins markets and develops customer relationships, we must consider the ways in which servant-leadership serves strategy.

Furthermore, the current literature has expressed three categories for servant-leadership (Rennaker, 2006, p. 427), namely: (1) non-model discussion, (2) leader-organization models, and (3) leader-follower models. Rennaker searches for what Greenleaf states to be the test or measure of servant-leadership: that leaders replicate their desire to serve in others. Servant-leadership is difficult to scale in a corporation when it is part of the leadership equation of how people are to lead. In many companies, this method of leadership can be practiced, but in some cases it can stay within the company. If these leadership philosophies are evident in the way we do business with our partners and our customers, maybe then we can see servant-leadership scale as a business model rather than a leadership model. Let us look at servant-leadership in some ways not as philosophy of leadership, but as a tool to frame corporate strategy.

This article explores such a form of leadership replication through inspiring others, but also built and designed into the business framework



within the front-end of a corporation, that is, in their strategic expression and voice.

BIRTH OF CAUSE

Mission statements have served many organizations by focusing their purpose. However, many companies do not reflect on their missions and are satisfied to place them on websites and front-end presentations. What would it take to galvanize an organization around a true purpose beyond itself? What if an organization could find more than service to customers as an objective? What if organizations could find a cause to transform the world in which its customers live for the betterment of society as a whole, even if it meant that the corporation would have to change itself and its business model?

This article also touches on the one aspect of operationalizing servant-leadership without coercion and through motivation. The essence of this article lies in the identification and pursuit of a corporate cause. This article proposes that the connection between servant-leadership and strategy is found in the foundational ingredient of a cause to serve. Here organizations may find their motivating force in defining and deploying strategy which has for too long subjected itself on mission statements.

SPEAKING OF SERVANT-LEADERSHIP AND STRATEGY. . .

The language of servant-leadership expresses ideas in the form of an inward journey to discovery; peace, love and compassion; patience and empowerment; listening; and most of all, self-transformation. I view this as a philosophy and language of inclusion.

The language of strategy expresses itself as competitive forces; winning market share; defining and measuring value propositions and brand equity; shareholder value; and wealth creation. I view this as the philosophy and language of exclusion and differentiation.

Is there a common language for these two foundations to live in the



same dialog? But before we explore this language and the form in which both can exist, a few further complications to alignment demand acknowledgement.

Complication #1: Mistaking the Process and Output for Real Outcomes

In the rawest of definitions, strategy design and development, just like leadership design and development, can devolve into the belief that the generally acceptable processes will derive outputs. Many corporate executives go through their summers defining frameworks for strategy development with large amounts of input in the form of competitive intelligence, market analysis, and customer intelligence. They use a regular process surrounded by a corporate retreat environment, behaving like yogis who leave the natural world to gain insight. They return with their own tablets of thought while only a few roads away their competitors do the same with their own set of inputs.

Insight seems a rare commodity as they mistake operationalizing strategy for mechanizing strategy. Herb Kelleher, Chairman, CEO of Southwest Airlines (Hesselbein & Cohen, 1999, p. 45) put it clearly: “Over the years we have developed not only a different strategy, but also a different strategic planning process. Basically, we just don’t do it!”

I have had the pleasure, as a strategy advisor, to counsel many through this process. I find that I battle with organizational DNA, that is, the way “we” do things is the way it is, to plan and write their way into strategic success. Rather than gain the core insight that can bring down the walls of competition, many are satisfied with large slide decks filled with marketing plans and graphs that document the path already taken by others.

Complication #2: When Employees Feel Entitled to Watch and Not Obligated to Lead

Meanwhile the majority of the employees who are left out wait for this insight to fall upon them after the summer ends. Can you find fault with



them, when the process of strategy development leaves them out by design? Discussions evolve as to how to get others committed to the strategy that only a few own. Without insight and having only process to hold on to, the senior executives lack inspiration in their output delivered to the waiting employees. Many forget that employees, like customers, understand the difference between commitment- and agreement-motivated service—that is, they actually act on the information. So employees undergo the process but never really offer their leadership at work because they see little insight to separate work from a framework of corporate existence and identity. They see the mundane wrapped in a new frame.

As Greenleaf declares, “The best knowledge is not certainty (whether about the present or the future) but progressively sharper insights” (1996, p. 321). Greenleaf obviously advocates for iterative, ever-expanding learning rather than a top-down declaration of strategy.

GAINING INTEGRATED STRATEGIC INSIGHT WITH SERVANT-LEADERSHIP

A form of strategic insight attainment has been emerging that takes its lead from servant-leadership principles and expresses these principles not only in leading others but in the strategic initiatives of the front end of companies. I ask that you consider the following foundation to this approach that may create new frameworks of thought.

Preconception #1: Strategy Must Usually Be Big and Bold

Many assume that strategy must be larger than life, but strategic insight is rare and elegantly simple. Many of us look for the big idea, the grand vision. We expect new ideas to take our breath away with concepts that few have thought about or that few have framed in this context.

But if the principles of servant-leadership are to be engaged in strategy formulation, the quiet must overcome the noise. Hence, instead of loud noises, consider returning to Gandhian principles which are based on the philosophy that change comes only when we realize that we must be the



change we want to see in others—that is, to change the world, let us change our neighborhood; and to change our neighborhood, let us change ourselves.

Extrapolated from this foundational principle are the beliefs that:

- One idea can change all ideas.
- One person can change all people.
- One company can change communities.
- One community can change the world.
- One idea in one person can change the world.

As servant-leadership has always reflected, change is not all-encompassing, but personal. “Leaders were seen, too much, as self-symbols; they did not come through as servants of the dream” (Greenleaf, 1998, p. 87).

Preconception #2: Strategy Is an Outward Relationship With Customers, Stakeholders

Classical leaders work to influence others. Corporations work to influence groups as well. This may seem a form of market manipulation. Authenticity can now even be manufactured in marketing programs rather than truly realized in marketing programs. But customers of this and next generations live in a highly connected set of communities where communications drive at quantum speeds. They know when they see untruths and manipulations. They also know when they see organizations that can’t see the truth of their own destiny. I have seen many customers who know what their value partner should do but cannot find a way. Herb Kelleher, of Southwest Airlines, stated, “Customers are like a force of nature—you can’t fool them and you ignore them at your own peril” (Hesselbein & Cohen, 1999, p. 45).

Information moves at the speed of thought and hence, strategy is tempted to attack fast and quickly to outmaneuver the competitor. There seems no time to build an authentic foundation in strategy because it seems



pointless when audiences seem to see the “shiny objects” and care little about the truth.

Authentic servant-leaders make the choice easily to stay true to their inner voice and act on the truth as they see it. Servant-leaders market the truth on the front line. What if corporations found this same insight? Strategy, to servant-leadership-centric corporations, is more an inward relationship than an outward marketing push. If we are to be true to servant-leadership, we try to be introspective about ourselves as individuals. Corporations can be viewed as a collection of individuals, and as a group can also ask the same introspective questions to derive insight into external strategy. When an organization asks its employees to follow a servant-leadership-based cause, I believe that individuals will select in or out and those that select in will choose to find their destiny in that collective cause.

Perhaps the Buddhist Tarthang Tulku (1997, p. 84) personified corporate insight with this assertion: “Once we go through a true process of self-discovery, no one can take away our self-confidence; the inspiration comes from within, and we know without needing to be told.”

Mother Teresa focused on her children and her cause. She believed that everything began and ended with compassion. The strategy she adopted was to be the change she wished to see. She branded her delivery of care, uniquely positioning her message and aligning this message to her inner voice. This strategy reflected outwards powerfully across the world, not with any great marketing campaign, but from a compelling inner journey turned outwards reflecting the humanity in all of us. Greenleaf put it well: “It is the idea that unites people in the common effort, not the charisma of the leader” (Greenleaf, 1998, p. 87).

Keshavan Nair, who documented Mahatma Gandhi’s leadership style, believes that “service to any group—shareholders, customers and employees, or society—should be done in the context of service to all” (Nair, 1994, p. 73). Servant-leadership embodied in strategy can function only when strategy embraces service to all and does not discriminate.



Preconception #3 Strategy Is Changing Others' Behavior

Under a similar light, many executives try to affect others in behavior—get them to buy a product or service. In marketing, we want to change others to think a certain way or behave a certain way. But in attempting to drive others, we are changing ourselves forever. Strategy results in strategic frameworks always talking about finding new markets and being the leader in those markets, that is, find a market that you can lead. Before anything, strategy should look within to uncover the key competencies that serve others. The truth found in the value proposed to customers can resonate with employees and be deployed with humility to transform, rather than having audacious corporate goals to fuel growth. Furthermore, strategy is constantly looking for the ingredients to proprietary advantage; this forces many to look for the new and differentiated. But servant-leadership teaches us to not look for the new ingredients, but for the time-tested ingredients of service to others. Competitive advantage can be found not in the ingredients but in the recipe, that is the combination of the activities within the organization that combine using servant-leadership principles as glue to provide a differentiated value proposition to the customer. Hence, the set of activities working in concert that deliver an outcome to the customer becomes the advantage. Fueled by servant-leadership, these activities gain strategic and differentiated personalities. The key to ingredients is then a recipe. There is where servant-leadership will win over others.

Preconception # 4: Strategic Insight Can Be Taught

Skills can be taught and learned, but destiny must be realized. Strategic insight is about peeling the onion, uncovering the depth that lives within an organization. Organizations are organisms of thought, ideas, and beliefs. We are all humans, but in this humanity we are collectively capable of bringing our collective knowledge to what we believe is our corporate destiny to serve. Strategic realization comes to the prepared mind. A corporation swimming in the noise of an industry tends to be unprepared. An



introspective, meditative and contemplative corporation gets prepared for insight to visit. Strategy for Southwest Airlines could have been, fly airplanes with a point-to-point architecture versus hub-and-spoke architecture for flight planning. But strategic insight with Southwest Airlines was built on the foundational concept of service, that is, “giving people who’d otherwise not be able to travel the opportunity to do so” (Hesselbein & Cohen, 1999, p. 47). Insight like this cannot be taught, but it can be exposed and enabled if the corporation is prepared to accept its destiny to serve.

Preconception #5: Strategy Needs Followers and Not Leaders

We often hear of strategic failure being blamed on the lack of execution rather than the lack of insight. This is one reason strategy fails, but another, more ironic reason is that people tend to follow a strategy rather than be inspired to lead. Following a strategic path is a model of the past. Strategy is always about leading, that is, servant-leading. But followers within corporations cannot lead in strategy. Hence, the notion of followership in strategy may be an ineffective notion. We may not be able to afford this going forward. Strategic leadership has always been the right of the elite in organizations. Strategy should be latent in all corporate citizens, customers, prospects and partners. Great strategies tend not to create followers; they create inspired servant-leaders. This model discards the notion of followership and embraces enlightened self-leaders who partner from common cause. In a sense, the notion that we follow people or charismatic leaders is commonplace, but maybe there is another model in which there are only self-leaders who partner with each other and follow a cause. They serve the concept and each other to achieve the goal which is really anchored in values and truth.

LINKING STRATEGIC INSIGHT WITH SERVANT-LEADERSHIP—CAUSE

In 2002, I wrote an article entitled “The Ten Deadly Sins of CEOs” in an attempt to document the experiences of several CEOs I had coached as



well as my experience running startup and emerging businesses. I received the most cards and emails with regard to one “sin” more than any other—sin #1: Working without a cause.

Many CEOs believe that their passion is the cause of the company. This is a delusion. Organizations are made up of individuals who have multiple agendas and motivations. Especially in these times, individuals are not satisfied with work for work’s sake and are asking, sometimes privately, what work is all about. To win, CEOs must uncover the hidden common purpose usually found under the skin of the organization.

When I meet with executives I often ask them who they admire as entrepreneurs. The answers are as expected—Howard Schultz of Starbucks, Bill Gates of Microsoft, or Les Schwab, to mention a few. When I follow with the question, “Who is your most admired leader?” they often skip any of the traditional entrepreneurs and move to higher ground, mentioning individuals like Mohandas Gandhi, Winston Churchill or Martin Luther King, Jr.

Why is it that many of us hold leaders we admire to a different standard than we hold entrepreneurs? Why do we not admire entrepreneurs as leaders? Why do we not consider these great leaders, like Gandhi, as entrepreneurs? After all, the Mahatma managed to motivate forces to perform beyond their self-expectation; he raised funding to meet his objectives; he hired a startup management team and paid them nothing to free India from domination; he also branded his offering—non-violent non-cooperation. Gandhi dealt with the economics of politics and drove his competition out of his country. His cause had economic consequences. We seem to admire him more as a leader than as an entrepreneur, maybe because we believe entrepreneurs are profit-focused.

I believe that the lesson learned from these great leader-entrepreneurs is that all of them had a cause greater than themselves. Mission statements are seldom understood or even followed in our organizations because they do not fit the qualities of a cause:



- A mission is given while a cause is taken.
- A mission is a short-term action while a cause is an everlasting theme that guides you.
- A cause has personal implications if not followed while a mission has organizational implications.
- A cause is discovered while a mission is instituted.
- A cause brings out the will of an organization while a mission imposes a will onto the organization.
- An effective cause has economic potency while a mission is unclear in its economics.

CEOs can find a competitive weapon in identifying and calibrating each individual to the cause. Today, corporations compete in terms of products and services. A few compete in terms of the personality of the cause we drive to. Causes do not have to be all-encompassing. They could be simple and industry-specific. But they rest upon an idea for transforming that which is current to a new state. We all want to find causes to support and what brings us to work cannot be just working. If you can tap into the “cause” in them rather than the “work” in them, you will see a fast-paced sprint in your organization.

CEOs know when they are imposing their will onto an organization and when they are bringing out the cause of the organization. Gandhi brought out the will of an entire nation by clearly articulating his purpose of non-violent non-cooperation to free his nation from subordination. Martin Luther King, Jr. displayed similar focus on a cause and articulated a message and a dream that drove millions to act.

Southwest Airlines has a cause to provide the “highest quality customer service delivered with a sense of warmth, friendliness, individual pride and Company Spirit.” But let’s also not forget that Southwest can make flying fun and inexpensive too. Organizations that find their cause and reflect it through their optimized business activities win financially over others who just chase profits with their mission statements hanging on walls.

Causes have economic as well as symbolic value. Without an eco-



nomic focus, causes die very quickly as unfunded feel-good initiatives. Your organization is running on a cause today, but it may not be economically-directed. When cause and economics come together, they form the foundation for the linkage between strategy and servant-leadership.

A Case in Cause

Howard Schultz, the leader of the new coffee industry, declares that Starbucks had two parents.

One is the original Starbucks, founded in 1971, a company passionately committed to world-class coffee and dedicated to educating its customers, one on one, about what great coffee can be. The other is the vision and values I brought to the company: the combination of competitive drive and a profound desire to make sure everyone in the organization could win together. (1997, page 11)

The cause lives on today and guides Starbucks' success. This attitude toward employees has been the foundation of its strategy and hence falls in the category of insight. Starbucks today has operationalized its value proposition by establishing a culture of service within its own employees first. Starbucks knew what matters to the custodians of service, their employees, and knew that they would reflect servant-leadership if they were served the servant-leadership way.

I propose that Mr. Shultz did not franchise his business from the start because his cause was about everyone winning. His framework seems to be built on a people business, not the coffee business. His insight was about a cultural transformation rather than an economic transformation, yet both occurred. It seems that he wished for a world-class company that did not leave its people behind and stayed true to his values. That became the Starbucks brand. People now speak of Starbucks less in terms of its coffee and more in terms of the reinvention of customer experience. The servant-leadership principles that Starbucks was founded on lives first within its walls. But these principles are not about how employees lead each other.



but more about how they believe they must serve and lead their customers. After all, they are led the same way. Starbucks developed its operating principles in a small pocket book called the “green apron book.” This book speaks of “five ways of being” (Michelli, 2007, pp. 20-21).

- Be welcoming.
- Be genuine.
- Be considerate.
- Be knowledgeable.
- Be involved.

Starbucks, under the greatness of leadership and strategic insight, has formed new communities and a culture of connectedness. They have consciously built a foundation for community transformation as well as the transformation and creation of a new coffee culture. Now Starbucks sells many items in its retail outlets. But they never forget that they are serving first, selling second.

CAN SERVANT-LEADERSHIP PRINCIPLES SERVE STRATEGIC INSIGHT?

Greenleaf believed that the “work exists for the person as much as the person exists for the work” (Greenleaf, 1996, p. 117). One model for work to exist for the person is when strategic insight and servant-leaders are aligned to a cause. If I see work as establishing a new paradigm for others whom I have yet to meet to live better, learn more or actually improve the life of others, then maybe I can work harder and with passion. If I believe that my work serves only me in promotion and also serves unknown shareholders to make more money, then I may be motivated within a smaller circle of influence. I believe that servant-leaders living in strategy work to impact society and improve the character of commerce. If such alignment can be discovered within strategy, then I believe employees become ambassadors of change rather than drivers of change. Here they enable change in others while they are changing themselves with their noble deeds.

If corporations can find ways to communicate a strategy of transformation, inclusion, liberating customers, partners and employees, then strategy



will move from bounded documents on the desks of planners to the frontlines where true servant-leadership can engage.

Servant-leadership has always asked us to listen more and speak less. Strategic insight is seldom about analysis and more about understanding needs of customers.

“Every step we take—no matter how small—to understand the needs of the people we strive to serve will increase our bond with them and move us in the direction of a higher standard of leadership” (Nair, 1994, p. 86).

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