SERVANT LEADERSHIP CHARACTERISTICS IN A HEALTH CARE

ORGANIZATION, AND THE RELATIONSHIP WITH LEADER-MEMBER

EXCHANGE

by

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Abstract

This study was conducted with 330 associates and 19 top leaders of a hospital in the Midwest. The Organizational Leadership Assessment (OLA) was used to verify differences between the characteristics of servant leadership in several departments of the hospital. The LMX-7 measured the quality of the relationship between leaders and follower. Then, the relationship between servant leadership and leader-member exchange was assessed.

The findings of this study were the following:

A one-way Analysis of Variance indicated no significant differences in the scores of the OLA among the hospital departments. The Pearson correlation did not find any significant correlation between gender and the characteristics of servant leadership as measured by the OLA instrument. The Spearman correlation indicated that age and tenure have a significant correlation to some characteristics of servant leadership. Age positively correlated with 'values people,' 'displays authenticity,' 'build community,' and 'shares leadership,' and 'develops people.' Tenure negatively correlated with 'provides leadership.'

Independent T-test determined that leaders responded significantly higher than non-leaders on 'values people,' 'displays authenticity' and 'shares leadership' subscales. And finally, results of the Pearson correlation indicated a high correlation between all of the six subscales of the OLA and the LMX-7 instrument.

Introduction

Servant leadership is a concept based on the leadership ideas developed by Robert Greenleaf in 1970. Despite not being a developed theory, servant leadership has received considerable attention in the popular press (Farling et al, 1999), and attracted the attention of leadership practitioners and a few scholars (Sendjaya & Sarros, 2002). The concept of servant leadership places service to others over self-interest and self-promotion. The term might be confusing because it is paradoxical. It calls us to lead by serving (Smith, 1995). However, the beauty of servant leadership is exactly in its paradoxical concept. Advocates of servant leadership believe that the servant leader can lead more effectively by serving others, and can build strength and unity by valuing differences (McGee-Cooper & Trammell, 2002).

To Greenleaf (1977), the servant-first leader makes sure that other people's highest priorities are being served. If the followers grow as persons, become healthier, wiser, and more autonomous, more likely themselves to become servants, and the least privileged in society also benefit, then the leader is a servant-leader.

Spears (2002), in a careful review of the Greenleaf's extensively work on servant leadership, identified ten characteristics of critical importance to the development of servant-leaders: listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people, and building community. However, these characteristics are based solely on Spears readings of Greenleaf s writings, and are not grounded in empirical research studies. They are Greenleaf's implicit model of leadership, and they were based on a keen intuitive sense of people and

their relationships within institutions; therefore they comprise an intuition-based concept (Laub, 2000; Sendjaya & Sarros, 2002).

In order to determine the characteristics of servant leadership, Jim Laub (1999) in his doctoral dissertation did a comprehensive literature review on servant leadership from different authors and in different time frames. In addition to the literature review, he developed a three-part Delphi survey that was conducted with fourteen experts from the field of servant leadership. The experts were chosen based upon the fact that they had written on servant leadership or had taught at the university level on the subject.

The panel was asked to name and rate the characteristics of the servant leader. All characteristics that were rated "Necessary" to "Essential" in the final survey were used in the construction of an instrument to measure the characteristics of servant leadership. The three-part Delphi survey resulted in several characteristics of servant leadership that are listed as six categories in Table 1.

Table 1

Characteristics of Servant Leadership

Values People	• By trusting people
	• By serving others first
	• By receptive listening
Provides Leadership	• By envisioning the future
	• By taking initiative
	• By clarifying goals

Displays Authenticity	• By being open and accountable to others
	• By a willingness to learn from others
	• By maintaining integrity and trust
Builds community	• By building strong personal relationships
	• By working collaboratively with others
	• By valuing the differences of others
Shares Leadership	• By facilitating a shared vision
	• By sharing power and releasing control
	• By sharing status and promoting others
Develops People	• By providing opportunities for learning and growth
	• By modeling appropriate behavior
	• By building up others through encouragement and affirmation

Even though these six characteristics were found by using a Delphi technique, it is important to note that, from a scientific perspective, the concept of servant leadership is still lacking systematic research using these or other characteristics. Bowman (1997) argues that although many writers have provided examples of servant leadership in organizations, these examples are only anecdotal evidence to support a sound theory of servant leadership. However, Bernard Bass (2000) states that "the strength of the servant leadership movement and its many links to encouraging follower learning, growth, and autonomy, suggests that the untested theory will play a role in the future leadership of the learning organization" (p. 33). It is believed indeed that the profound philosophical

foundation of servant leadership will provide avenues for its future theoretical development (Sendjaya & Sarros, 2002). Therefore studies investigating the characteristics of servant leadership, and how they compare and correlate to other better-known leadership measures are necessary. The outcomes of such studies will provide a solid basis for strengthening the development of servant leadership as a theory.

The purpose of the research presented in this article was to compare the six characteristics of Servant Leadership, as identified by Laub, in the different departments of a health care organization, and to assess how these characteristics are related to the quality of the leader-member exchange.

Servant Leadership and Leader-Member Exchange

The leader-member exchange (LMX) theory is distinguished from other leadership theories by its focus on the dyadic relationship between a leader and a member. Traditional theories seek to explain leadership as a function of leader's characteristic, the context, or an interaction between the two. However, the LMX theory adopts the dyadic relationship as the level of analysis (Gerstner & Day, 1997).

LMX says that a leader builds a different relationship with different followers. This relationship is high when it involves mutual trust, good communication, respect and some degree on sharing decision-making. The relationship is low when there is just an exchange between the leader and the follower, the leader acts like a supervisor, and there's not much mutual consideration between both sides. When the leader develops a high relationship with some followers, an in-group is created. An out-group is created when the leader has a low relationship with a group of followers. In other words, if more

latitude is given to the subordinate, leadership relations will be produced. If less latitude

is given to a subordinate, supervisory relations are likely to surface (Hughes, et al, 2002).

The consequences of LMX relationships are seen in the effectiveness and

performance of followers. Multiple studies, using within and between analyses support

the finding that individualized leadership effects that involve superiors who support a

subordinate's sense of self-worth also receive performance from the subordinate that

satisfies the superior. (Dansereau, 1995). Thus, LMX training teaches the importance of

developing high relationship with all the members of a department or unit has become

very important. It has been found that LMX training was an effective intervention on

producing positive outcomes in both employee productivity and overall job satisfaction

(Graen, Novak, Sommerkamp, 1992).

According to Gerstner and Day (1997) other studies have linked LMX to

outcomes associated with member development, such as increased delegation (Leana,

1986), empowerment (Keller & Danserau, 1995), and mentoring (Scandura and

Schriesheim, 1994). Testing the hypothesis that high LMX was associated with

transformational leadership, Deluga (1992) found support for individualized

consideration and charisma as predictors of LMX quality.

LMX relates to servant leadership in the sense that a high quality leader-member

exchange is expected of a true servant leader. A leader, who shows individualized

consideration to some followers and not to others, is not a transformational leader. A

transformational leader is aware of the human tendency of developing in and out-groups,

seeking to be fair with all the members. The servant leader relationship with all members

of his or her group is even superior to the transformational leader. For the servant leader

is concerned in building a community where all aspects of the followers' life, even those who are not apparently work related, are satisfied.

In the opinion of Bausch's (1998) the secret of servant leadership is that it is grounded in a deep and objective understanding of the human person; it creates an environment or culture that nurtures new meanings of work in large and small organizations; and it does so by constantly striving to enhance the dignity of each and every person, but most importantly, the employees, who in turn, are impacted by the organization.

Methods

Sample

The sample consisted of 349 associates of a hospital with 208 beds and 1844 employees, located in an important city in the Midwest of the United States. To ensured that each department was fully represented a stratified sample method was used for this study. A random sample was drawn from each of the five departments of the hospital, each department was represented by a vice president, the departments were: mission & human resources; strategic planning & business development; nursing; clinical and support services; and finance. Another random sample was drawn from the 39 leaders and directors of the hospital. Therefore, the sample was composed of 6 groups, the 5 departments and the leaders group.

Demographic Data

The study participants were predominately (85.7%) female. Seventy-one percent of the total sample was between the ages of 26 and 55. One hundred twenty-five participants held a bachelor degree (35.8%). Sixty-nine percent of the participants have been with the hospital from less than one to ten years.

Procedures and Data Collection

For this study, the instruments were mailed to each randomly chosen participant. A specific contact person from the human resource department of the hospital coordinated the mailing of the instruments. A package was mailed to each participant. The package contained: the two instruments; a letter from the vice-president of human resources explaining the study; a consent form explaining the voluntary aspect, and the anonymity and confidentiality agreement, a self-addressed and prepaid return envelope in the name of the researcher.

Measures

This study used two surveys instruments. The Organizational Leadership Assessment (OLA) was used to assess the characteristics of servant leadership within the hospital. The Organizational Leadership Assessment (OLA) is a 66-item instrument developed by Laub in 1998 that measures the six qualities of servant leadership in organizations as established in the Servant Leadership Model.

The Leader-member Exchange (LMX-7) was used to assess the quality of the relationship between leaders and non-leaders of the institution. LMX-7 is a seven-scale instrument developed by Graen and Scandura (1987), measuring the respondents'

relationship with their supervisor. Questions are presented with a seven-point, varying Likert scale response selection.

A reliability analysis revealed that both instruments are highly reliable, a cronbach alpha coefficient of .97 for the OLA, and .95 for the LMX. The cronbach alpha coefficients for the sub-scales of the OLA ranged from .86 to .93.

Results

This study investigated four research questions and tested four null hypotheses. A significance level of $\alpha = .05$ was used to determine the significance of differences between the mean scores reported in this study.

Research question 1

Are there differences in the characteristics of servant leadership as measured by the OLA instrument when comparing the Human Resources, Strategic Planning and Business Development, Nursing, Clinical and Support Services, and Finance departments of the targeted health care organization?

H_o1: There is no difference by departments in the subscales scores of the OLA instrument.

The one-way Analysis of Variance (Table 3) indicated that the P-values for all OLA subscales were greater than alpha at 0.05, meaning that there were no significant differences in the scores of the OLA among the hospital departments. Therefore, null hypothesis 1, was accepted.

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Table 2

Mean and Standard Deviation of the Sub-scales of the OLA in each Department of the
Hospital

Departments	Values people			Provides leadership			Displays authenticity		
	M	SD	n	M	SD	n	M	SD	n
1	3.88	.67	13	3.77	.64	13	3.72	.76	13
2	4.08	.42	18	4.07	.48	18	3.91	.63	18
3	3.88	.57	134	3.90	.54	138	3.81	.63	137
4	3.79	.70	119	3.78	.61	117	3.69	.73	116
5	4.05	.58	41	3.99	.56	41	3.99	.63	41
	Build Community			Shares leadership			Develops people		
Departments	M	SD	n	M	SD	n	M	SD	n
1	3.78	.66	13	3.68	.94	13	3.72	.88	13
2	4.11	.39	18	3.77	.65	18	3.88	.68	18
3	3.93	.50	136	3.77	.69	137	3.83	.66	134
4	3.86	.63	118	3.60	.79	117	3.68	.81	117
5	4.04	.46	38	3.92	.65	40	3.90	.71	41

Department 1 = Presidency & Human Resources

Department 2 = Strategic Planning & Business Development

Department 3 = Nursing

Department 4 = Clinical & Support Services

Department 5 = Finance

Table 3

One-Way Analysis of Variance for the Difference in the OLA Sub-scales between
Departments

Variable and Source	df	SS	MS	F	Sig.
Values People					
Between Groups	4	3.00	.75	1.96	.10
Within Groups	320	122.51	.38		
Provides Leadership					
Between Groups	4	2.50	.62	1.94	.10
Within Groups	322	103.59	.32		
Displays Authenticity					
Between Groups	4	3.09	.77	1.70	.15
Within Groups	320	145.71	.46		
Builds community					
Between Groups	4	1.92	.48	1.60	.17
Within Groups	318	95.23	.30		
Shares Leadership					
Between Groups	4	3.60	.90	1.67	.16
Within Groups	320	172.66	.54		
Develops People					
Between Groups	4	2.35	.59	1.09	.36
Within Groups	318	170.64	.54		

In order to strengthen the verification of the results for hypothesis 1, a second
one-way analysis variance was done. In this analysis the OLA five point likeart-scale was
reduced to four points. The item number 3 'undecided' was eliminated. This procedure
resulted in a slight change on the means with no significant difference among the
departments of the hospital.

Research question 2

Are there relationships between the characteristics of servant leadership as measured by the OLA instrument, and gender, age, level of education, and time in the organization?

H_o2 – There are no relationships between the characteristics of servant leadership as measured by the OLA instrument, and the characteristics of the participants of the study by gender, age, level of education, and time in the organization.

The findings related to this null hypothesis were achieved by using two correlation analyses. The first one was the Pearson product-moment correlation coefficients to determine linear relationship between the subscales of the OLA and gender. Because gender is a dichotomous variable, it was first converted to numerical values and then the Person correlation was used. Age, educational level, and tenure are ordinal data, thus it required the use of Spearman correlation.

The Pearson correlation (table 4) did not find any significant correlation between gender and the characteristics of servant leadership as measured by the OLA instrument.

Results of the Spearman correlation (table 4) indicated that age and tenure have a significant correlation to some characteristics of servant leadership. Age positively correlated with the OLA subscales: 'values people,' 'displays authenticity,' 'build community,' and 'shares leadership,' and 'develops people.' Tenure negatively correlated with 'provides leadership.'

Thus null hypothesis two was partially rejected.

Table 4

Pearson Correlations for Sub-scales of the OLA as a function of Gender, and Spearman Correlations for Sub-scales of the OLA as a function of Age, Education, and Tenure.

Measures	Gender	Age	Education	Tenure
1) Values people	-.20	.22**	-.05	.04
2) Provides leadership	.07	.06	-.07	-.10*
3) Displays authenticity	-.04	.18**	-.01	.02
4) Build Community	-.03	.13*	-.02	.03
5) Shares leadership	-.03	.16**	-.02	-.01
6) Develops people	.02	.09*	-.06	-.06

** Correlation is significant at the 0.01 level (1-tailed).

 * Correlation is significant at the 0.05 level (1-tailed).

Research question 3

Are there differences in the subscales scores of the OLA instrument between the upper level and management team and the associates of the hospital?

H_o3: There are no differences in the subscales scores of the OLA instrument between the upper level and management team and the associates of the hospital.

An independent T-test was used to determine whether the sample of leaders differed significantly from the sample of non-leaders. When comparing the differences using T-tests (table 5), leaders responded significantly higher than non-leaders on the 'values people' subscale, $t(342) = 2.24$, $p <.05$, two-tailed; on 'displays authenticity' subscale, $t(342) = 2.76$, $p <.01$, two-tailed; on the 'shares leadership' subscale, $t(342) = 2.93$, $p <.01$, two-tailed. Therefore, null hypothesis 3 was rejected.

Table 5

T-test of OLA Subscales between Leaders and Non-leaders

Measure	Leaders Scores			Non-leaders Scores				
	M	SD	N	M	SD	n	df	t
Values people	4.21	.33	19	3.89	.62	325	342	2.24*
Provides leadership	4.06	.48	19	3.87	.57	327	344	1.39
Displays authenticity	4.23	.39	19	3.79	.68	325	342	2.76**
Build Community	4.15	.32	19	3.92	.55	323	340	1.84
Shares leadership	4.23	.42	19	3.72	.74	325	342	2.93**
Develops people	3.99	.44	19	3.78	.73	323	340	1.21

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Research question 4

Are there relationships between the characteristics of servant leadership—values people; provides leadership; displays authenticity; build community; shares leadership; develops people—as measured by the OLA instrument, and the quality of leader-member exchange as measured by the LMX-7 instrument?

H_o4: There is no relationship between the servant leadership characteristics as measured by the OLA instrument, and the quality of leader-member exchange as measured by the LMX-7 instrument.

Pearson product-moment correlation coefficients were used to determine if there is any significant relationship between the six characteristics of servant leadership and the quality of leader-member exchange.

Results of the correlation (table 7) indicated a high correlation at the level

p < .01, two tails, between all of the six subscales of the OLA instrument and the LMX-7

instrument. The significant correlations presented in Table support rejection of null

hypothesis 4.

Table 6

Means and Standard Deviations for the Six Subscales of OLA and the LMX-7 Scale

Measure	M	SD	n
Values People	3.90	.61	344
Provides Leadership	3.88	.57	346
Displays Authenticity	3.82	.67	344
Builds community	3.93	.54	342
Shares Leadership	3.75	.73	344
Develops People	3.79	.72	342
LMX	37.82	.19	345

Table 7

Pearson Correlations and Coefficient Alphas for the Subscales of OLA and the LMX-7 Scale

Measure	1	2	3	4	5	6	7
1) Values People	**.90**						
2) Provides Leadership	.78**	**.86**					
3) Displays Authenticity	.91**	.82**	**.93**				
4) Builds community	.86**	.77**	.82**	**.87**			
5) Shares Leadership	.86**	.82**	.90**	.79**	**.93**		
6) Develops People	.88**	.84**	.90**	.81**	.90**	**.92**	
7) LMX	.78**	.63**	.72**	.64**	72**	.75**	**.95**

Note. Coefficient alphas are presented in boldface along the diagonal.
All coefficients are significant at p < .01, two-tail.

It is important to notice that the Pearson correlation one-tail was also run to contrast with the two-tail. Although the correlation coefficients were smaller, the correlation of LMX-7 with all subscales of the OLA was still significant at the level $p <$ .01.

Conclusions

The result of the first hypothesis has shown that there was no difference in the way the participants of the study perceived the characteristics of servant leadership in their respective departments. Although no significant difference was found, it is important to notice that the means of each department was higher than 3, within a range from 1 to 5, for each sub-scale of the OLA. A mean of 1 and 2 reflects that the participants disagreed with the characteristics of servant leadership being measured. Consequently, 3 reflected they were undecided, and 4 and 5 that the participants agreed.

The score ranges were: 'values people' 3.79 – 4.08; 'provides leadership' 3.78 – 4.07; 'displays authenticity' 3.69 – 3.99; 'build community' 3.78 – 4.11; 'shares leadership' 3.60 – 3.92; 'develops people' 3.68 – 3.90. From these means, it can be concluded that the hospital has a tendency toward being a servant led organization.

It can be hypothesized that since this organization is a not-for-profit institution, and linked to a religious organization it may have an influence in the leadership of the organization. Other reasons that might influence the leadership are the core values of the organization: a healing ministry, human dignity, social justice, and healthier communities. These core values are aligned to the servant leadership concepts that the followers grow as persons, become healthier and the least privileged also benefit (Greenleaf, 1977).

On the other hand, methodological reasons might have affected the results. The sample for this study was drawn from the departments of the hospital; however, some departments such as nursing, and clinical and environmental services have several units under them.

Hypothesis 2 was partially rejected because age and tenure were the only demographic factors to present a significant correlation with the characteristics of servant leadership. Age positively correlated with 'values people,' 'displays authenticity,' 'build community,' 'shares leadership, and 'develops people.' Although a significant correlation was found, the correlation coefficients were very low. When measuring the strength of the relationship, by squaring the correlation value, the coefficient of determination (r2) resulted in 4% for values people, 3% for displays authenticity, 1% for build community, 2% for shares leadership, and less than 1% for develops people. Tenure negatively correlated with 'provides leadership.' The strength of the relationship between tenure and provides leadership was also very low; it was less than 1 percent.

Even though the significant correlations were low, a Scheffé post-hoc test was used to verify if there were any significant differences in the means of the different age and tenure groups. The post-hoc test did not find any differences.

Surprisingly gender, and level of education, did not present any relationship with the characteristics of servant leadership. It is possible that a methodology with a bigger sample might bring different results.

The results of hypothesis 3 revealed a significant different perception between leaders and non-leaders towards the characteristics of servant leadership. The mean

scores of leaders in relation to 'values people,' 'displays authenticity,' and 'shares leadership' were higher than the non-leaders.

These results show a discrepancy in the way leaders and non-leaders see some aspects of leadership in the hospital. It is important to notice that a servant leader values people by trusting people, serving others first, and by receptive listening. The servant leader displays authenticity by being open and accountable to others, willing to learn from others, and maintaining integrity and trust. And finally a servant leader shares leadership by facilitating a shared vision, sharing power and releasing control, and by sharing status and promoting others (Laub, 1999).

One of the explanations for the inflated perception of the characteristics listed above may be found under the situational favorability model. According to Hughes, et al (2002) this model is the amount of control the leader has over the followers. Thus, the more control a leader has, the more favorable the situation is from the leader's perspective. However, in this study followers did not have the same perception; they saw the leaders with a lower perception than the leaders perceived themselves.

Concerning the methodology of this study, one of the reasons that might have influenced the results, is the fact this sample of leaders is composed of vice-presidents and department directors. According to the person responsible for the human resources department at the hospital, they have eliminated middle management positions. Therefore, leaders of large departments might not have the same contact with the department members as supervisors or team leaders would have, thus the extent of their belief or practice of servant leadership is not getting to the lower levels. It would be very

interesting to adapt the OLA instrument for a 360 degree approach, so the difference would be better verified.

The analysis of hypothesis 4 has indicated a high correlation at the level $p < .01$, two-tails and also one-tail, between all of the six subscales of the OLA instrument and the LMX-7 instrument. When measuring the strength of the relationship, by squaring the correlation value, the coefficient of determination ($r2$) resulted in 61% for values people, 40% for provides leadership, 52% for displays authenticity, 41% for build community, 52% for shares leadership, and 56% for develops people. It is important to note that a correlation measures and provides a description of a relationship. It does not explain why the two variables are related (Gravetter & Wallnau, 2000).

Therefore, this hypothesis is limited only to find a relationship between servant leadership characteristics and the quality of leader-member exchange. This correlation cannot be interpreted as a proof of a cause-effect relationship between the two variables.

The servant leadership concept is based on a meaningful relationship between the leader and the follower. Thus, it is not surprising that there is a relationship between the characteristics of servant leadership and the quality in the dyadic level. Furthermore, research on LMX has shown that the higher the quality of the exchange, the more relational the interaction between the leader and subordinate (Pillai, 1999).

The findings of this study support findings which have found a relationship between high LMX and increased delegation (Leana, 1986); empowerment (Keller and Danserau, 1995); mentoring (Scandura and Schriesheim, 1994). Finally, Deluga (1992) who found a support for individualized consideration and charisma as predictors of LMX quality.

Scandura (1999) has reported that LMX has been positively related to job satisfaction, productivity, and career progress of managers, and negatively related to turnover and employee complains. Therefore, it could be speculated that a servant led organization would present a positive relationship with these variables.

Recommendations

Although no significant differences were found when comparing scores of the OLA between departments, some departments score had their mean below 4, in 1 – 5 scale, in all characteristics of servant leadership. Therefore, there is a margin for improvement if the organization wants to be a servant led organization. In order to improve these scores, the organization could focus their leadership training in the specific servant characteristics scoring low for each department.

Special training sections on servant leadership characteristics could be designed for the leaders. These sections would focus the factors that have shown a discrepancy between leaders and non-leaders, namely, values people, displays authenticity, and shares leadership.

A replication of the study in a similar but not-for-profit organization to verify if the espoused philosophy of the organization influences the results.

A similar study with a stronger focuses on personal characteristics to measure how gender, age, educational level, time in the organization, and race relate to servant leadership characteristics.

Future research on servant leadership could hypothesize that, contrary to the results of this study, leaders and non-leader perceptions should be the same in a servant led organization.

The data of the present study should be analyzed to find the direction of the relationship between the characteristics of servant leadership and LMX. More advanced statistics methods can reveal if the characteristics of servant leadership predict LMX or vice-versa.

It is also necessary to design more studies comparing the characteristics of servant leadership and other leadership variables as those presented in the literature review of this study.