

## The Servant Organisation

*Without it, Servant Leadership is a hypocritical facade.*

Swellendam: - When Robert Greenleaf [coined the phrase](#) “Servant Leader” in 1970, he probably could not have foreseen the impact it would have on modern organisational theory, especially on human resource practices.

His often quoted aphorism: “The great leader is seen as servant first, and that is the key to his greatness” rings true to many. So it should, because he also conceded that it is a “timeless” concept; one that can be identified in the behaviour of most great leaders over millennia. And, as is often the case, stating the obvious hits a chord at a specific time and place that then finds expression in a plethora of practices. These often lose sight of the fuller context, but still give succour to a number of practitioners all claiming to hold a holy grail of originality and exclusivity as well as authorship of new organisational text books.

I have come across many definitions of leadership, many not making a distinction between power and control, and between governing and ruling. But Greenleaf’s Servant Leadership proposal perhaps says it best: “It begins with the natural feeling that one wants to serve, to serve first.”

In other words, the essence of Servant leadership is based on empathy. But so too is the essence [of the Servant Organisation](#).

It is only when cognitive capacity takes over that one starts getting perversions or, as Greenleaf puts it: “Then conscious choice brings one to aspire to lead. That person is sharply different from one who is leader first.” Those [wanting](#) to lead, therefore are often self-aggrandising and driven by self-gain or having power over others. Which may explain why his work and the infinite number of courses and interventions based on the concept have become so popular. It is easy to learn how to feign empathy; something akin to Carnegie’s “how to win friends...” Even [psychopaths can do it](#) better than most.

The concept of Servant Leadership has increasingly been narrowed down to staff relations, almost to the point of obsessive exclusivity. That too, is understandable. Human resource theory and practices have always been the soft underbelly of the modern organisation. Fix the people and you have fixed the organisation, it is held.

What must have irked Greenleaf before his death in 1990 were the intervening years that saw the firm entrenchment of the shareholder value argument – short term profit maximisation and clamouring homage to the Milton Friedman edict that “the sole purpose of business is to maximise profits for the shareholders.” That is totally counter-intuitive to Greenleaf, who espoused that servant leadership is not restricted to relationships between people, but also embraces institutional and company behaviour.

“Whereas, until recently, caring was largely person to person, now most of it is mediated through institutions – often large, complex, powerful, impersonal; not always competent; sometimes corrupt,” he wrote.

I first came across this contradiction when I merged my consultancy with a leadership consultancy to become the principal founder of Schuitema Associates and saw synergy between the two. Their home-grown “care and growth” version of the Servant Leadership approach was also focussed on the relationship between leader and subordinate in the workplace and was based on Chamber of Mines research and interventions.

The argument for “care and growth” was the same as Greenleaf’s argument around intent – having a benevolent intent towards the other. The paradox of having a “benevolent intent” within an enterprise, that in turn has an arguably “malevolent intent” of maximum self-gain through exploitation of its market, was missed. It was only when we introduced what I later called the [Contribution Accounting](#)<sup>®</sup> model that the approach was complete.

Yet it was extremely difficult to implement fully – as I discovered when a colonial relic on the board of a big client remarked: “This is a good way to placate the troops.” And that is for the most part what servant leadership has become: placating the troops while we chase the money. There is even a hint of that in entrepreneur Richard Branson’s rather [bemusing assertion that](#): “if you can put staff first, your customer second and shareholders third, effectively, in the end, the shareholders do well, the customers do better, and you yourself are happy.”

Branson then, with his well-known obsession with customer service, sees putting staff first as a way of achieving that. It is still a means to an end argument – albeit a noble end. Then it is similar to “placating the troops” to maximise profit, which is simply a means to an ignoble end. Both are internally focused. It leads to the extreme of employee growth being an end in itself, seeing organisational tasks as the gymnasium for employee body building and the customer as the treadmill. This clearly must become dysfunctional. You can never use the market as a practice ground. While ultimate empowerment is to unleash willing contribution to the other, the real purpose must always be the contribution itself.

The ranking of role-players in the creation of wealth is little more than schoolboy bantering about who has the biggest. But it becomes inevitable in a profit driven model where share-holders interests are always put first, despite sanctimonious credo’s, missions, visions, values, ethics statements and yes, behavioural models such as Servant Leadership. Exclusive internal servant leadership to support such a model is little more than seduction. It can only be authentic in a customer driven Servant Organisation, which has a common purpose of service and a shared common fate in rewards that have to meet all role-player’s expectations and ensure continued contribution. The only top ranking, I would insist, is still the customer.

A refreshing [addition to servant leadership champions](#) is South African entrepreneur Ian Fuhr. After presenting the employee awareness course, [People and Wealth](#), as part of his Labour Link consultancy many years ago, he had an already intuitive conviction firmly entrenched that business was nothing more than “people serving people.” (See page 142 [of his book](#).) He has independently applied the Contribution Accounting<sup>®</sup> model fully at Sorbet – from forging a common focus on customers, and common fate embracing variable pay. The company is the perfect example of Greenleaf’s extended servant leadership vision.

Of course, one could argue that it is much easier to adopt this model for a non-listed family owned enterprise without the crushing shareholder-value demands of a large body of equity holders and institutional investors. And therein lies the twist. Perhaps that is where the real servant leadership challenge lies – not in placating the troops, but indeed in gaining full support for and passionate loyalty to an essentially Servant Organisation.

They have done so before: Branson, Jobs, Gates, Musk, Gordon and Ackerman. Despite shareholder-value theories, there is still substantial equity hunger for the real servant leaders in our midst.

(TAGS: *Servant Leadership; Servant Organisation; Greenleaf; Fuhr; Contribution Accounting.*)