

Conditions for the effectiveness of servant leadership: the moderating roles of group affective tone in the relationship of servant leadership with employee in-role performance and withdrawal behaviors.

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Abstract

The research model suggests that the relationship between servant leadership and employees' in-role performance, lateness and absenteeism would be stronger under low levels of positive group effective tone and high levels of negative group effective tone. Data were collected at two time points from 165 full-time employees and 50 managers, working in 25 branches of a large bank in Israel. The results show that, as expected, the relationship between servant leadership, lateness and absenteeism was stronger under levels of positive group effective tone and high levels of negative group effective tone.

Introduction

Servant leadership is characterized by concern for employees' well-being and employees' involvement in decision-making processes (Walumbwa, Hartnell & Adegok, 2010). Servant leadership is a positive form of leadership that is centered on the development and long-term growth of followers (Ehrhart, 2004; Smith, Montagno & , Kuzmenko, 2004). A central tenet of servant leadership is the ability of servant leaders to help their followers become more independent, autonomous, and capable of governing their own behavior (Greenleaf, 1977; Liden, Wayne, Zhao, & Henderson, 2008). Researchers have begun to empirically evaluate servant leadership (Barbuto & Wheeler, 2006; Ehrhart, 2004; Neubert, Kacmar, Carlson, Chonko, & Roberts, 2008; Walumbwa, Hartnell & , Oke, 2010); However, scholars have not examined the impact of contextual factors on the relationship of servant leadership with employees performance.

Path-goal theory of leadership is a situational theory based on the assumption that effective leader behavior has a positive impact on employees' performance, it provides a "functional" approach to leadership, calling for a diagnosis of functions which need to be fulfilled in employees' work environments for them to be motivated, perform at high levels, and be satisfied (Schriesheim and Neider, 1996). House (1971) formulated an elaborate version of the theory that includes situational variables. Path-goal theory states that supportive leader

behavior will positively impact the employees' satisfaction, who works on highly structured, stressful, frustrating or dissatisfying tasks (House and Mitchell, 1974). Moreover, it is hypothesized that participative leader behavior will also positively impact on employees' outcome when the task is unstructured, varied, or complex because it reduces ambiguity (House and Mitchell, 1974). House and Mitchell also (1974) recognized that the leader needs to complement only what is missing in a situation to enhance the employees' motivation, satisfaction, and performance. What is missing is determined by the environment, the task, and the competence and the motivation of the employees. Thus, the employees' productivity is enhanced if the leader provides needed structure to clarify unclear means and ends.

This study intends to test path-goal assumption as discussed above and tried to find out the moderating effect of autonomy (i.e., which refers to the degree of discretion employees have over important decisions in their work, Hackman & Oldham, 1975) in the relationship of servant leadership with in-role performance (i.e., kind of behavior that was described and defined as one part of employees' work and reflected in the official salary system in the organization, Katz & Kahn, 1978), lateness (i.e., nonrandom pattern of increasing frequency and duration, Cascio, 1987) and absenteeism (i.e., Voluntary nonattendance at work, without valid reason, Koslowsky, Sagie, Krause, & Singer, 1997).

Study objective

This study was designed to deepen the understanding of the effect of servant leadership in the service context by exploring its relationship to in-role performance, lateness and absenteeism through moderation effect of autonomy.

Study hypotheses

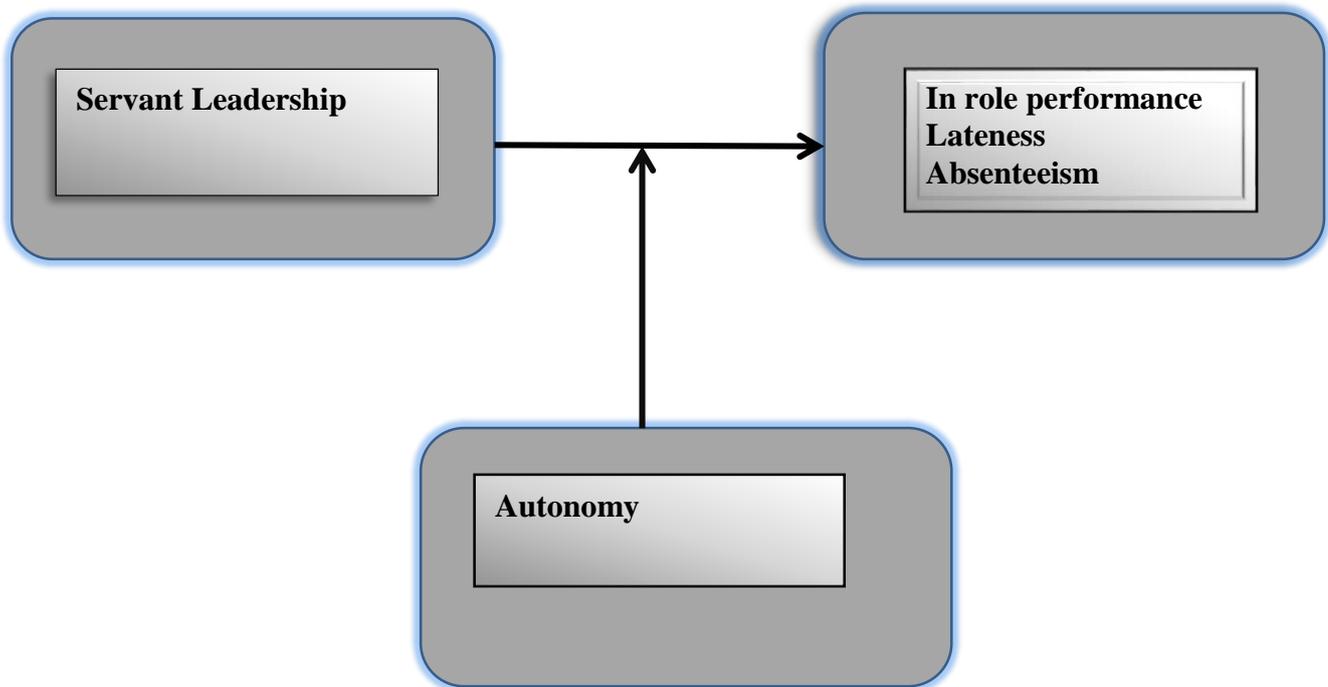
H1_A: Servant leadership is positively related to in-role performance.

H2_B: Servant leadership is negatively related to lateness and absenteeism.

H2: Autonomy moderates the relationship between servant leadership and in-role

Performance, lateness and absenteeism: The relationship is stronger under a low level of autonomy.

Figure 1: the research model



Methods

Respondents

I have collected data in branches of a large Israeli bank, including questionnaires administered to employees, performance evaluations conducted by managers, and lateness and absenteeism data provided by human resource departments. HLM analyses have indicated the significant effects of autonomy moderator.

The sample comprised 165 full-time employees of 25 bank branches (68.2% response rate) and 50 supervisors (78% response rate) from 25 departments. The average employee's age was 43.6 years, ranging from 24-67, (SD=10.34), with average tenure of 10.4 years (SD=8.73), and experience of 5.72 years under the current manager (SD=3.44). The average

managers' age was 46.98 years ranging from 27-67, ($SD=8.57$), with average tenure of 12.34 years ($SD=1.74$).

Procedure and Measures

This was a cross-sectional multilevel study that had two levels. Level-1 consisted of individual differences in direct reports (Kozlowski & Klein, 2000). In this study, the individual level variables were in-role behavior, autonomy, lateness and absenteeism. Level-2 contained supervisors' average leadership style (i.e., servant leadership style), and is referred to as the group level (Bliese & Hanges, 2004; Raudenbush & Bryk, 2002; Snijders & Bosker, 1999). Because of the interdependence that exists between direct reports that are led by the same supervisor (Yammarino & Dansereau, 2008); direct reports were considered nested within supervisors (Kozlowski & Klein, 2000).

Data were collected at two times points: The questionnaire measuring servant leadership was administered first and other questionnaires were administered two weeks later to reduce common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Completion of questionnaires took 25 minutes.

Results

Descriptive Statistics

Table 1 presents descriptive statistics for and correlations among the variables.

Table 1

Means, Standard Deviations, and Correlations between the Variables

	Mean	SD	1	2	3	4	5
Servant leader	5.34	.67					
autonomy	5.08	1.27	.117				
OCB	5.90	.95	.209**	.015			
lateness	2.10	4.17	-.382**	-.184*	-.543**		
absenteeism	4.62	6.22	-.207**	-.232**	0.3**	.394**	

* $p<0.05$ ** $p<0.01$

To investigate the plausibility of aggregating servant leadership to the group level, the ICC(1), ICC(2) (Bliese, 2000) and r_{wg} (James, Demaree, & Wolf, 1984) for servant leadership were estimated. Significant between-group variance was found for servant leader characteristic [$F(112,282) = 1.73, p < .001$. The ICC(1) = .37; ICC(2) = .66, and median r_{wg} value was .87].

In summary, r_{wg} of .87 indicates high consensus (i.e., interrater agreement among direct reports on the servant leadership characteristics of their immediate supervisor). The significant ICC(1) and ICC(2) indicate there are between-group differences on the perceptions of supervisor's servant leadership characteristics (Liden, Wayne, Zhao & Henderson, 2008). Therefore we used data from all 50 departments at this sample.

To test Hypotheses 1_A, 1_B and 2, Hierarchical Linear Modeling was performed using SAS program throughout Proc Mixed order. In step 1, tested hypothesis 1_A and 1_B, the control variables were entered, independent variable (servant leadership) and outcomes variables (in-role behavior, lateness and absenteeism). In step 2, tested moderating hypothesis, i.e. autonomy, was entered. And In step 3, we tested for interactions by entering the product of servant leadership \times autonomy of the control variables. Adding the two interaction variables improved the amount of variance explained (ΔR^2) in every single step.

Hypothesis 1: The connection between leadership and outcomes variables

Hypothesis 1_A predicted that servant leadership would be positively associated with in-role behavior. Hypothesis 1_B predicted that servant leadership would be negatively associated with lateness and absenteeism. As shown in step 1 of the regression models in Table 2, servant leadership significantly and positively related in-role behavior, supporting Hypothesis 1_A ($\beta = .25, SE = .09, p < .01$). As also shown in step 1 of the regression models in Table 2 servant

leadership is also significantly and positively related lateness ($\beta = -.2.35$, $SE = .47$, $p < .01$) and absenteeism ($\beta = -.1.94$, $SE = .88$, $p < .05$), supporting Hypothesis 1_B.

Hypothesis 2: autonomy as a moderator between servant leadership and outcomes

The result showed that the interaction term of servant leadership \times autonomy turned out to be significant on in role behavior ($\beta = -.22$, $SE = .07$, $P < .01$). To probe the nature of the effects, we plotted the interactions following Aiken and West's (1991) procedures and conducted simple slopes tests. Figure 2 shows that the relationship between servant leadership and in-role performance is positive for low level of autonomy ($\beta = .52$, $SE = .12$, $P < .001$), but not for high autonomy ($\beta = -.06$, $SE = .14$, NS). Table 2 and figure 2 show the results:

Table 2 – Hierarchical regression – predicted in-role performance throughout leadership and autonomy

	<u>Servant leadership</u>		
	Step 1	Step 2	Step 3
	<u>In-role performance</u>		
Experience as a manager	-.01(.01)	-.01(.01)	-.01(.01)
(01 β)	.26* (.10)	.26* (.10)	1.37*** (.36)
leadership		-.01(.05)	1.23** (.39)
(β 02)			-.23** (.07)
Autonomy X Leadership autonomy			
(03 β)			
Different between team	0	0	0
(00 τ)			
Different among team	.71*** (.08)	.72*** (.08)	.68*** (.08)

(2 σ)R2 Δ

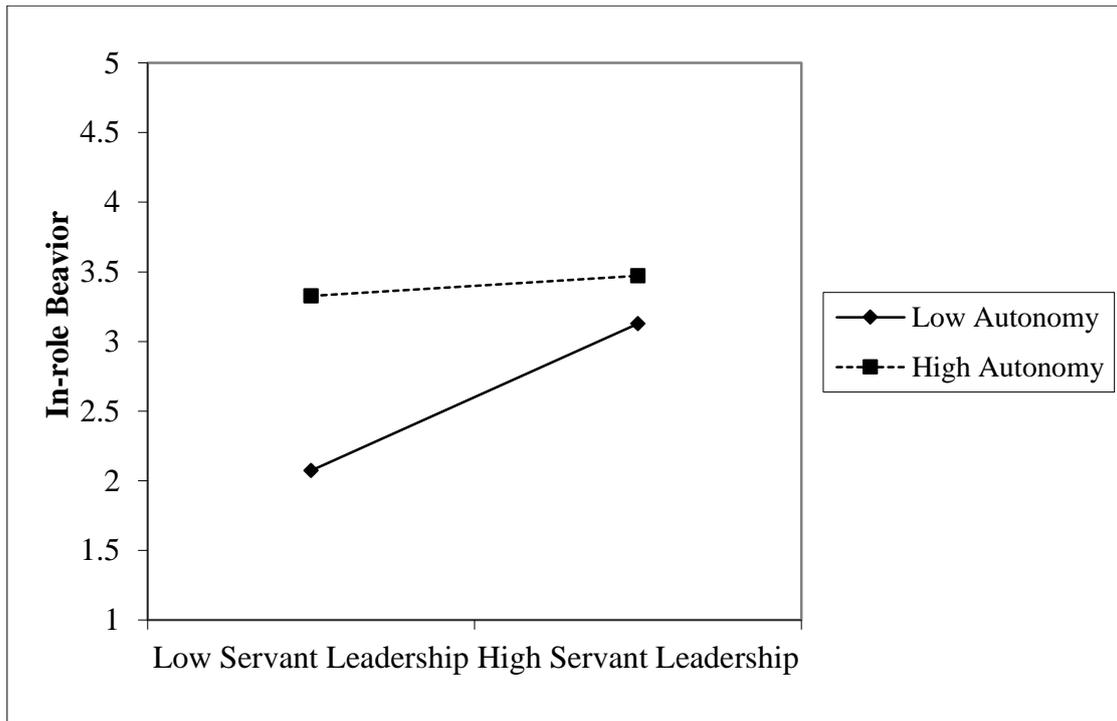
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*p<.05, **p<.01, ***p<.001

Figure 2. Interactive effect of servant leadership and autonomy orientation on in-role performance



The result showed (As shown in Table 3) that the interaction term of servant leadership \times autonomy turned out to be significant on in lateness ($\beta = .1.13$, $SE = .32$, $P < .001$). To probe the nature of the effects, we conducted simple slopes tests. Figure 3 shows that the relationship between servant leadership and lateness is negative for low level of autonomy ($\beta = -.3.59$, $SE = .59$, $P < .001$), but not for high autonomy ($\beta = -.63$, $SE = .64$, NS). We haven't found a significant effect for absenteeism ($\beta = .32$, $SE = .49$, NS). Hypothesis 2 is partially supported. Table 3 shows the results:

Table 3 – Hierarchical regression – predicted lateness and absenteeism throughout leadership and autonomy

<u>Servant leadership</u>			
	Step 1	Step 2	Step 3
Lateness			
Experience as a	-0.01(.06)	-0.01(.06)	-0.01(.01)
manager	-2.35***(.47)		-3.33(2.57)
(01 β)		-2.25***(.47)	-6.61***(1.75)
leadership		-0.46(.24)	1.14***(.32)
(02 β)			
Autonomy X			
Leadership			
autonomy			
(03 β)			
Different between team	.54(1.06)	.46(1.04)	.60(.97)
(00 τ)	14.52***(1.87)	14.34***(1.86)	13.2***(1.71)
Different among team	19%		8%
(2 σ)		1%	
R ² Δ			
Absenteeism			
Experience as a	.01(.01)	-0.01(.01)	-0.01(.01)
manager	-1.94*(.88)		
(01 β)		-1.73*(.85)	1.37***(.36)
leadership			-2.66(2.69)
(02 β)			0.33(.50)
Autonomy X			
Leadership			
autonomy			
(03 β)			

Different between team (00 τ)	8.09*(4.02)	6.73*(3.80)	6.81*(3.83)
Different among team (2 σ)	30.11***(4.07)	29.89***(4.08)	29.97***(4.11)
R2 Δ	16%	1%	0%

*p<.05, **p<.01, ***p<.001

Conclusions

Our findings refine and clarify the findings of other studies (Ehrhart, 2004; Neubert, Kacmar, Carlson, Chonko, & Roberts, 2008; Walumbwa et al., 2010) demonstrate that servant leadership was associated with less employees' withdrawal and enhanced performance.

Our results also confirmed the path-goal theory that when employees have a task that is low level of autonomy, a servant leader motivates an employee by minimizing the negative aspects of the work environment. Our integrated moderated analyses demonstrate general support for our Hypotheses 2 and thus address the missing role of context in the trait theory of leadership.

The findings may also provide an explanation for Dierendonck (2011) suggestion that soft qualities of the leader is especially needed under conditions in which task or relationships are psychologically or physically distressing. Therefore, as a consequence, servant leader is better able to maximize employees' performance under condition that Michel (1973) refers to as weak psychological situations. This propositions have been supported in a number of studies that have investigated kinds of supportive leaders (House & Dessler, 1974 ; Katz, 1977 ; Schriesheim & Von Glinow, 1977).

Limitations and direction for future research

This study has some limitations. First, due to the cross-sectional design we cannot make any definitive inferences about causality. Second, the model has been tested in only one type of organization, i.e., a bank, which limits the generalizability of the results.

The research model which presented in this study may serve as a theoretical basis for futures research examine the impact of servant leadership in the light of the organizational context in which the leader works. For example, servant leaders in high power distance cultures may be less effective than servant leaders in low power distance cultures.

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