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**THE SEARCH FOR CHARACTER:
SERVANT-LEADERSHIP IN AN AUSTRALIAN
ORGANISATION**

by

Margaret R. Whitmore

A Thesis Submitted in Partial Fulfilment of the
Requirements for the Award of

**Masters Degree in Business Management
At the Faculty of Business and Public Management,
Edith Cowan University, Churchlands Campus**

January 2004

DECLARATION

I certify that this thesis does not, to the best of my knowledge and belief:

- (i) Incorporate without acknowledgement any material previously submitted for a degree or diploma in any institution of higher education;
- (ii) Contain any material previously published or written by another person except where due reference is made in the text or;
- (iii) contain any defamatory material.

Signature _____

Date _____

“They that have power to hurt and will do none...”

William Shakespeare

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My thanks firstly go to Dr Patricia Morrigan for her excellent academic knowledge that guided me through this research and offered me a significant learning opportunity. My gratitude also extends to the personal interest she took in this study by recognising that for me it was more than an academic achievement but a process of personal development in which her knowledge played a major role in allowing me the freedom to explore many paths before finally “getting it together”! I feel this work is a tribute to her capabilities in both an academic and spiritual sense.

This work is the culmination of eight years of university study, my first real commitment to study since completing a Year 10 high school education in 1965. I would like to acknowledge my first university lecturer, Richard McKenna, for his encouragement that inspired confidence in me that I could achieve at this level, and who also introduced me to a new way of thinking that is reflected in this work.

In particular I enjoyed many discussions on this subject with my valued friends in South Australia, Robert Hearne and Richard Dixon, whose feedback encouraged me to challenge and strengthen my own thoughts. Thank you to all my friends and family whose support and encouragement sustained me throughout this work; thank you for your belief in me.

To the people at “Railcorp”, I am grateful for the opportunity given and for their acceptance of me into their organisation to conduct this research. Their cooperation in the research, and interest in the concept of servant-leadership, was inspirational and gives hope that servant-leadership can develop.

Thanks go also to Anna von Zinner in Melbourne for editing this work and in particular for her expert attention to fine detail.

To my family - words are but a humble expression of the deep gratitude I have for their support and confidence in me to complete this project. My two children, Briony and David, have given me some of my greatest learning experiences as I watch them grow and develop into beautiful young adults, making their own way in the world and taking a stand for their own values and principles.

My husband Brian has been my greatest teacher. He lives the principles of servant-leadership and has been the strength that supports our family. He is our guiding light, always in the background, but pushing us forward to achieve greater things than we thought possible. He has been the role model who has given me the unique opportunity to experience servant-leadership first hand; I believe this opportunity to experience and live with the principles of servant-leadership has been an invaluable influence in understanding the central tenet of this thesis that offers an explanation of the difference between functionalist classical management and servant-leadership.

ABSTRACT

This study is in response to globalisation, changing world values and the call in modern literature for leaders of good character. Servant-leadership is offered to fill this requirement because its effectiveness is said to be reliant on the good character of the leader. In the literature this type of leadership is said to represent a new paradigm. The work of servant-leadership's proponent, Robert Greenleaf, is thoroughly examined to explain how his understanding of trust as faith is linked to spirituality and this is the key to understanding the character of servant-leaders. Greenleaf's work is compared with the modern servant-leadership literature and identifies a gap in the literature explaining Greenleaf's spirituality.

This is a qualitative analysis using classical Grounded Theory and uses the work of Anthony Giddens to give it a modern sociological grounding. Classical Grounded Theory uses typologies or "created groups" to give meaning to the way in which participants view their circumstance. The application of Giddens' work allows for the data analysis to incorporate the historical social context that has shaped the views of the participants. Greenleaf and Giddens share the same understanding of trust and this alignment of Giddens and Greenleaf permeates the work. Giddens identifies two types of trust, which this research has termed *Reciprocal Trust*, and *Trust as Principle*. The research gives an explanation of the two types of trust and argues that understanding *Trust as Principle* is the key to understanding new paradigm thought. It is also the key to understanding character in terms of servant-leadership character.

The research for this thesis was carried out in an organisation that until recently had been a government entity and for the purpose of this research is given the fictitious name of Railcorp. The historical circumstances of Railcorp have led to major dysfunctions, which are inhibiting the business progress of the company. There is a crisis of culture and a crisis in leadership. There is evidence of servant-leadership existing in Railcorp and these leaders have a vital role in providing the new leadership required to take Railcorp forward.

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INTRODUCTION

The research for this thesis was carried out in an organisation that until recently had been a government entity and for the purpose of this research is given the fictitious name of Railcorp¹. As a result of government policy of the 1980s and 1990s that sought to make government entities profitable, Railcorp has endured much restructuring, including downsizing and redundancies over the past two decades. Parts of the organisation have now been privatised and the participants in this research find themselves no longer public servants, but working for a private organisation. My interest in this research arose from personal knowledge of the organisation through a working relationship and from informal conversations with leaders who expressed an interest in new management practices in order to find a better way forward. It was my belief that individual servant-leaders existed in the organisation so I set out to search for “character” which is a fundamental aspect of servant-leadership. Therefore my interest was to investigate whether these individual servant-leaders could survive ownership change and what might be the influence of privatisation on these leaders. This study is carried out in an organisation, which operates with a traditional style of leadership but seeks to find the servant-leadership within it. Previous research into public sector organisations has also identified with servant-leadership (Bryant 2003; White 2003).

The need for this study, and the search for character, emanates from the 1970s and the emergence of the globalised economy when it was claimed good leadership, rather than management, was required to manage the triple bottom line. In Industry Task Force and Leadership and Management Skills, Volumes 1 and 2, Australian leadership was said to be in crisis and in need of change if Australian companies were to be competitive in a global economy (Karpin 1995). Within the multitude of management literature, and in particular leadership literature, there is a call for leadership change and leaders of good character. However, the legitimacy of

¹ At the completion of this thesis it was noted that the NSW rail system had a newly formed organisation named RailCorp and this organisation is not associated with this study (Gerald 2004, p. 1).

Australian leadership has been severely undermined by the recent spate of downsizing and redundancies (Ashmos and Duchon 2000).

There is evidence of rising interest in servant-leadership, both in management literature and academic research, and it is offered to provide the business world with an evolutionary change in the way in which management is perceived and practiced. Some claim it represents a new paradigm in management because its effectiveness is based on the character of the leader, rather than behavioural and personality traits. However, there is little understanding of the servant-leader and little rigorous research exists into the application of servant-leadership as a management tool, despite its being offered in mainstream literature as a viable approach for business organisations competing in a globalised environment. This study argues that servant-leadership is an appropriate leadership style for today's environment wherein workers look for more autonomy and less leadership control. So while not promoting servant-leadership as a superior leadership style, or as the "one-best-way", it is contrasted throughout this study with transformational leadership to show how it discourages dependence on leadership by encouraging people to take responsibility for themselves.

Because of its emphasis on morals and values, most research into servant-leadership has been carried out in religious and educational environments. The literature review [Chapter 1] will argue that as a business management tool, researchers have taken two extreme approaches to explain leadership character; either from a functionalist perspective as a quantitative measure of behavioural traits that can be measured (Laub 1999), or as a quantitative/qualitative understanding of character in terms of spirituality being connected to God-centredness, prayer and meditation (Larkin 1995; Beazley 2002). This research study will argue that while there is a call for leaders of good character, [which is a central tenet of servant-leadership], there is a gap in the literature offering an understanding of what this constitutes in business organisations.

This thesis offers seven contributions to business management knowledge about servant-leadership by offering grounded hypotheses derived from in-depth interviews with leaders in "Railcorp". It will be argued that:

- The historical circumstances of Railcorp have led to major dysfunctions which are inhibiting the business progress of the company. There is a need to turn and address the past. Servant-leadership can help.
- Railcorp has a crisis of culture because of high levels of mistrust. There is a need to consider the way in which servant-leaders understand trust [*Trust as Principle*] as a possible way forward.
- Railcorp has a crisis in leadership where leadership legitimacy is questioned because of value incongruence and there is a need for a new direction in leadership.
- Servant-leadership can exist in organisations embracing top-down leadership. There is a need to nurture this leadership because of its positive influence on allowing character to flourish.

The first contribution is made by the literature review, Chapter 1 that examines the work of Robert Greenleaf who proposed the concept of servant-leadership in the 1970s. It is a comprehensive review of Greenleaf's work explaining how his understanding of trust as faith was the guiding principle linking character to spirituality and this influenced his understanding of leadership. Secondly the literature review compares how Greenleaf's message has been interpreted in the modern literature and three gaps in the literature have been identified:

- The character of servant-leaders is inadequately explained because of the lack of research into servant-leadership in organisations [other than in religious and educational environments] and because of the reliance on quantitative analysis to measure characteristic traits. To date there is no qualitative research in Australia.²
- An understanding of Robert Greenleaf's spirituality and the relationship between spirituality and the meaning of character. Where "character" is the central element Greenleaf argues that trust as faith is the single ingredient underpinning the spirituality of the leader that embellishes good character; the modern literature understands "character" as personality traits.

² It is noted that a quantitative/qualitative thesis into servant-leadership in Australia is being prepared concurrently and independently with this research work.

- An understanding of servant-leadership in terms of new paradigm thought where serving others comes before self-serving behaviour; this research offers an explanation of new paradigm thought by understanding the two different forms of trust, *Reciprocal Trust* and *Trust as Principle*.

The third contribution of this research unfolds in Chapter 2 when the work of modern sociologist Anthony Giddens is introduced to explain Greenleaf's concept of trust. This alignment of the two authors has not previously been done in the literature. A methodological contribution is made by revising classical Grounded Theory and introducing Giddens' Theory of Structuration as a methodological approach in analysing the data. Giddens' work is useful in giving a theoretical understanding to this work because his work on trust closely aligns with Greenleaf's writing on trust, giving this study a grounding in modern social theory (Greenleaf 1977; Giddens 1991; Giddens 1993; Giddens 1996). It also offers an understanding of the historical context of Railcorp [Chapter 4] and how its history of change has had an influence on the way in which participants view their present circumstances. In accordance with Grounded Theory the data has been analysed using Weber's "ideal types" (Blaikie 1993) to generalise and reflect the different views of groups. Ideal types are representative of patterns that emerge from the data, so are a typification of a person. They are "ideal" because the researcher has cast his or her interpretation upon them. Nonetheless they represent the responses of "real" people.

The fourth contribution comes from Giddens' work on discursive reflexivity, and its application to the interview data [Chapters 3 to 7]. His work offers an important contribution in explaining the role of "agency"; it gives an understanding of how servant-leadership has a powerful influence on dislodging the disempowered from their alienated circumstances. Chapter 6 reveals the benefit of servant-leadership to those leaders who are encouraging people to take responsibility for themselves. In Chapter 7 Giddens' work on trust offers a fifth contribution in explaining the two forms of trust; *Reciprocal Trust* and *Trust as Principle*. This discussion on the two forms of trust offers an explanation in the difference between self-serving behaviour and serving others and this explanation has not previously been done in the literature. The sixth contribution explains how understanding the difference between the two forms of trust is the key to understanding new paradigm

thought because it has not previously been explained this way. It is also the key to understanding the character of servant-leaders.

Two themes from Greenleaf's work permeate this research and also have not had any significant recognition in the literature:

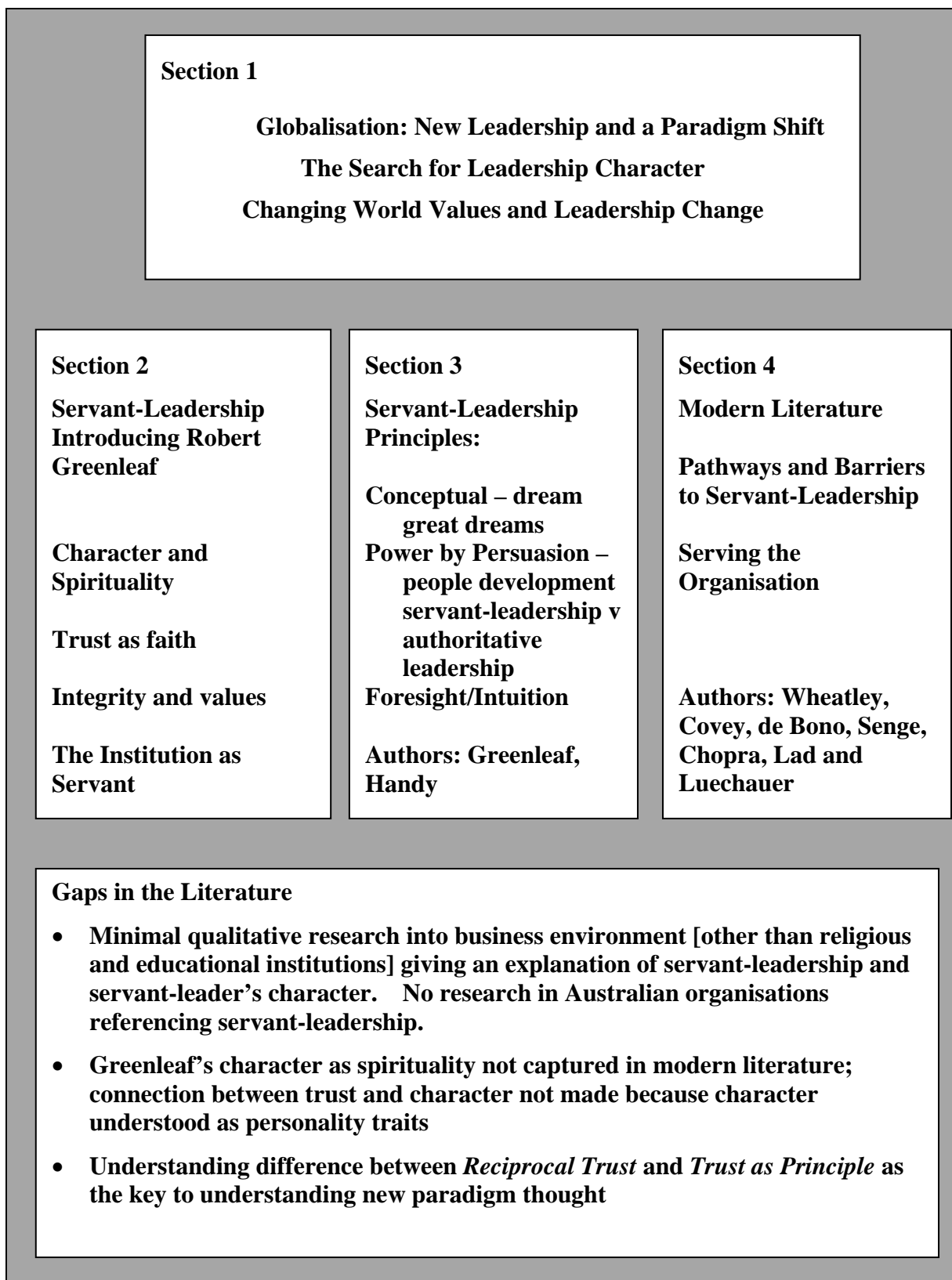
- Greenleaf believed that only those leaders who had the best interests of others at heart could be considered legitimate leaders because they were elevated to leadership status by the support of their people through being proven true and trusted servants to them (Greenleaf 1977; Greenleaf 1982). This is the basis for understanding how leadership legitimacy has been undermined in Australian organisations.
- Servant-leaders had a responsibility to find a place within institutions, which may be operating with more mainstream approaches to leadership, and from where they could be influential and others could learn from them. Greenleaf did not therefore suggest servant-leadership could be taught in formal training but saw it as developing from the role modelling process. This he believed would develop more leaders than formal management training programs (Greenleaf 1977). This challenges traditional belief that leadership, whatever the style, can only be influential from the top down.

The seventh contribution of this research comes from the qualitative research data, from the participants who so willingly offered their frank and sincere views on servant-leadership. This study into servant-leadership is treading new ground in Australian research making it a unique contribution. Chapter 8 summarises the contributions of this research and offers grounded hypotheses on servant-leadership derived from the interview data. It establishes the link between trust and self-concept as the basis for understanding “character” and the basis for understanding new paradigm thought.

A diagram that summarises its contents precedes each of the chapters.

CHAPTER 1
LITERATURE REVIEW

Diagram 1.1: Design of the Literature Review



CHAPTER 1: LITERATURE REVIEW

“Servant-leadership is not a tidy, “how-to” check list. It is a philosophy that embraces certain principles” (Frick and Spears 1996, p. 4).

Introduction

This chapter goes in search of “leadership character” in the literature on servant-leadership. It begins by giving a comprehensive understanding of Robert Greenleaf’s concept of servant-leadership (Greenleaf 1970) and compares it with that of the modern writers who have drawn from Greenleaf’s work as a basis for describing the type of leadership required in today’s globalised environment.

The search for leadership character begins in the 1970s when the business world became more competitive and volatile. It was in this time that Greenleaf was writing about a need for leadership change towards a leadership whose priority it would be to build a better society rather than a profitable institution. The 1990s, and the pressures to be competitive in a globalised environment, saw modern writers reference Greenleaf’s work and offer servant-leadership as a model of leadership suitable for this new environment where leaders are required to have a moral and social conscience and leadership is required to manage the triple bottom line. The issue of leadership character emerged from this discussion in the literature (Uren 2001).

Despite this push for servant-leadership, little rigorous research exists into its use as a management model.³ Hence, the need for servant-leadership is not based on extensive research but reflects the thoughts of Robert Greenleaf, his experiences, and is said to represent a new approach in management thinking. Some writers claim this type of leadership represents a new paradigm (Wheatley 1998; Giacalone and Eylon

³ A search of the databases indicated that between 1982 and 1999 only one of forty dissertations [2.5%] had exclusive business application. From then until the current time [2003] this figure has increased to nine of forty-one dissertations [22%]. These statistics indicate the growing interest in servant-leadership, and in particular its application to business management.

2000; Lichtenstein 2000). However there is a gap in the literature offering an understanding of this new approach as a new paradigm and how it will emerge.⁴

The term servant-leadership was coined by Robert Greenleaf in the 1970s and is a concept of promoting service to others over self-interest (Greenleaf 1970; Greenleaf 1977; Greenleaf 1982; Greenleaf 1995b). He did not propose servant-leadership as a leadership model, but rather the reflection of one's values and principles. His writing displays humour and a sense of humility and carries a simple message that his knowledge and wisdom is not special and unique to him but available to everyone. For me it delivers the inspiration that improving our own state of being is not a complex process of learning new skills and behaviours as suggested in much of the modern literature by authors who reference Greenleaf (Covey 1997, Covey 1998). Much of the modern literature is directional and at times self-promotional and has not captured the humility and personal spirituality that Greenleaf shared with us in his writing.

Servant-leadership has theological origins with its roots in 16th Century Quakerism that affirmed the business existed to serve the community and the employees. Profit earned from the organisation was used to improve the quality of life for employees (Walvin 1997). In the twentieth century, Greenleaf was still influenced by this thought. This assumption about the role of business has permeated through classical theory and has now come to mean that employee welfare is dependent upon the organisation (McKenna 2001, p. 217). This gives rise to the belief that maintaining organisational survival is in everyone's best interests. Therefore motivational management theory has its basis in the assumption of self-interested behaviour (Brentlinger 2000).

Today the pursuit of profit has been justified by the work of Milton Friedman [1970] "*that the social responsibility of business is to increase its profits*" (McKenna 2001, p. 217). This financial focus has been firmly entrenched in economic and classical management theory and for this reason it has been difficult to see a different way. However, this classical understanding is now being challenged by the emergence of a more educated workforce, the "knowledge worker" and more

⁴ In this thesis the word paradigm is used in the Kuhnian sense [refer Chapter 2 for full discussion] to mean an explicit view of reality (Morgan 1993). This is because this research supports Kuhn's argument that in order to see an alternate view of reality there needs to be a denunciation of the old that is no longer appropriate for solving new problems (Morrigan 1997).

recently, the challenge to integrate spirituality and management in the workplace (Morgan, 1997; Mitroff and Denton 1999; McKenna 2001).

The modern literature has offered servant-leadership as a leadership “model” that fits the requirements of new leadership because it challenges traditional management practices that valued policies of economic rationality. It therefore also challenges the belief that people are motivated by self-interest to maintain organisational survival and this work will argue that serving others first is a little understood concept that represents a new paradigm in management thinking.

The literature review unfolds in four sections:

1. A discussion of changing economic conditions where leadership in the globalised environment is challenged to reflect changing world values. Leadership therefore becomes managing the triple bottom line of societal-ecological, business and individual issues and this is said to represent a new approach in business management. It is here that leadership character becomes relevant and this section offers a comparison between Greenleaf’s understanding of character as integrity and that of the modern writers.
2. An introduction to the writing of Robert Greenleaf and how his personal values affected his understanding of what leadership should be. Leadership character for Greenleaf is linked to spirituality; Greenleaf’s spirituality is understood as trust in the self and others. His personal challenge was that institutional leaders have a responsibility to build a better society rather than a better business. The Greenleaf Centre for Servant-Leadership now promotes Greenleaf’s work.
3. An explanation of Greenleaf’s understanding of trust which underpins the servant-leadership principles that guide leadership to be conceptual, with persuasive use of power, and having foresight and intuition. These qualities are interconnected and Greenleaf warned that to use them in isolation was to misinterpret their comprehensiveness and this resulted in institutional power as arrogance. There is a gap in the literature recognising this point.
4. A discussion of the modern literature for its relevance to Greenleaf’s work and detailing identified pathways and barriers to servant-leadership; the discussion centres on how the organisational pathway has focused on the

mechanistic understanding of serving the organisation to maintain its survival.

Section 1: Globalisation, New Leadership and a Paradigm Shift

A combination of faster technological change, greater international competition, market deregulation, overcapacity in capital-intensive industries, and unstable oil cartel, raiders with junk bonds, and a demographically changing workforce all contributed to this shift....doing what was done yesterday is no longer a formula for success....more change always demands more leadership (Kotter 1990, p. 13).

Today much is written about the need to understand the difference between management and leadership. Management was invented to make organisations function on time and on budget and managers were results oriented (Kotter 1990). This is represented in classical management theory, which is regulatory and has its basis in mechanical systems. Management is characterised by specialisation, fragmentation and reductionism. It is directional and goal oriented through a system of shared values and control measures. Organisational survival is paramount and people are developed to serve the organisation (Morgan 1993; Morgan 1997). This is the classical management noticed in Railcorp, with a focus on structures, the bottom line and strategic management. This chapter argues that leadership is still understood in terms of this dominant functionalist paradigm (Morgan 1993) that maintains self-interested behaviour, relationships based on trust in systems and defending those systems through a reciprocal understanding of trust that first seeks to be served.

Following on from human relations studies in the 1930s, the world is now moving into a new social and economic order wherein organisations need to be managed, not just as economic entities, but as social institutions and people are seen not as replaceable parts, but the key to corporate success (Greenleaf 1977; Handy 1995; Saul 1997; Handy 1998; Swain 1999). This represents a shift to the radical humanist paradigm (Morgan 1993) that recognises the alienation caused by functionalism (Giddens 1971) and so people development is a priority. Organisational survival is important only in as much as the organisation can exist to serve its people and the community. This is the central paradigm of servant-

leadership characterised by trust in people (Greenleaf 1977). Development is unconditional, that is, it does not wait to first have needs met. Throughout this chapter it is argued that servant-leadership is interpreted in terms of the functionalist paradigm because of a lack of understanding for new paradigm thought.

While there is now a call for leaders who are required to challenge the status quo, give direction, envision change and align and motivate people to adapt to the change (Kotter 1990; Gastil 1994; Allen 1998), this is understood as transformational leadership and stems from modern functionalist thinking that people need to be managed. *“Leadership is that process in which one person sets the purpose or direction for one or more other persons, and gets them to move along together with him or her and with each other in that direction with competence and full commitment”* (Jaques and Clement 1995, p. 4). However it is claimed younger people are looking for managers who will not dominate and control, but for leaders who support the self-actualising process and encourage them in their pursuit of self-awareness (Alvesson, 1996). Stumpf therefore claims we now need to go beyond this transformational understanding of leadership:

Leadership would no longer be defined as influencing others to accomplish specific goals, but as a process in which it is more valuable and important to explore and move towards something than to accomplish it. Leadership involves creating and sustaining fields of energy in which relationships grow, develop and become increasingly purposeful, dynamic, and effective (Stumpf 1996, p. 41).

The Search for Character

This call for leadership change is said to be reliant on the leader’s good character, rather than behavioural and personality traits and is said to represent a *“radical paradigm shift in the practice of management development, from the dominant emphasis on the superficial level of behavioural skills to the deeper and more power level of developing consciousness”* (Harung, Heaton and Alexander 1995, p. 45). However, despite many years of study, and the emergence of a multitude of books and definitions on leadership in the last decade, good leadership is claimed to be in short supply and there is no clear understanding of what defines effective leaders from ineffective leaders. The issue of leadership character is still unexamined and this represents a gap in the literature (Harung et al. 1995; Uren 2001). Bennis [as cited in Harung et al. 1995] is pessimistic about the development

of leadership character and argues that, “*Leadership courses can only teach skills. They can’t teach character or vision and indeed they don’t even try*” (Harung et al. 1995, p. 44).

The issue of character however is central to any discussion on servant-leadership because servant-leadership and character are indelibly linked. Greenleaf’s understanding of character was that it developed from making a conscious choice to serve others (Greenleaf 1977; Greenleaf 1982. See also Dalai Lama in Lad and Luechauer 1998, p. 54). A service orientation then developed in individuals a set of guiding principles, principles that are not unique to any religion, civilisation or philosophy, but are represented in the universal laws of nature (Covey 1998). Greenleaf’s understanding of character is intrinsically linked to trust as faith in humanity [see next Section] and a belief that the guiding principles of servant-leadership exist in everyone. For Greenleaf, character has nothing to do with competency or learning leadership skills. Greenleaf sees character development as a process of “*continually reflecting on experience and extracting new meaning from it*” (Greenleaf 1995b, p. 24).

Greenleaf’s understanding of character development therefore questions the human effectiveness theorists who believe that higher stages of character development are only reached through a progressive series of sequential stages and higher development is not reached until age maturity, if at all (Csikszentmihalyi 1992; Trevino 1992; Borowski 1998; Strohl 1998; Bae 1999; Treadgold 1999; Anderson, Klein and Stuart 2000; Brentlinger 2000). The findings of researchers including Kohlberg, Piaget, Gilligan, Erikson, Loevinger, and Kegan are generalised by Anderson, Klein and Stuart who summarise the character of servant-leaders as being concerned with the integral self that does not need to engage in self-improvement regimes but accepts the world for the complexity and diversity and accepts the self as a part of a “*dynamic interplay of forces. Leaders at this level become more community oriented. The workplace becomes a self-renewing organisation where members are true participating partners. The legacy of the leader is connected to developing the organisation into a vehicle for service to a larger constituency*” (Anderson et al. 2000, p 35). Research indicates that the adult population rarely reaches this level of character development (Harung et al. 1995). It

is claimed as few as one percent of the population reach this stage while fourteen percent are in transition (Anderson et al. 2000, p 35. See also Trevino 1992).

Character development has been overlooked in popular management literature until recently (Covey 1992; Kouzes and Pozner 1993; Covey 1995; Covey 1997). Covey discusses character in terms of the character ethic and the personality ethic. He suggests that the character ethic is based on the idea “*that there are basic principles that govern human effectiveness*” (Covey 1997, p. 32). He understands the character ethic as being a set of guiding principles that should be integrated into the basic human nature and this forms the basis of his *Principle Centred Leadership* (Covey 1992). On the other hand, the personality ethic is defined by attitudes, behaviours, skills, competencies and techniques (Covey 1997, p. 18). Therefore, according to Covey, character is what a person is in terms of guiding principles, as opposed to skills and competencies that are what a person can do and this aligns with Greenleaf’s writing. (Covey 1992, p. 196; Covey 1995, p. 240). However, Covey loses Greenleaf when he adopts the functionalist personality ethic to explain how the guiding principles of the character ethic can be developed. That is, he looks at examining the frame of reference from which those attitudes and behaviours come and changing those, that is, eliminating what is wrong, rather than as Greenleaf believed, that those principles are within everyone and will emerge when one makes a proactive stance to unconditionally serve others (Greenleaf 1977).

The personality ethic dominates popular modern literature in understanding character and this restricts its understanding to a set of personality traits, attitudes and behaviours, skills, competencies and techniques. The personality ethic governs behavioural studies and motivational management that have their basis in defending self-interest (Brentlinger 2000). The personality ethic assumes the positive thinking approach and the concept that attitude determines behaviour. This leads to the belief that we can manipulate people to serve our own needs, rather than looking to find our own creative talents to serve others.

The issue of character centres on integrity in the modern literature (Covey 1992; Kouzes and Pozner 1993).⁵ According to Covey integrity is the value we place

⁵ Integrity has the Latin root “integer”. The World Book Dictionary defines the word integrity as meaning “a thing complete in itself; something whole; honesty or sincerity; uprightness: A man of integrity is respected....undivided or unbroken condition; completeness; wholeness; entirety....perfect condition”.

on ourselves. This involves making not only commitment to the self, but to others and it is this integrity that leads to congruent behaviour. Covey claims that people invariably see through the hypocrisy of leaders who cannot, or do not make commitments to themselves and others (Covey 1992). In their work on *Credible Leadership*, Kouzes and Pozner see a display of integrity in leaders as a sign for employees to trust these leaders because their integrity indicates they will have employees' best interests at heart (Kouzes and Pozner 1993). This understanding of integrity is behavioural and Kouzes and Pozner connect it to the uplifting and entrepreneurial personality who can inspire others to follow visions (Foster 2000 b). Therefore integrity is undermined by this reliance on personality traits and is criticised because it is open to manipulative behaviour that inspires others to either follow questionable goals or goals they do not understand (Greenleaf 1977; Giampetro-Meyer, Brown, Neil-Brown and Kubasek 1998).

Greenleaf, however, had a different view of integrity. He saw it as stemming from the trust and faith in oneself that develops intuition and foresight so that one is able to make decisions when there is freedom of choice to act. This he believed was ethical behaviour. To react to circumstances when choices were limited was unethical. Interestingly Greenleaf's work uses words like integrity and honesty sparingly. Rather than promote these principles, he believed in the ancient moral of practice what you preach (Greenleaf 1977, p. 144).⁶ Therefore integrity for Greenleaf was the preparedness of leaders to reveal their character to others, and to be able to withstand scrutiny of the personal values and principles they hold.

Table 1.1 below details the understanding of character in terms of the modern authors and serves as a reference for highlighting the difference between the modern authors and Greenleaf's writing throughout this thesis. It argues that reliance on the functionalist paradigm interprets character as personality traits. The review of Greenleaf's writing [see next Section] gives a fuller explanation of his understanding of character as linked to an individual's spirituality, and understanding of trust. For Greenleaf spirituality is the foundation for creating trust and trust is the "glue" that holds everything together (Reiser 1995). This thesis argues that this understanding of character linked to spirituality is missing in the modern literature.

⁶ The word integrity is used in much of the modern literature to mean a person of good character, but does not convey Greenleaf's message. Likewise, integrity is mentioned in many company annual reports, including that of Railcorp's owners, where employees are expected to act with integrity.

Table 1.1: The Principles of Character

Author	What They Say
Covey	Integrity, honesty, humility, fidelity, justice, patience, courage, to be trusted and trustworthy, human dignity, quality and excellence, service to others, maturity and having an abundance mentality. Character development requires a change in mindset.
Kouzes and Pozner	Honesty, inspirational, competent, visionary and having integrity, the personality to align and motivate people to support shared values.
Anderson	Character development requires change in consciousness
Maslow, Erikson, Piaget, Gilligan, Loevinger, Kegan,	Character development seen as self-actualisation and emerges from a progressive series of sequential stages moving along a continuum from an external focus on self-interest to an internal focus of integrity/wisdom

Source: (Covey 1992, p. 198; Covey 1995, pp. 181, 241; Covey 1997, p. 34; Harung et al. 1995; Maude 1997; Bae 1999; Treadgold 1999; Anderson et al. 2000)

The current understanding of leadership is perceived as either a set of personality traits that elicit followership, or as a set of organisational structures and practices that can be followed to effect good performance results (Jaques and Clement 1995). Both, however, have the same purpose; alignment of individuals through a system of shared values to achieve commitment to organisational goals. Servant-leadership offers a new approach. It is now in its fourth decade of influencing management and is offered as a viable alternative to traditional management practices because it discourages dependence on leadership, while encouraging people to determine their own values and take responsibility for themselves. The new requirement for leadership is therefore to unify diversity. The supporters of servant-leadership believe it is capable of providing the business world with an evolutionary change in the way in which management is perceived and practiced because it is a style of leadership based on the character of the leader that goes beyond a study of personality traits (Greenleaf 1977; Covey 1992; Larkin 1995; Spears 1995; Toews 1997; Allen 1998; van Kuik 1998; Greenleaf 1998a; Abdur-Rashid 1999; Cosgrove 1999; Laub 1999; Blanchard 2000; Foster 2000 b).

Changing World Values and Leadership Change

The literature advocating a new approach to leadership comes from multidisciplinary perspectives including religion, psychology, philosophy, education, biology, ecology and physics, and discusses managing the triple bottom line. The literature can be divided into three categories; societal-ecological, business and individual (Giacalone and Eylon 2000).

Societal change stems from the need to live harmoniously in a multicultural environment. This also includes the changing role of women in a society that has traditionally accepted women as homemakers only. Ecological needs stem from survival instincts and to live in harmony with our surroundings. However, both societal and ecological changes have been reactionary to the need for survival. Many workplace improvements in Australia have only come about reactively through legislation. Thus companies justify their social and environmental legitimacy by believing that because they meet the requirements of the law, certain quality standards and regulations, or because they engage in management practices that purport to support people values, then they are acting with a social, moral and environmental conscience.⁷ This has led to a rethinking of leadership that has forced businesses to rethink their usage of both human and natural resources (Giacalone and Eylon 2000; Mitroff and Denton 1999). This research argues however that the focus on business for profit only still dominates current management thinking and undermines any genuine societal-ecological and individual development.

The decision to participate in new approaches to leadership is based on the concept of morals and values versus profit and needs. According to Giacalone and Eylon recent management development such as the quality movement and reengineering strategies emanate from the profit driven mindset whereas the humanists are motivated by a moral obligation to create good in a world context. Unlike all other mindsets, profitability is secondary. They are more interested in building a better world (Giacalone and Eylon 2000, pp. 1721-1724) and this is the concept of servant-leadership. For this reason writers believe that only when personal growth and transformation are recognised, when business research provides a means

⁷ Anita Roddick of The Body Shop claims that critics are sceptical of companies that are in business to do good because they do not believe motives can be altruistic rather than financial. Critics want to put

for social transformation, then the emerging changes can be considered as a new paradigm (Kotter 1990; Senge 1995; Senge 1996; Shafritz and Ott 1996; Giacalone and Eylon 2000; Gozdz 2000; Lichtenstein 2000). Or put more simply, a paradigm shift occurs only when people in organisations reject the existing focus on profitability and make a conscious choice to place people development before profit (Foster 2000b).

It is the change in individuals' values that may bring about a shift in business management from defensive and reactionary management [defending self-interest] into a new concept of serving others. Research indicates that as many as twenty four percent of workers have strong spiritual values and an increasing number of people are looking for a workplace that supports their spirituality. They are expressing a need to lead a purposeful life, to engage in meaningful work, to be valued for their skills and recognised for their full potential as a person. They wish to work for an ethical organisation, make a contribution to society and feel good about what they do. These underlying changes in values are forcing leaders to reflect on their functions and values, and change behaviour from autocratic to servant-centred. Authority from above is outdated and work will no longer be a means to an end, but a reflection of one's values and principles. Therefore, rather than fit into a job description, the job will be a reflection of the person and this group is growing (Rieser 1995; Handy 1995; Murrigan 1997; Mitroff and Denton 1999; Giacalone and Eylon 2000; Levy 2000; Neal 2000; Williams 2000; Johnson 2001). This individual change is represented by a trend in changing world values and represents a shift from satisfying extrinsic needs of basic survival to satisfying intrinsic values of self-worth. However in the modern literature there is no requirement for self-actualised behaviour to mean serving others and this comes from the classical understanding that people are motivated by self-interest [see Section 4] (Brentlinger 2000; McKenna 2001). Table 1.2 below summaries these changing world values that cross many countries and cultures as discovered in The World Values Survey (1990-2002) (Murrigan and Paull 2002).

socially responsible companies into the "soft" category. However, Roddick claims that running a socially responsible company is the most difficult thing one can do (Budman 2001).

Table 1.2: Trends in World Values

Decreasing	Increasing
Materialism	Post-materialism
Mass production, mass markets, standardised choices	Human choice – the ability of human beings to choose the lives they want
Acquisitive consumerism, economic growth	Quality of life, environmental protection – economic growth is valued but not at the expense of the environment
Individualism	Belonging, self-expression and community participation
Survival	Greater subjective feelings of security [although the data comes pre-September 11 th 2001]
Deference to authority, hierarchical, centrally controlled bureaucratic institutions	Sharp decline in trust of political and business leadership, a fall in voter turnout with a rise of elite-challenging political action and a greater demand for integrity among elites
Rigid religious norms	The search for meaning and purpose

Source: (Morrigan and Paull 2002, p. 11)

It is interesting that in the 1970s Greenleaf predicted the significance of the work would be more for the joy of doing, than for the goods and services produced and so a society would develop wherein serving would become more important than being served. He believed in a growing number of young people who would not settle for anything else than the work ethic he proposed [see later] and would demand meaningful work. He believed evidence of servant-leadership principles would emerge in young people and that this group would bring about a push from the bottom for transformational change in leadership. Therefore leadership status would be earned through becoming a true and trusted servant to others and putting oneself at risk in pursuit of a greater purpose (Greenleaf 1977; Greenleaf 1982).

It is now claimed that people look for leaders who are competent, inspirational [not necessarily charismatic], are intuitive and who engender respect for self and others, have high moral standards and work ethics, but above all, display honesty and unimpeachable integrity. They must be prepared to put themselves at risk in pursuit of a larger purpose (Hennessy, Killian and Robins 1995; Peck 1995; Smith 1995; Spears 1995; Block 1996; Maude 1997; Greenleaf 1998a; Anderson et al. 2000; Blanchard 2000; Smith 2000; Foster 2000a; Uren 2001).

Section 2: The Influence of Robert Greenleaf

Introducing Greenleaf

The name Robert Greenleaf is synonymous with much of the servant-leadership literature⁸ and this section proposes to give an understanding of the spirituality of Robert Greenleaf whose writing in the 1970s is claimed to influence many modern writers today.⁹

Greenleaf identified five major influences in his life that brought him to his understanding of servant-leadership. His sense of ethics came from his Judeo-Christian upbringing [and his affiliation with the Quaker movement] and he acknowledges his father for being a servant-leader and a great influence in his life. Other influences were his college professor Donald J. Cowling who inspired him to make a difference in the world; the writings of E.B. White who helped him see things whole, and his decision to plan a life after “retirement”. It was, however, his reading of German novelist, Hermann Hesse’s, *Journey to the East* that first provided him with the idea of servant-leadership and was most influential in shaping his writings. This idea developed from his work with university students in the 1960s and the need to provide them with hope and faith to live their lives in a highly structured but imperfect society (Greenleaf 1995a). Hesse’s novel is widely quoted in modern servant-leadership literature:

⁸ A search of the databases revealed that between 1970-1999 thirty five percent of servant-leadership material referenced Robert Greenleaf. However, from 1999 to the current time this percentage had dropped to twenty seven percent.

⁹ It is interesting to note that most of Greenleaf’s work is not readily available to the public in bookstores. It is only available from the The Greenleaf Centre for Servant-leadership, [see later].

Journey to the East is an account of a mythical journey by a band of men on a search to the East, probably Hesse's own search. The central figure of the story is Leo who accompanies the party as the servant who does their menial chores, but who also sustains them with his spirit and his song. He is a person of extraordinary presence. All goes well with the journey until one day Leo disappears. Then the group falls into disarray, and the journey is abandoned. They cannot make it without the servant Leo. The narrator, one of the party, after some years of searching, finds Leo and is taken into the order that has sponsored the search. There, he discovers Leo, whom he had first known as a servant, was in fact, the titular head of the order, its guiding spirit, and a great and noble leader (Greenleaf 1995a, p. 20).

This led to Greenleaf's understanding of servant-leadership as the "little" person who is seen as servant first because of the humble person that he is deep down inside (Greenleaf 1995a, p. 21).

Character and Spirituality

Greenleaf's ethical and moral principles are found in all religions embracing the idea that people seek meaning and purpose for their lives that transcends self-serving needs. Unlike other writers, for Greenleaf character stems from a deeply spiritual basis and he practised both Buddhist meditation and the ancient Hindu practice of transcendental meditation. He believed meditation served at all stages of life to alert one to the signals of a more rewarding life, likening it to tapping into Jung's collective unconscious and asking "*Is the originator of this signal really acting in the spirit of my servant?*" (Greenleaf 1998b, p. 278). However, he wrote sparingly on how meditative practices influenced his life, but offered a very practical and simple understanding of spirituality.

Spirit is the animating force that disposes one to be a servant of others. The test is that those being served grow as persons, while being served they become healthier, wiser, freer, more autonomous, more likely themselves to become servants. And what is the effect on the least privileged in society? Will she or he benefit, or, at least, be not further deprived? No one will knowingly be hurt by the action, directly or indirectly (Greenleaf 1982, pp. 4-5).

"*The firm aim of the servant is that no one will be hurt*" (Greenleaf 1998d, p. 46). That "*no one*" [Greenleaf's emphasis] will be hurt is easily ignored in leadership that rationalises behaviour to believe the community is being served, while enacting

workplace practices that have a detrimental effect on employees. This behaviour undermines leadership legitimacy and spirituality.

Current servant-leadership research seeks to understand the spirituality of servant-leaders in terms of God-centredness, prayer and meditation and it is thought genuine servant-leaders would partake of these practices on a regular basis (Larkin 1995; Beazley 2002. See also Harung et al. 1995; Schmidt-Wilk, Heaton and Steingard 2000). However, modern thought is that spirituality is not necessarily about institutional religion and a spiritual person may be one who does not openly live by religious codes or rules, who may not openly engage in religious practices or self improvement regimes (Anderson et al. 2000). Greenleaf engaged in private meditative practices in preference to formalised religion, using the example of a simple train journey as a perfect opportunity to engage in reflective thought (Greenleaf 1998b). He believed that any institution “*that recovers and sustains alienated persons as caring, serving, constructive people, and guides them as they build and maintain serving institutions, or that protects normal people from the hazards of alienation and gives purpose and meaning to their lives – is religious*” (Greenleaf 1996a, p. 12).

A spiritual person has, as a basic element of value structure, faith in a supreme positive power that controls the universe and with faith that does not make proof of its existence necessary. Faith is the belief that everything is connected to that power and is affected by it. Spirituality recognises that there is good and evil in the world, but we are basically here to create good. It therefore reflects universal values of caring, faith, hope and optimism (Mitroff and Denton 1999). And so we should view spirituality as “*belief in something greater than ourselves, something unseen, yet something that brings a sense of meaning and purpose to one’s life*” (Neal 2000, p. 1316). Therefore purpose is always greater than the individual because it is connected to achieving value for others, to achieving the greater and it is greater than just having vision (Gastil 1994; Lee and Zemke 1995; Blanchard 2000; Neal 2000; Foster 2000b).

Trust as faith

Trust as faith in the self is the key to servant-leadership and Greenleaf is very strong on this point. “*....trust is the cement that makes possible institutional*

solidarity, from the family to world society” (Greenleaf 1996b, p. 336). Trust was faith in one’s own principles and the confidence to live by, and be judged by those principles. According to Greenleaf:

One must have faith (as trust)... not belief that some miraculous intervention will rescue our present low-spirit culture, but belief – as trust – that a long series of painstaking steps by normal, competent, dedicated people will bring this present society, in time, to a conspicuously higher level of spirituality (Greenleaf 1982, p. 11).

Greenleaf’s work is unashamedly spiritual and is a values based understanding of leadership stemming from the value of trust and the emotion of love (Greenleaf 1996a). While words such as love and spirituality may not be familiar language in management studies, trust and love are discussed at length because the central argument of this research is the belief that the way in which servant-leaders understand trust and love underpins their character and this distinguishes them from other forms of leadership. It is also central to understanding the legitimacy of the servant-leader which is often misunderstood, both in practice [as evidenced in the data] and in contemporary writing [as discussed in Section 4].

Greenleaf qualified trust by the word *optimal*, not so active so as to destroy or apathetic as to abdicate. Somewhere between blind trust and distrust is the optimum level. Greenleaf believed trust was central to good leadership. *“Trust is first. Nothing will move until trust is firm”* (Greenleaf 1977, p. 88). His precursor to trust was spirit and when a leader has spirit it builds trust, not only between leader and follower but also between followers. There is an *“instinctive knowing”* that sustains this spirit and while this is often seen as naivety, *“the absence of solid evidence of such initiativeswithout support of their culture....brings them, as individuals, to constantly examine the assumptions they live by”* (Greenleaf, 1977, p. 330; Greenleaf 1996b, p. 336). Thus, according to Greenleaf, their leadership by example sustains trust.

Greenleaf understood trust as faith. This is faith in oneself that allows leaders to have faith in the capabilities of others. There is an unconditional acceptance of others and a belief in working together to create good. It is faith in oneself that explains the servant-leader’s ability to love unconditionally. Greenleaf did not write extensively on love only to say that it is undefinable and should not be encumbered with liability. *“As soon as one’s liability for another is qualified to any degree, then*

love is diminished by that much” (Greenleaf 1977, p. 38. See also Lama 2001). Love therefore is based on unattachment and Greenleaf believed that in a relationship where the liability of each other is unlimited, [or as close to it as possible], then “*trust and respect are highest in this circumstance*” (Greenleaf 1977, p. 38). This is because the joy of giving is greater than any reward (Palmer 2000). This understanding of faith in the self and unconditional love differs significantly from the traditional understanding which has a conditional basis; relationships are conditional upon needs being met and so accept the reciprocal and transactional understanding of trust. This reciprocal understanding of trust is a central argument of this study relevant in distinguishing self-serving behaviour from serving others [see Chapter 7].

In Chapter 2 the work of Greenleaf is “introduced” to Anthony Giddens whose modern sociological work is useful in explaining Greenleaf’s concept of trust as faith in terms of self-identity and risk taking ability.

Faith, trust and risk

Modern literature recognises that risk taking behaviour underpins good leadership (de Bono 2000; Mendez-Morse 2003) and Greenleaf saw risk taking behaviour as an essential ingredient for servant-leadership that was intrinsically linked to the ability to trust [see also Section 3]. For Greenleaf, “*Faith is the stuff that spirituality is made of*” (Greenleaf 1982, p. 12). It is communicated confidence in one’s own experiences and the appearance of having a better understanding of the workings of the world that inspires confidence of others to share the risk (Greenleaf 1998c. See also Church and Waclawski 1998). Greenleaf explains that:

One cannot know before one ventures to assume leadership what the markers on the course will be or that the course one will take is safe. To know beforehand would make the venture risk-free. One has confidence that, after one is launched in the venture, the way will be illuminated. The price of some illumination may be the willingness to take the risk of faith. Followers, knowing that the venture is risky, have faith as trust in this communicated confidence of the leader (Greenleaf 1998c, p. 132).

According to Greenleaf this is the difference between the leader who is empowered by colleagues for this display of spirit, and who inspires others by allowing the freedom to make decisions in accordance with one’s own values, and the leader who is elevated to power by seeking supremacy over others and seeks to

inspire others to follow pre-determined goals and direction (Greenleaf 1982). This is a central argument of this research distinguishing self-serving behaviour from serving others.

Integrity and values

Greenleaf believed it was the system, not people, that constrained servant-leadership development [see also Giddens Chapter 2] and those with servant-leadership qualities should try to influence the organisation, even from middle management (Greenleaf 1998c, p. 139). This personal inspiration came from Greenleaf's early college professor, Donald J. Cowling who challenged students to "*take a responsible institutional role and put as much goodness into it as he can, realising that he himself must compromise on occasion and that the total effort may not be very good – but still a little better than if someone had not tried*" (Donald J. Cowling in Greenleaf 1977, p. 285). Accepting this challenge would develop strength, ability and integrity.

Greenleaf was concerned that not enough people were preparing themselves to take on this challenging leadership role and the greatest threat to servant-leadership development was for a natural servant-leader to abandon his/her own principles and choose to follow a non-servant-leader. He claimed that all of society suffered for this. He therefore challenged servant-leaders to find a place within institutions where they could be effective, rather than to abandon their cause altogether. This would be more useful for one's personal development and growth:

I would do it because I believe that if I accept the challenge to cope with the inevitable manipulation within an institution, that is responding sensibly and creatively to issues and situations that require new ethics, I will emerge at the end of my career with a better personal value system than I would have if I had chosen a work where I was more on my own and, therefore, freer from being manipulated. This is the ultimate test: What values govern one's life – at the end of it? (Greenleaf 1977, p. 149)

This challenges popular belief of traditional management thinking [and as evidenced in the data], that any form of leadership, whether authoritative or servant-centred, must be influenced from the top down. Giddens [see Chapter 2] also

believes that because individuals have agency, they can influence the structure (Giddens 1999, p. 32).

The Institution as Servant

Greenleaf's concept of servant-leadership is built on trust and love and because large institutions [churches, universities, governments and business] dominated society, it was therefore their responsibility to develop a better society by the dispensing of these attributes. It is for this reason, perhaps, that most of the research dissertations into servant-leadership have been carried out in religious and educational environments (Allen 1991; Toews 1997; Walker 1997; Allen 1998; Knicker 1998; Abdur-Rashid 1999; Cosgrove 1999; Wheaton 1999; Chin 2001; Jennings 2002; Taylor 2002; Karpinski 2002; Anderson 2002; Hardin 2003).

The problem Greenleaf identified was that the people in churches, universities and governments do not love business institutions. He believed that institutions must be loved in order that they can better serve society. But because it is the people who are the institution, then it is the people who must be loved (Greenleaf 1977, p. 136). The effectiveness of institutions was not judged by "evil" people within the organisation, but the neglect of the development of good people (Greenleaf 1977, p. 52). He believed that specialised institutions that exist apart from community cannot satisfactorily dispense human service that requires love. Where there is lack of community then trust, respect and ethical behaviour were difficult to learn and maintain (Greenleaf 1977, p. 38. See also Giddens, Chapter 2).

Greenleaf wrote of the role of the trustee to hold the institution in trust for those affected by it, of trustees having "*a total understanding of the institution as a servant and caring for all of the persons touched by it*" [Greenleaf, 1977, p. 87]. Chairmen would be selected by their colleagues for their ability to lead the institution closer to its potential for service to society. To abdicate this responsibility was a breach of trust. Therefore "*the only solid foundation for trust was for people to have the solid experience of being served by their institution*" (Greenleaf 1977, p. 71). Therefore the institution as servant could only happen if trust was put first, before administration. Thus in institutions where trust is low [and Greenleaf believed this to be the case in most institutions, as was also found in this study], it was the responsibility of trustees "*to fulfil what their title implies and become initiating*

builders of trust". This would result in a substantial reconstruction of trustee bodies leading to "*a whole new era of institutional performance*" [Greenleaf 1977, p. 115].¹⁰

Greenleaf feared that as we became a society dominated by large institutions with the single CEO at the top, then the potential for leadership diminished. He cited three large institutions who, in his experience, were great companies because behind the outwardly focused administrators was a board of trustees who by their shared leadership and conceptualisation made the greatest contribution to the organisation. These organisations lapsed from powerful influence when the trustees no longer demanded "*trust and service orientation*" (Greenleaf 1977, p 51).

Work as servant

Greenleaf proposed a new work ethic which is widely quoted in the modern servant-leadership literature that "*work exists for the person as much as the person exists for the work. Put another way the business exists as much to provide meaningful work to the person as it exists to provide a product or a service to the customer*" (Greenleaf 1977, p. 142).

By adopting this work ethic he claimed businesses would then become serving institutions, serving those who produced as well as those who use.

Greenleaf's concept of servant-leadership has as a priority the recognition of the intrinsic worth of people and improving the human condition. People come before profit and therefore Greenleaf's application of servant-leadership runs contrary to the practices of the traditional hierarchical organisations and his proposed new work ethic is a radically different message for business leaders who seek profit first. It would be a threat to the capitalist system that relies on continual growth as a priority with little or no regard for the people sacrificed to maintain that growth (Giddens 1971; Singer 1997). Greenleaf acknowledged that servant-leadership would be difficult to adopt in the U.S. culture where winning is everything (Greenleaf 1977; Foster 2000b).

¹⁰ A delegate to The World Economic Conference in New York [2002] conveyed the feeling of the business community that business believed it had all the answers and did not need to take advice from other groups such as Church leaders, whose input was not really valued at the conference. [This is not referenced to maintain anonymity but details are available from the researcher.]

The Greenleaf Centre for Servant-Leadership

Following retirement of a 38 year career with AT&T Greenleaf founded the Centre for Applied Ethics in Indiana in 1964, now The Greenleaf Centre for Servant-Leadership, a non-profit organisation headed by Larry Spears (Spears 1995; Spears 1998). It was from this time until his death in 1990 that he lectured and wrote on the concept of servant-leadership. Just prior to his retirement as Director of Management Research at AT&T, Greenleaf held a joint appointment as visiting lecturer at M.I.T's Sloan School of Management and at the Harvard Business School. In addition he held teaching positions at Dartmouth College and the University of Virginia. His consultancies included Ohio University, M.I.T., Ford Foundation, R.K. Mellon Foundation, Lilly Endowment and the American Foundation for Management Research.

Today The Greenleaf Centre for Servant-Leadership promotes the work of Greenleaf and it is interesting to note that most of his writing is only available through the Centre.¹¹ Servant-leadership has influenced a host of notable writers (Bennis 1989; De Pree 1989; Gardner 1990; Autry 1991; Senge 1992; Wheatley 1992; Kouzes and Pozner 1993; DePree 1997; Vaill 1998; Palmer 2000) and their work is available from the Centre. All of these authors have been keynote speakers at the Centre's annual conferences in Indiana. Some of the work of popular writers such as Ken Blanchard, Stephen Covey and Scott Peck has ranked amongst best sellers (Peck 1978; Covey 1992; Block 1996; Covey 1997) and while not available from the Centre, their writings are included in publications edited by Larry Spears (Spears 1995; Spears 1998). It is beyond the scope of this research to critique all of the modern writers. However, some of their work is discussed in Section 4 in relation to its popularity and application to Greenleaf's understanding of servant-leadership.

Section 3: Identifying Servant-Leadership Principles

Laub offers a definition of servant-leadership:

Servant-leadership is an understanding and practice of leadership that places the good of those led over the self-interest of the leader. Servant-leadership promotes the valuing and developing of people, the

¹¹ This is available at www.greenleaf.org. There is a branch of The Centre operating in Australia.

building of community, the practice of authenticity, the providing of leadership for the good of those led and the sharing of power and status for the common good of each individual, the total organisation and those served by the organisation (Laub 1999, p. 81).

Greenleaf did not offer a definition of servant-leadership. For him it was not a “*how-to-do-it manual*” and he did not offer a guide to implementing it (Greenleaf 1977, p. 49). Rather he saw it as a natural developmental process resulting from the role modelling process believing it was the person whom he had become that then inspired him to lead (Greenleaf 1995b). “*Leaders are not trained. They are competent people to begin with, and they can be given a vision and a context of values. Beyond that they need only opportunity and encouragement to grow*” (Greenleaf 1977, p. 89). Therefore leaders were not formally trained but their development emanated from a role modelling process, of being in an institution of top leadership teams of equals that shared leadership [see later]. He believed this would grow more leaders faster than any of the training courses available. Effective leadership therefore was not accompanied by any great “*fanfare*” but simply if wise leaders would not say anything about the changes but follow the “*ancient moral injunction of practice what we preach*” (Greenleaf 1977, p. 144).

Character Traits of Servant-Leadership

In his early writings *The Servant as Leader* (Greenleaf 1970) Greenleaf identified character traits of servant-leaders upon which to base their leadership [see Table 1.3 below]. They include listening and understanding, acceptance and empathy, intuition, foresight, awareness, power by persuasion, conceptualisation, healing and serving, building community (Greenleaf 1977). In Greenleaf’s later writing, *Spirituality as Leadership* (Greenleaf 1982), he recognised how these qualities were a reflection of the leader’s spirituality and reaffirmed that servant-leadership is not something you do, but is an expression of your being. The functionalist understanding of traits theory suggests that leaders are born not made and this research data indicates this to be a common understanding of servant-leadership. More recently the recognition of personality in leaders suggests that leaders are made not born and this theme influences current management training, even into servant-leadership.

Table 1.3: Servant-Leadership Qualities

CHARACTERISTIC	DESCRIPTION
Listening	The ability to listen to what is said, and what is not said, hear what people say, rather than tell them what to do.
Empathy	To understand people, recognise and accept individuals for their uniqueness.
Healing	To heal oneself, as well as others, from a variety of emotional hurts that affect everyone.
Awareness	General awareness of what is happening around oneself and others, especially self-awareness, to know oneself, strengths and weaknesses.
Persuasion	Convince others, by example and actions, rather than using positional authority and coercion.
Conceptualisation	Think beyond day-to-day realities and envision “what might be” and to arrive at the delicate balance between the two.
Foresight	See the likely outcome of a situation, linked to intuition, to know the unknowable and foresee the unforeseeable. To make a decision without having all the facts, guided by the sense of purpose.
Commitment to growth of others	Commitment to the personal, professional and spiritual growth of individuals.
Building community	Encourage increased consciousness of oneself and others.

Source: (Greenleaf 1977, pp. 16-40; Spears 1995, pp. 5-6)

Greenleaf identified three qualities in particular that set servant-leaders apart and the reasons for this (Greenleaf 1977):

- Conceptualisation – dream great dreams as the prime leadership talent
- Power by persuasion – nurture the human spirit as the central issue of trust and strength.
- Foresight and intuition – the central ethic of servant-leadership.

All of these qualities are fundamentally anchored by trust as faith and it is this interconnectedness that is the basis for assuming spirituality about servant-leadership.

1. Dream Great Dreams

Greenleaf defined leading as “*go out ahead to show the way*” (Greenleaf 1982, p. 4). And so a leader ventures to say: “*I will go; come with me! A leader initiates, provides the ideas and the structure and takes the risk of failure along with the chance of success*” (Greenleaf 1977, p. 15). Greenleaf called this conceptualising the vision and described it as the prime leadership talent, as the ability to “*dream great dreams*” (Spears 1995, p. 6). For Greenleaf true leadership was inspiring individuals to work for something that incites the imagination and becomes something of their own creation. People are motivated by what they achieve for themselves (Greenleaf 1977). This was therefore more than just inspiration to achieve organisational goals because it is conveying the larger purpose that inspires people to act creatively on their own behalf, and learn to take responsibility for their actions in a supportive environment that shares that responsibility. Therefore those who follow do so voluntarily because of their own understanding and persuasion that actions are right for them (Greenleaf 1982, p. 4).

Hence Greenleaf believed conceptualisation to be the prime leadership talent because “*to lead with spirit is to transform*” (Greenleaf 1982, p. 12). And these leaders are truly born of inspiration that distinguishes them from those who only presume to lead. Those who presume to lead come from a base, which dictates they must first preserve the system rather than follow the great dream and serve the greater purpose. According to Greenleaf this was defensive leadership that meant guiding, directing, managing and administering and these words implied either maintenance, coercion or manipulation, that is, guiding others into actions they may not fully understand (Greenleaf 1977). This is the basis for understanding how servant-leadership differs from the modern interpretation of transformational leadership with its basis in promoting shared values through visions and there is a gap in the literature that recognises this difference.

Thus conceptualisation is closely linked to trust and risk because it is knowing that the path ahead is uncertain, perhaps even dangerous that establishes the

relationship of trust (Greenleaf 1977, p.15). This is because risk comes from the exposure of one's values and principles to others as the basis for being trusted. According to Greenleaf, leadership is a risk but it is serving and creating a better society that makes the risk worthwhile. Greenleaf was critical of religious institutions wherein there was no conceptual leadership and no incentive for leaders to show the way. He criticised their need to know "*where is the model? Where is it being done successfully?*" (Greenleaf 1982, pp. 11-12). This demonstrated risk averse behaviour and indicated a lack of faith and trust in one's own experiences. Therefore, if leaders are not showing the way, according to Greenleaf, they are just reacting to events (Greenleaf 1982). Greenleaf believed this to be unethical behaviour [see discussion later on Foresight and Intuition.]

It was this spiritual state of the servant-leader that inspired confidence in others to follow and to share the risk and that distinguishes servant-leaders from the charismatic leader who can inspire others to follow questionable goals. This is why some of the servant-leadership traits in isolation, and combined with self-promotionalism or narcissism, can be a dangerous combination (Giampetro-Meyer et al. 1998).

Greenleaf felt there was a need to recognise conceptual leadership and he made an important distinction between the conceptual leader and the operational leader. Operating pertained to administration and conceptual to leadership and he believed organisations needed a balance of the two. The leader must look beyond the day-to-day realities of operational leadership and remain focused on conceptualising the long-term purpose (Greenleaf 1977; Spears 1995). However, while conceptual leaders recognised the value of operating management, the latter did not in many cases recognise the importance of conceptual leadership. He cited the American railroad companies for lacking in conceptual leadership and claimed that while the leaders were busy attending to the day-to-day operations of the railroad, not enough well placed conceptual leaders were strategically placed to envision the future contingencies. He claimed some institutions had risen to eminence through the accidental placement of conceptual leadership and without ever recognising its value. "*Not knowing when they accidentally had it, they were not aware when they lost it*" (Greenleaf 1977, p. 69).

2. Power, Trust and Leadership

The servant-leader is servant first...it begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. That person is sharply different from one who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. For such it will be a later choice to serve after leadership is established. The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature (Greenleaf 1977, p. 13).

The way in which servant-leaders inspire people is related to the way they use their powers of persuasion. Greenleaf claimed power to be the central issue of trust and so leadership legitimacy and strength was determined by the way in which leaders use their power to create relationships of trust. Power by persuasion he believed to be an ethical use of power because it did not seek to dominate and control (Greenleaf 1995b). He believed that leaders who used their powers of persuasion rather than coercion, demonstrated the clearest distinction between servant-leadership and the traditional authoritarian leadership style. Servant-leadership is said to require a change in the relationships of power and yet the research into power and leadership is an area that researchers have avoided (Allen 1998). There is a gap in the literature that goes beyond understanding referent power as trust in leadership ability (Kanter 1996), to understanding Greenleaf's persuasive use of power as it relates to leader's trust in their people.

The power of persuasion is to be a servant first, that is, to be “*a nurturer of the human spirit*” (Reiser 1995, p. 50). The power of persuasion is to give freedom of choice that allows for individuals to determine their own values “*if only their spirits could be aroused* (Greenleaf 1977, p. 34). According to Greenleaf “*the spirit (not knowledge) is power*” (Greenleaf 1977, p. 33) and so the ultimate test of a leader's morality and the crux of determining their worth as a servant-leader was the way in which they used their power to demonstrate their faith in people and raise them to a higher level of quality as persons. This stems from the leader's faith in the self and they extend this faith to include others. This was Greenleaf's understanding of spirituality [refer Section 2] and he believed this to be the crux of determining the existence of servant-leadership (Vanourek 1995). The key to understanding this point

is that nurturer of the human spirit is to develop people for their own sake, and not for the purpose of better serving the organisation or the leader.

An important contribution of Greenleaf's work relating to this study is that he cited the most effective leaders as those who were not necessarily at the top of the organisation, but those who often played a middle management role; he believed these leaders should be encouraged and developed because these leaders displayed principles of servant-leadership in their own behaviour and through their coaching and mentoring developed those around them to also become servant-leaders [see Chapter 6] (Greenleaf 1998c; Greenleaf 1995b). It was leaders with empathy and understanding who had developed skills of listening and understanding who were successful at developing people because they accept people for what they are, "*even though their performance may be judged critically in terms of what they are capable of doing*" (Greenleaf 1977, p. 21). Leaders with empathy have a tolerance for imperfections in people and build teams "*by lifting them up to grow taller than they would otherwise be*" (Greenleaf 1977, p. 21) and this builds real strength in people. Therefore they respect the individuality of everyone and embrace the idea that there is unity in diversity.

According to Greenleaf, the leader who is servant first understood the value of cooperation over competition (Greenleaf 1982). Competition, he believed to be the creative development of working together towards achieving a common goal. To understand Greenleaf's concept of competition comes from faith in the self, and trust in others, and is the key to understanding supremacy which has nothing to do with power over others, but is power with others. Therefore a distinguishing feature of the servant-leader's use of power can be found in their understanding of empowerment and consensus. This differs from the modern transformational understanding wherein empowerment and consensus is understood in terms of Durkheim's "conscience collective" and through the development of shared values, leaders elicit the support of followers to achieve previously determined goals (Senge, Kleiner, Roberts, Ross and Smith 1994; Vanourek 1995).

Leaders do not just empower people, people must also empower themselves by being given the freedom of choice to take responsibility for their own decisions and actions. Individuals made the right choices based on their own ethical and moral values, their own sense of purpose, and their own judgments, which stemmed from

the trust in oneself developed through life's experiences. This behaviour results in inner strength that is connected to foresight and intuition [see later] and is "*the ability to see enough choices of aims, to choose the right aim and to pursue that aim responsibly over a long period of time*" (Fraker 1995, p. 42).

Thus Greenleaf proposed the idea of shared leadership, the idea coming from Roman times of *primus inter pares* – first among equals [see Figure 1.1 below]. There is still a leader first, but the leader is not chief, the difference being that leadership exists among a group of able leaders. Rather than the traditional hierarchical structure, it would look something like this:

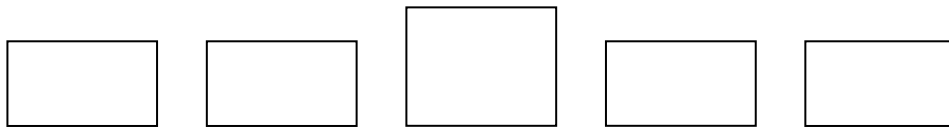


Figure 1.1: First Among Equals Source: (Greenleaf 1977, p. 62)

Servant-leadership does not imply that rules, hierarchy and structures should be abolished. What does change, however, is the role these functions perform. They are created to educate, facilitate and support, rather than dictate and control. Servant-leaders still lead; they just do it from a different base. The business is still managed in the same way, all that changes is the power relations (Greenleaf 1977).

More recently Charles Handy discusses shared leadership as building federalisms and is a consequence of the globalised environment wherein modern institutions are divided into a number of small companies, all operating independently of one another and in a competitive environment. This was happening in Railcorp. Handy suggests that the success of federalism lies in the ability of the CEO, who through his personality allows the true centres of federalism to be dispersed throughout the operations. This person exists to coordinate rather than to control. To maintain control at the centre, Handy claims, is to build bureaucracies, which are costly, disabling, demotivating and crippling. Maintaining central control tends to drive out long term thinking to concentrate on the day-to-day operational issues (Handy 1995, p. 36, 44. See also Handy 2001). [The data indicates, Railcorp is

not a federalism in the Handy sense because of authoritative leadership and bottom line focus.] Both Handy and Greenleaf share the same criticism of organisations whose principle purpose is to make profit only; the principle purpose is to make a profit in order to do things better, to fulfil itself, to grow and develop to the best it can be. This represents a challenge to power relations.

Greenleaf thus believed the way in which leaders sought power to be a determining feature of servant-leadership; that is, they were elevated to power through the confidence and trust earned in their integrity, credibility, and legitimacy by being a servant to others (Greenleaf 1982). Strength and leadership power was therefore given to leaders for their legitimacy as true and trusted servants of others and this leadership existed at all levels of the organisation.

Greenleaf describes the other side of leadership as the CEO at the top who got there through corporate ladder climbing and supremacy over others [and people development suffered for this]. These leaders were vulnerable because they never knew whether they had the support of their people. They understood competition as eliminating the opposition, and establishing supremacy over others. This always resulted in a win/lose situation (Greenleaf 1977; Greenleaf 1982). Greenleaf [and more recently writers such as Margaret Wheatley (Wheatley 1998) and Edward de Bono (de Bono 2000)] criticised institutions wherein “development” was defensive through elimination practices and the data indicated that these practices were prevalent in Railcorp. Greenleaf believed to engage in this defensive behaviour was to misunderstand the concept of competition. He believed this understanding of power and competition stopped institutions from becoming serving institutions.

Greenleaf argued that the leader first [rather than servant first] was motivated by the ability to wield power as a form of control and the abuse of this power corrupted the leader’s mind, the imagination and the personality (Greenleaf 1995b). In as much as one holds power over another, Greenleaf believed this to be arrogant behaviour, either overt or covert and people development suffered for this (Greenleaf 1982). Thus the first step in leadership development was to be aware of the dangers of personality distortions, arrogance and corruption of imagination when using power and recognise the importance of combating it by looking inward and reflecting on one’s own values.

Greenleaf claimed that to embrace his new ethic [work exists for people as much as the people exist for work] as a device to achieve harmony or increase productivity was to ignore the comprehensiveness of the ethic. This is because the focus is on organisational performance for survival, rather than on the genuine development of people. He cited the Hawthorne Studies as an example of a good idea [employee counselling] that worked well in its original environment because it developed naturally and was right for the people at that time. However, when this idea was introduced into other locations it did not have the same results because it was a “*gimmick*” designed for recreating the same productivity circumstances at Hawthorn (Greenleaf 1998c, p. 144).

Greenleaf was therefore critical of some popular management practices such as participative management, motivational management, work enlargement, profit sharing, information sharing, team building, which were disguised as “people building” (Greenleaf 1977). These management practices have also been widely criticised in the modern literature by others and earned the title “fad management” (Greenleaf 1977; Atkouf 1992; Harari 1993; Senge 1999; Swain 1999; Benson and Morigan 2000; Giacalone and Eylon 2000; Rudman 2000). Greenleaf saw these management practices as quick fix fads that purported to be employee centred, but ultimately people saw through as yet another form of manipulation to increase productivity and so did not embrace the ethic in its entirety. He claimed that leaders may achieve short-term success by the intelligent use of people and he believed there was nothing wrong with that in a “*people-building*” institution. “*But in a people-using institution, they are like an aspirin - sometimes stimulating and pain relieving, and they may produce an immediate measurable improvement. In fact, an overdose of these nostrums may seal an institution’s fate as a people user for a very long time*” (Greenleaf 1977, p. 40). Therefore when individuals are encouraged to make their own choices in accordance with their own values, then the right actions fall into place and the “*gimmicks*” may never become necessary (Greenleaf 1977, p. 40). According to Greenleaf people building would not occur until leaders understand that employee motivation comes from what people generate for themselves when they experience growth (Greenleaf 1977). Institutions do not become people-builders until they “*internalise the belief that people are first*” (Fraker 1995, p. 46).

Greenleaf believed hierarchies that adopted these management practices bred arrogant behaviour that stifled creativity and imagination (Greenleaf 1977). Arrogance was therefore not only of an easily recognisable overt nature of coercive force to compel, but of a covert nature where leaders adopt the “*human relations veneer*” disguised as listening and understanding and designed to manipulate (Greenleaf 1977; Greenleaf 1995b, p.27). However, it is this understanding of the development of people to first benefit the organisation that has captured the attention of modern writers and researchers and this is discussed in the next section (Covey 1998; Lad and Luechauer 1998; Laub 1999; Foster 2000b).

In a turbulent environment, the focus on the person for growth, as much as on the organisation for profit is not feasible and does not fit with policies of cost control. This is despite recent research indicating that people development, similar to that proposed by Greenleaf, far outstrips the mechanistic model in terms of organisational success (Rudman 2000; Seglin 2003). This is because Greenleaf’s concept of people development is difficult for competitors to copy unless they understand that people should not be regarded primarily as a cost item (Lee and Zemke 1995; Swain 1999; Rudman 2000). Greenleaf believed that when people “*feel a part of the larger purpose without losing their individuality, and so that all the parts can contribute to the total strength of the enterprise....it is difficult to lure them away*” (Greenleaf 1977, p. 145).

People only grow in strength when the leader recognises that this starts with themselves because servant-leadership stems from the leader’s character, rather than behaviour (Fraker 1995). Servant-leadership goes beyond studying behaviour and personality traits because becoming a better leader is about becoming a better person (Schuster 1994). Therefore the power of servant-leadership is more than a study of traits, but it requires an understanding of a leader’s source of power, power that lies in the leader’s ability to elicit required behaviour from individuals without the need for domination (Alvesson 1996). Leaders do have power, but they become the most powerful when they give their power away to others. This is the paradox of servant-leadership. It represents a shift in power relations and is a little understood concept of leadership, that in empowering others, leaders are increasing their own inner strength (Bethel 1995; McGee-Cooper and Trammell 1995; Kanter 1996; Greenleaf 1998a; Laub 1999). Thus the use of persuasive power is connected to the leader’s

spirituality, their trust as faith in themselves and others, because only leaders who are secure with their own power base can view empowerment as a gain rather than as a loss of control (Gastil 1994; Kanter 1996).

Greenleaf's message to institutional leaders was to find the wisdom appropriate for our times. He used the example of George Fox, a 17th century Quaker businessman who proposed a new ethic for his time of truthfulness and dependability. *"He did it because his view of right conduct demanded it, not because it would be more profitable. It did become more profitable because those early Quaker businessmen emerged out of the seamy morass of that day as people who could be trusted"* (Greenleaf 1977, p. 143). Greenleaf leaves us with the powerful thought of what might have happened if Jesus had chosen not to throw the moneychangers out of the temple but had persuaded them to act in accordance with their sacred belief. While this may not have had a powerful influence on the economy of Jesus' time, Greenleaf believed in our money-dominated civilisation, examining integrity and legitimacy could be the difference between survival and collapse (Greenleaf 1982, p. 8).

3. Foresight, Awareness and Intuition

The cultivation of awareness gives one the basis for detachment, the ability to stand aside and see oneself in perspective in the context of one's own experience, amidst the ever-present dangers, threats, and alarms. Then one sees one's own peculiar assortment of obligations and responsibilities in a way that permits one to sort out the urgent from the important and perhaps deal with the important. Awareness is not a giver of solace – it is the opposite. It is a disturber and an awakener. Able leaders are usually sharply awake and reasonably disturbed. They are not seekers after solace. They have their own inner serenity (Greenleaf 1977, p. 28).

Greenleaf claimed foresight is the "lead" that leaders have and he believed it to be the central ethic of leadership that determined integrity (Greenleaf 1977). It is intricately connected to awareness, persuasion, intuition and to the risk taking ability of leaders. *"A qualification for leadership is that one can tolerate a sustained wide span of awareness so that one better sees it as it is"* (Greenleaf 1977, p.27).

Foresight is the leader's ability to see future events that will effect him or her before other people see them. Ethical behaviour is to act on one's intuition while one

has freedom of choice to act in accordance with one's own values and principles, and therefore acts with a clearer conscience. Serious ethical compromises arise from the failure to foresee events and make a decision to take the right actions when there is freedom of choice for initiative to act (Greenleaf 1977; Fraker 1995, p. 43). Greenleaf believed this to be a real failure of leadership because without foresight leaders are not leading, but reacting to immediate events and therefore "*may not long be leaders*" (Greenleaf 1977, p. 26). Leaders must be aware of the happenings in the real world, yet at the same time remain detached, seeing oneself in today's events only in the perspective of a long and sweeping history and without attachment to outcomes. This split enables one to better foresee the unforeseeable (Greenleaf 1977, p.26) and is underpinned by trust as faith in the self and others and this shared faith inspires them to care for others who are inspired to share their journey.

Foresight strengthens the development of faith when leaders are forced to re-examine their actions with the aim of future revision, "*that makes it possible for one to live and act in the real world with a clearer conscience*" (Greenleaf 1977, pp. 26-27).

Servant-leaders use intuition to make decisions because they know that they rarely have all the information to make a decision. "*Individuals cannot embrace their purpose if they are waiting until they understand it totally*" (Bordas 1995, p. 182). And if one waits too long for the information, then one has a different problem to solve and must start all over again (Greenleaf 1977, p. 22). It is a leader's intuition and sense of purpose that guides the decision-making. "*Ask yourself: Will this prepare me better to serve? How does this fit with what I am trying to do?*" (Bordas 1995, p. 190). Intuition can be described as a sixth sense, it is the ability to stay connected to our sense of purpose through our knowledge of self and development of faith in ourselves and the ability to generalise, based on past experience. Thus, according to Greenleaf, trust as faith underpins the intuitive leader and is more valued at a conceptual level.

Servant-leaders are functionally superior because they are closer to the ground – they hear things, see things, know things, and their intuitive insight is exceptional. Because of this they are dependable and trusted, they know the meaning of that line from Shakespeare's sonnet: "They that have power to hurt and will do none...." (Greenleaf 1977, p. 42).

This concludes the lengthy review of Greenleaf's work that has been necessary to demonstrate how understanding trust as faith is the key to understanding servant-leadership because it is the foundation upon which good leadership character is built. It is the leader's trust as faith in the self that allows them to trust and have faith in others and this inner confidence underpins all of the principles displayed in their leadership as a way of being. It has been necessary to engage in this lengthy discussion to make this point very clear and to demonstrate how Greenleaf's understanding of character stems from this deep spiritual base.

Greenleaf's work exudes the principles about which he writes. He is described as a moralist and a practical mystic who would not have identified himself as a servant-leader. He wrote about the implications of not developing a better society, rather than the one best way of doing it. His beliefs are presented in an unobtrusive way and not imposed as the one best way approach, but he allows the reader freedom of choice to digest his work in accordance with his/her level of understanding. For me his spirituality comes through in his writing and delivers a tranquillity that has not been captured in modern literature.

It is the absence of this spirituality in the modern writing that has led to an exploration of its content. The modern writers have missed this link between character and spirituality because they attempt to understand character from a functionalist perspective of personality traits and behaviours. The spirituality of servant-leadership goes beyond a study of personality traits and represents a new paradigm. However, it is the adherence to the functionalist paradigm that prevents the understanding of a new way (Kuhn 1970).

Section 4: Modern Literature and Servant-Leadership

The review of modern literature includes the academic research, as well as popular authors, some of whose work is associated with The Greenleaf Centre for Servant-Leadership.

More and more theorists and researchers are providing a case for the adoption of servant-leadership principles albeit by a different name. The word "servant" has a negative connotation, particularly in the United States from where the literature emanates. Even Greenleaf claimed that it would be difficult to develop in this culture

where winning is everything, and where it is more acceptable to be the “master” than the “servant” (Foster 2000b). Although their work does not specify servant-leadership, Foster believes it is so close to Greenleaf’s work as to not tell the difference (Foster 2000b). Modern works that have influenced management include Kouzes and Posner’s *Credible Leadership*, Covey’s *Principle Centred Leadership*, Senge’s *Learning Organisation*, Autry’s *Caring Leadership*, Wheatley’s *New Scientific Management*, Peter Block’s *Stewardship*, Hersey and Blanchard’s *Situational Leadership* and Blanchard’s *One Minute Manager* series (Autry 1991; Hersey 1992; Covey 1992; Senge 1992; Wheatley 1992; Senge et al. 1994; Covey 1995; Senge 1995; Block 1996; Senge 1996; Covey 1997; Covey 1998; Blanchard 2000). Table 1.4 categorises the ideas of the modern authors, some of whom have adopted Greenleaf’s servant-leadership principles [see pp. 45-46].

The modern literature is in response to the call for leaders who display leadership character qualities of integrity, and honesty (Kouzes and Pozner 1993; Uren 2001), a challenge facing leaders today that comes about because of the increased awareness in individuals of the connection between personal spirituality and self-development (Roman 1989; Gastil 1994; McGrath 1994; Lee and Zemke 1995; Blanchard 2000; Neal 2000; Williams 2000). Further the literature proposes that in order to encourage the development of others, one needs first to develop oneself (Toews 1997; Allen 1998; Abdur-Rashid 1999; Cosgrove 1999; Gibbons 1999; Blanchard 2000). In the modern literature, however, self-development has been understood in terms of self-actualisation (Harung et al. 1995) and it is claimed that this would have been Greenleaf’s understanding of personal development (Foster 2000b). While self-actualisation is concerned with principles of morality, justice, ethics, integrity, authenticity, benefits to all stakeholders, there is no real requirement for serving others, ahead of the self. In the search for good leadership character the focus has been predominantly on functionalist understanding of organisational survival [see later] and writers have not captured Greenleaf’s concept of spirituality that we live our lives in service of others and that it is what we do first in service of others that ultimately develops the self (Greenleaf 1982; Palmer 2000; Lama 2001).

For Greenleaf the organisation exists to serve its people and the community. The modern understanding is that people exist to serve the organisation. Greenleaf

said this interpretation of his ethic was to ignore the comprehensiveness of the ethic and was evidence of leaders who only presumed to lead because they do not have the conceptualisation of servant-leaders (Greenleaf 1977). This focus on organisational survival sustains classical management practices. It is explained by Giddens as ontological insecurity [see Chapter 2] that seeks to find security and self-identity by trusting in the system, rather than in people. Ontological insecurity knows radical doubt, insecurity, uncertainty and the separation of individuals rather than their interconnectedness (Kaspersen 1995).

The modern research is interesting. Hull and Read have identified excellent workplaces in Australia and they found that these workplaces differ from other countries because quality in Australia means quality of relationships.¹² The key component of quality relationships is trust and self-worth and this research finding could not be over estimated. They found that the sense of identity flows from the quality of relationships that have their basis in mutual trust, that is, trust in the leader and being trusted by the leader. According to these researchers, this new model of workplace relationships requires a new model of leadership. While not referencing servant-leadership, they identify these leaders as those leading without coercion, of being a coach and supportive of followers, and of being consistent with principles. Simply *“they really do practice what they preach”* (Hull and Read 2003, p. 17).

According to HR and industrial relations specialist, Tom Kochan of the Sloan School of Management in the U.S. *“the human resources profession has ended up with a crisis of trust on its hands and needs to make significant changes....HR professionals lost any semblance of credibility as stewards of the social contract”*. According to Kochan this is because human resource management has aligned with senior management policy, rather than with the issues facing the broader workforce, and workers are more distrustful than ever about their workplace. This distrust has emerged from work practices that align reward with performance targets only. *“There is a growing body of data establishing a link between work practices and financial performance.”* Kochlan’s new approach to rebuilding trust is the mechanistic view of building knowledge-based work systems, while at the same time recognising the need to support the requirements of a changing workforce in terms of

¹² Quality in Germany is an obsession with standards, in Japan it is perfection, in France it is luxury and in the U.S. it means “it works” (Hull and Read 2003).

balancing work and family needs. This requires the HR profession to “*redefine its values and identity*” (Fox 2004, p. 42. See Also Moran 2004).

Jim Collins who writes extensively on leadership describes *Level 5 Leadership* and this is very similar to servant-leadership. What is interesting about Collins is that he identifies this leadership as something he and his research team would wish to aspire to and recognises that adopting these principles would make them better persons (Collins 2001).

Thus by their own admission, some modern researchers are investigating a concept that they do not fully understand. The argument of this research is that servant-leadership is interpreted in terms of traditional thought because of a lack of understanding for the new. This is perhaps because leaders look only for practical strategies to improve performance, without having an appreciation for the character of leaders who can achieve good performance results through encouraging people to develop their own creative talents. Therefore Hull and Read’s research into Australian organisations is relevant to this study because it identifies the importance of understanding this type of leadership. In Australia the difference is found in the understanding of quality; according to Hull and Read, quality in the U.S. [from where the servant-leadership literature comes], means “it works” (Hull and Read 2003). This is a culture where winning is everything (Foster 2000b. This gives a different focus to that of Australian workplaces where Hull and Read (2000) found quality in Australia means quality of relationships, and these have their basis in trust.

Table 1.4: Pathways to Servant-leadership

Pathway	Representative Author	Themes/Key Message	Actions/Representative	Link to Servant Leadership
Cognitive: Concept/ Knowledge/ Insight	Wheatley Senge Peck Gardner Kegan	Frames, maps, mental models New learning Integration Wonder, curiosity Connection to ideas, consciousness	Read/join a reading group Study new discipline Self-assessment/career Get [be] coach/mentor	New mindset Cross disciplinary Lifelong learning and self discovery
Experiential: Doing/Action	Covey de Bono Hall and Joiner	Learning from doing Engage multisensory Connection to self	Do a workshop Start therapy Keep a journal Take risks Take nature walks/exercise	Action Proactivity Risk taking
Spiritual: Search for Meaning	Moore Chopra Palmer Redfield Silverstein Ram Dass Hawley	Search/inquiry into purpose Ascension and transformation Connection to higher power	Practice religion/solitude Meditate/reflective moments Read poetry, study art/music Practice voluntary simplicity	Reflection Values Ethics

<p>Organisation: External</p>	<p>Drucker Peters Kanter Atruy</p>	<p>Connection to customer, employees, and other stockholders</p>	<p>Reengineer/restructure Start dialogue groups Personalise customer connections Use GE “workout” sessions Solve problems</p>	<p>Vision Purpose Mindfulness</p>
<p>Organisation: Internal</p>	<p>Bennis Block De Pree Bolman and Deal</p>	<p>Connection to subordinates, peers Search for new work configurations</p>	<p>Use 360 feedback for managers Mentor/coach Create and support teams Support progressive HR practices: child and elder care, paid sabbaticals, etc Do creative “executive development”</p>	<p>Self-awareness Create teams</p>
<p>Community Connectedness</p>	<p>Peck Bellah Fuller</p>	<p>Connection to others, community creation Building bridges Integration Think global</p>	<p>Volunteer for a cause Raise/donate money Travel to different country Explore various “causes”/ find one that moves you</p>	<p>Service Discovery Local issues addressed</p>

Source: (Lad and Luechauer 1998, pp. 56-57)

Pathways to Servant-Leadership

In their review of modern approaches Lad and Luechauer have identified five pathways to servant-leadership. These include cognitive, experiential, spiritual, organisational and community (Lad and Luechauer 1998. Refer also Table 1.4 pages 45-46). The first three pathways, [cognitive, experiential, spiritual] focus on individual qualities of the leader while the fourth and fifth [organisational and community] discuss the nature of the company/structure. All pathways have taken one element of Greenleaf's work. They all take a systems approach in that each path is seen as complete and whole in itself and so modern writers have taken different elements of Greenleaf's work and developed it as the "one best way". Lad and Luechauer believe that because everyone has different characteristics and different leadership styles, there is no one best way that suits everyone (Lad and Luechauer 1998). Therefore these pathways are linked to servant-leadership but do not embrace it in its entirety. This is because of a strong focus on aligning individuals with organisational survival through sharing the principles of servant-leadership, while at the same time promoting belief in the self through self-development programs. Thus self-development has come to mean development of the self so that others will be inspired to follow this leadership and everyone will better serve the organisation. This is still transformational leadership. [See Chapter 2, Giddens (1991)].

Beyond the culture of fear - cognitive pathway

The cognitive pathway is an intellectual approach to understanding the self, believing that more knowledge will create more insight (Peck 1978; Gardner 1990; Senge 1992; Wheatley 1992). It is logical, deductive and analytical. In *The Road Less Travelled* Peck attempts to combine the discipline of psychology with spirituality and the popularity of this book indicates the public's thirst for this type of literature [see the spiritual pathway later].¹³ Senge is an influential author in management circles who has popularised personal mastery and suggests a "check list" for personal mastery (Senge et al. 1994, p. 211). He understands this not as domination over others, but as power over the self, the results of which are the

¹³ Scott Peck claims his popular book, *The Road Less Travelled* was on the best selling list in New York for ten years.

ability to live our lives in service of our own higher aspirations (Morrigan 1997, p. 50). Greenleaf, however, believed that one never has personal mastery because one is always learning (Greenleaf 1982). Less well known is Wheatley who draws on the new sciences to produce cognitive thought and claims leadership is now about forming new relationships that create other systems. This has its basis in love of creation, and explains that the machine age and mechanistic view, with the need to predict and control, has resulted in a culture of fear (Wheatley 1998. See also Stacey 1996; Morgan 1997)¹⁴. According to Wheatley we can assume that like good machines, people have no desire, heart, spirit or compassion. We can pretend that people do not need love and acknowledgement and that their emotions and spirituality are not a part of the workplace (Wheatley 1998, p. 342). Wheatley uses new discoveries in quantum physics [see later] to explain the awareness of spirituality as self-organising systems, that *“life needs to be linked with other life... that all individuals are supported by the system they have created”* (Wheatley 1998, p. 346). Wheatley claims that for those emerging from the analytical mechanistic view this is a new thought and that in the worlds we are now creating, the old ways of relating to each other no longer support us (Wheatley 2000. See also Kuhn 1970; Giddens 1991; Giddens 1996). This is because the emotion of fear inhibits the development of servant-leaders. Vanourek describes this fear as arrogance, impatience, lack of trust in people, fear of failure, of being different and not conforming to societal demands and expectations, of being ostracised. Such fears result from a lack of self-concept and a transformation of consciousness is needed to eradicate the fears that were imposed and accepted during our developmental years (Vanourek 1995; Jaworski 1996. See also Giddens 1991; Kaspersen 1995).

Effective leadership – the experiential pathway

The experiential pathway is generative learning by seeing new capabilities through engaging in risk taking behaviour (Covey 1997; de Bono 2000). The work of both Covey and de Bono has given rise to the popular leadership training activities of putting ones trust in, and being trusted by others. The work of both authors is appealing to both management and individuals. These authors have been particularly effective in influencing current management training programs and their

¹⁴ Wheatley’s work *Leadership and the New Science* (1992) is no longer readily available in Australian bookstores because it is out of print.

work is readily available to the public. Therefore a multitude of literature and management training courses have developed around the concept of identifying aspects of servant-leadership and teaching these as a leadership tool. The public's need for this literature is evidenced by its popularity (Peck 1978; Covey 1992; Senge 1992; Covey 1994; Senge et al. 1994; Covey 1995; Covey 1997).¹⁵

Covey's departure from Greenleaf's work was discussed in Section 1 for its reliance on functionalism and so he ultimately reverts to organisational survival as a priority. According to Covey the drive for servant-leadership is the global economy "*which absolutely insists on quality at low cost...[Organisations] must align their structures, systems, and management style to support the empowerment of their people that will survive and strive as market leaders*" (Covey 1998, p. xi, xii). Therefore the servant-leadership principles that are said to represent good character [refer Section 1] have been promoted in such a way as to encourage self-development that will ultimately inspire others to follow this leadership and so better serve the organisation. For example, Covey's *The 7 Habits of Highly Effective People*, (Covey 1997) promotes development of the self and these habits underpin his leadership model for organisations, Principle Centred Leadership (Covey 1992). In much of this modern literature there is little evidence of Leo the humble servant who inspired Greenleaf's work. According to Greenleaf it is not until one moves past this self-serving focus that the characteristics of servant-leadership will emerge (Greenleaf 1995b).

While this modern literature recognises that trust is the foundation to effecting better leadership (Kouzes and Pozner 1993; Covey 1995; Lowe 1998) there is a clear absence of a discussion indicating these authors have captured Greenleaf's understanding of trust, not only as faith in the self, but faith in others also. The modern writers interpret trust as a display of ethical behaviour [integrity] that will inspire others to follow, rather than a display of faith in others, as Greenleaf believed it to be. According to Greenleaf leadership trust is earned from the guidance, support and trust given others, that justifies trust in leaders (Greenleaf

¹⁵ Stephen Covey was a keynote speaker at The Greenleaf Centre's 1996 conference. His book *The 7 Habits of Highly Effective People* had sold over 10 million copies in 1998. While Covey's work is not available through The Greenleaf Centre for Servant-leadership, the Centre promotes Senge's work on the Learning Organisation. Both Covey and Senge give credit to Greenleaf for influencing their thought (Covey,1998; Senge 1995).

1998c, p. 132). According to Giddens this modern understanding of trust means that relationships are sustained provided mutual needs are being met (Kaspersen 1995). However, this understanding of trust maintains reciprocal relationships that first seek to be served. These authors have missed the point of creativity based on creating new life as discussed in Wheatley's work (Wheatley 1992; Wheatley 1998).

The writing of Edward de Bono is extremely popular, particularly in forming the basis of management training courses. Like Wheatley, he has more of a cognitive approach although Lad and Luechauer have grouped him in the experiential-action/doing category. This is perhaps because he offers practical ways in which we can change our thinking and much of his work is centred on the concept of changing thinking. He is accredited with promoting the concept of lateral thinking through his work and has written widely on this issue. His book titles include, *De Bono's Thinking Course*, *The Five-Day Course in Thinking*, *Lateral Thinking*, *Lateral Thinking for Managers*, *Practical Thinking*, *Six Thinking Hats*, *Teach Yourself to Think*, *Teach Your Child How to Think*, and *Teaching Thinking*. This is to name but a few. His *Six Thinking Hats* has been developed as a popular management-training tool. De Bono's work is not associated with The Greenleaf Centre for Servant-Leadership. However his work has a striking resemblance to Greenleaf. Unlike other writers who see self-development as a process of first looking inward to examine previously held assumptions (Senge 1992; Covey 1997; Palmer 2000), de Bono takes a proactive stance and claims that psychology has placed too much focus on breaking down the old and not enough emphasis on creating the new. He is critical of the mechanistic and analytical approach that says to find out how something works [the self] you first need to pull it apart and eliminate what is "wrong" before the "good" can emerge. De Bono claims this is dogmatic and judgemental and does not recognise that what is "wrong" may in fact contribute in some way to a person's effectiveness. So his work is more in tune with Greenleaf in the sense that by focusing on creativity [or serving others Greenleaf would say] the qualities of patience, compassion and understanding then develop. De Bono therefore suggests we need to change our frame of reference from the mechanistic understanding of analysis and judgement to perception, compassion and greater understanding. He therefore promotes conceptual thinking, creativity and designing new ways forward (de Bono 1993; de Bono 2000).

The spiritual pathway

The writing on spirituality is becoming increasingly popular and spirituality is becoming more widely recognised both individually and in the workplace. Lad and Luechauer list some of the more popular authors (Redfield 1997; Chopra 2000; Palmer 2000; Moore 1992). However the work of others is referenced throughout this thesis (Harung et al. 1995; Mitroff and Denton 1999; Kohn 2000, Neal 2000; Schmidt-Wilk et al. 2000; Williams 2000).

Redfield's work brought human spiritual awareness to the public's attention through fictional literature. His popular books included *The Celestine Prophecy*, *The Celestine Vision* and *The Tenth Insight* and these books used a fictional story to highlight the changing levels of awareness and consciousness being experienced in the world today. His writing left many readers hungry for more. The work of Moore represents a flux of available literature encouraging examination of the soul (Moore 1992).

Less well known is the work of Palmer whose writing on spirituality takes the analytical approach and suggests spirituality can only emerge from facing the "devil within" first. For Palmer spirituality emerges from a period of great suffering and deeper levels of understanding are only reached through a painful period of self-analysis, of looking within the self to reveal the darker side and eliminating these evils before the God-centred self can emerge (Palmer 2000).

The most well known of the writers on spirituality is Deepak Chopra and he would be an acclaimed best selling author. He has founded The Chopra Centre for Well Being in California and is known for his *Seven Spiritual Laws of Success* that influence much of his work. His writing on spirituality covers a wide dimension taking a stance on health issues and healing the mind, body and spirit through spiritual practices, to reversing the aging process and even improving your golf game (Chopra 2002; Chopra 2003). Like Palmer, Chopra believes that finding spirituality can come from a period of great suffering, and suffering only occurs because our needs are not met. He therefore offers a series of specific exercises and affirmations to deal with pain and suffering and these tools help us to find the "light" within the self. Finding this power within will allow us to rewrite our destinies (Chopra 2001).

Chopra differs from Greenleaf because he believes that in order to know God, one does not have to believe in God. Greenleaf's spiritual nature stemmed from his Judeo Christian beliefs and he believed this sustained spirituality (Greenleaf 1977). However, Chopra's work on knowing God supports the view that spirituality is not connected to institutional religion (Mitroff and Denton 1999). Chopra combines philosophy with the new sciences of quantum physics that our brains are "wired" to know God (Chopra 2000. See also Kohn 2000). This is the science of quantum physics from where Wheatley also draws inspiration wherein one experiences the interconnectedness of everything via the unified field, the timeless and invisible space connecting all energy in the universe, the space where everything in the universe is present, including our Creator, the space where we understand compassion and caring for one another because what we do to ourselves we do to others, including our Creator (Capra 1991; Bordas 1995; Treadgold 1999; Palmer 2000; Schmidt-Wilk et al. 2000; Walz 2000; Williams 2000).

One only needs to visit a bookstore to see the availability of this literature today. It seems people are thirsting for knowledge of the self. However, much of this literature takes the Palmer approach that we first need to eliminate "the wrong, the bad, the evil, the darkness" before the "light" can emerge. This literature has a strong internal focus on development of the self to better serve one's own needs. There is no requirement for developing the self to better serve others.

Communal pathway

The work of Scott M Peck discusses communal development within the literature on servant-leadership (Peck 1990; Peck 1995). However his work on building community is not as popular as his cognitive work (Peck 1978) and to limit the scope of this study is not discussed here. The communal pathway may be usefully linked in further research studies to the recent and prolific literature on social capital, corporate social responsibility, triple bottom line reporting, and stakeholder management (see Morrigan and Paull 2002).

Serving the organisation

The main focus of management and leadership literature and the main question asked is, "How to serve the company?" The organisational pathway is much written about by modern and popular authors because externally,

organisations focus on the purpose of the organisation and challenge purpose, status quo, culture and values (Peters and Waterman 1982; Autry 1991; Drucker 1997; Kanter 1992). Lad and Luechauer accept this as a proactive stance on issues of environment and workplace safety but they also accept “*It’s diversity training before the lawsuit*” (Lad and Luechauer 1998, p. 59). Internally organisations focus on interactive behaviour, of encouraging communication and asking whether people are benefiting from what they do (Bennis 1989; De Pree 1989; Block 1996). This section does not deal specifically with the contents of individual author’s work, but with the consequence of this focus on organisational survival in relation to developing servant-leadership.

Peck claims that he has seen organisations adopt servant-leadership principles in a time of crisis, only to abandon them when performance improved (Peck 1995). TDIndustries is an example of an organisation, its success promoted by The Greenleaf Centre for Servant-Leadership, as one that turned to servant-leadership training in a time of crisis. TDIndustries was also the subject of a research thesis to quantitatively measure the spirituality of its leaders. In this study spirituality’s definitive dimension was how often leaders engaged in prayer or meditation (Beazley 2002).

This company’s history indicates major attitudinal changes stemming from the servant-leadership understanding of trust. Initially trust was in its founding leader, Jack Lowe Snr. However, during the 1980s and under the leadership of Jack Lowe Jnr., the company amassed debts of several million dollars.¹⁶ At this time Partners put their trust in the organisation and leadership turned to a training program in quality management and servant-leadership principles designed by Ann McGee Cooper and Duane Trammell. Through this training the company now claims to have regained the original servant-leadership philosophy set by its founder Jack Lowe Snr., and in 1998 TDIndustries rated on the Fortune 500 list of the best 100 companies in America to work for.¹⁷ It is claimed that Partners now trust in themselves (Cheshire 1987). A copy of this training program is available from The

¹⁶ Jack Lowe Jnr is now a trustee of The Greenleaf Centre for Servant-Leadership.

¹⁷ Peters and Waterman’s (1982) research into “Excellent Companies”, named companies from the Fortune 500 list. However, some short time after this research, many of these companies were no longer on the list, casting doubt on the credibility of Excellence Theories. While doubt has been cast on the longevity of some Fortune 500 companies it seems that TDIndustries success is due to an understanding of people learning to trust in themselves (Cheshire 1987, Lowe 1998).

Greenleaf Centre for Servant-Leadership.¹⁸ It is a training program in learning supervisory and leadership skills “*Develop them so that they can contribute to TDI’s success*”, “*deal with difficult people by focusing them back on work and achieving team goals*”. Leadership Development Three is a supervisory skill checklist. The co-designer of this training course, Ann McGee Cooper writes:

I was first introduced to servant-leadership 12 years ago when I was invited to work with TDIndustries in Dallas and was given a copy of the book, The Servant as Leader, by Robert Greenleaf. Since that time, I have been wrestling with all that concept means (McGee-Cooper and Trammell 1995, p. 113).

In Cheshire’s account of this company’s story it is claimed that “*partners can track construction jobs against expected returns....partners can also use better planning to increase profits by reducing job-related costs such as labor and commodity goods*” (Cheshire 1987, p. 197).

TDIndustries successful journey commenced in the 1980s and continues today. Nonetheless Greenleaf was critical of the organisational focus which seems apparent here because it can lead to the popular literature that describes how to create vision, purpose and value creation (Senge et al. 1994; Vanourek 1995). Collins and Porras claim that while visionary companies have core values and a core purpose merely espousing those values and purpose is not enough in themselves. People preserve the values and purpose by having the freedom to be innovative. Companies going down the path of creating vision and values can easily use the literature as a script and a set of steps that take away from the freedom that is needed to truly live the values. Even Collins claims that he is not a fan of the “*right statements*” approach. Like Greenleaf, Collins is more in favour of “*skip the statements*” and live the values (Greenleaf 1977; Collins and Porras in Seglin 2003, pp. 6-8).

It is this focus on maintaining organisational performance that has also captured the interest of academic research. According to Foster, developing servant-leadership will benefit organisations by improved decision-making, improved performance, improved employee retention, improved organisational commitment, improved organisational environment, enhanced ability to attract skilled employees,

¹⁸ Leadership Development One: A Course in Supervisory Skills and Servant-Leadership; Leadership Development Three: Growing Servant-Leaders at TDIndustries.

decreased potential for litigation and unnecessary expenses (Foster 2000b). Laub has developed a quantitative instrument for measuring servant-leadership. His research was in response to the popularity of quality management and the need to measure performance. His study identified behavioural characteristics and how these behaviours might be studied and taught (Laub 1999). These characteristics, however, are not mutually exclusive to servant-leadership and Laub's assessment also lists servant-leadership traits as a "how-to" check list.

Greenleaf believed that servant-leadership is a philosophy, not a "how-to" check list (Greenleaf 1977, p. 49; Frick and Spears 1996, p. 4). He was also critical of leaders who only work to satisfy legal requirements in order to give the cover of legitimacy. He claimed this was to neglect and deceive all those served by, or who depend on, the organisation (Greenleaf 1977, p. 101).

Organisational barriers to servant-leadership

Lad and Luechauer discuss five barriers to the development of servant-leadership all of which rely on serving the organisation rather than serving the people within it: management fads, too busy fighting fires, lack of leadership/organisational support, why change something that is working, and the belief that it sounds good but would never work in practice (Lad and Luechauer 1998, pp. 62-63). All of these barriers were also identified in Railcorp and emanate from the mechanistic understanding of management that focuses on firstly getting the structure in place and therefore people development is about slotting people into those structures (Giddens 1991; Morgan 1997). And so servant-leadership has been misunderstood in terms of this mindset that seeks to determine how people can be trained, or adapted to fit into a servant-leadership structure.

The machine model of organising (Morgan 1997) assumes that the organisation shapes individual values, that is, organisational and personal values are the same and if not, then the employee must change in order to fit in and feel comfortable (Morgan 1997; Morrigan 1997). "*The human 'machine' parts are compliant and behave as they have been designed to do*" (Morgan 1997, p. 27). So in this environment, organisational needs will dominate and these are centred on performance monitoring systems. Key features of this management are a central value system of shared values, systems integration and no conflict, characterised by

Durkheim's "conscience collective" (Morrigan 1997). The modern writers suggest leaders set visions, goals and directions and then the servant-leader's role kicks in and the organisational structure is reversed (Covey 1992; Senge et al. 1994; Blanchard 1998; Covey 1998; Blanchard 2000). Greenleaf criticised this goal setting behaviour because it is open to the abuse of leadership power in the form of control, dominance, oppression, force, coercion and manipulation (Greenleaf 1977) and this gives rise to heroic and charismatic leaders who can inspire others to follow questionable goals (Giampetro-Meyer et al. 1998; Steele 2000). Greenleaf believed that when people were given freedom of choice to make their own decisions, then gimmicks like mission and vision statements never became necessary (Greenleaf 1977).

And so the modern understanding of consensus is rightly criticised as eliciting the collective will of the group (Kiechel III 1995). At best this is transformational leadership that motivates employees to perform beyond expectation, to go beyond self-interested needs and to achieve the extraordinary missions articulated by the leader. There is a high degree of dependence on the leader to set direction, goals and motivate employees to achieve these goals. Reward is linked to goal achievement maintaining transactional and reciprocal relationships (Bartol, Martin, Tein and Matthews 1995, p. 473).

Mechanically structured organisations are designed to achieve pre-determined goals; they are not designed for innovation. Therefore the problems associated with classical management were all identified in this study [refer Chapter 5]; work standards are set by standardised procedures and performance is measured through rigid control measures. People look for either a procedure or pre-planned strategy as a guideline for problem solving. And, as was a data finding, most are preoccupied with "urgent" matters and so "important" matters are pushed aside because problem solving takes priority and there is little time for conceptual thinking (de Bono 1993, p. 176; Morgan 1997). Communication channels are often poor [see Chapter 5]. And so people look for a "new" way [refer Chapter 7] by delegating, for example, to special task forces or outsourcing to consultants (Morgan 1997). According to de Bono, "*Problem solving implies the removal of risk, whereas opportunity seeking implies increased risk and work. Management is forced to solve problems. No one is forced to look for opportunities until it is too late. By the time*

an organisation is forced to look for opportunities it has probably already lost its best people, its market share, its credit rating and its morale (de Bono 1993, pp. 176-177).

The constant need to remove risk leads to management fads. Management fads are defined by writers as being the result of leaders who jump from one program/guru/philosophy to another in search of immediate results “*without taking the time to fully understand or implement the ideas to which they have been exposed*” (Lad and Luechauer 1998, pp. 63,64. See also Shapiro 1995). They are looking for a new and better way but do not understand that these programs all have their basis in the machine model that values short-term and performance based competitiveness (Morrigan 1997). The data for this research revealed that “new” management practices such as quality management, continuous improvement, participative and consultative management, structured efficiency processes, value added management, performance management have at some time been introduced into Railcorp.

Battle cry of the alienated

Lack of corporate support for the concept of servant-leadership was another significant barrier identified in the data [see Chapter 3]. Lad and Luechauer describe this as “*the battle cry of the unempowered, apathetic, and alienated!*” (Lad and Luechauer 1998, p. 62. See also Giddens 1991; Morgan 1997). Lad and Luechauer claim this is “*fear and dependence in disguise It fosters a mindset of myopic self-interest that drives literally millions of employees to believe that their primary concern is to look out for number one. It is based on the misguided assumption that we have no voice and no control over our organisations*” (Lad and Luechauer 1998, p. 62). They believe that “*it propels those who are caught in its web to lead what Thoreau has called ‘lives of quiet desperation’*” (Lad and Luechauer 1998, p. 62). This battle cry of the alienated was loud within Railcorp.

Alienation is believed to be a product of the industrialised society and specialised workplace (Giddens 1991; Morgan 1997; McKenna 2001). This is the era of systems management, analysis, fragmentation and control measures. The problem is that employees are not viewed with integrity, as whole and complete persons with their own values [refer Section 1], but as workers serving the

organisation. This assumes organisational and individual value alignment. In a performance driven environment where profits must be maximised, they are a production item, or cost item that can be reduced. So rather than being treated as a means to achieve a collective purpose for society, the mechanised environment has created a focus on individualism and people are alienated from their own values, their own self-worth and so discouraged from taking responsibility for their own behaviour (McKenna 2001. See also Giddens 1991; Morgan 1997):

The mechanistic definitions of job responsibilities encourage many organisational members to adopt mindless, unquestioning attitudes such as 'it's not my job to worry about that'. Although often seen as attitudes that employees 'bring to work' they are actually inherent in the mechanistic approach to organisation. Defining work responsibilities in a clear-cut manner has the advantage of letting everyone know what is expected of them. But it also lets them know what is not expected of them (Morgan 1997, pp. 28-29).

Therefore human resource policies claiming to value and nurture people are conditional upon employees identifying with and aligning to organisational policies (McKenna 2001, p. 223). And so people have a choice; they identify with the structure or they identify with another group of people. In making this choice they are defining their self-identity (McKenna 2001, p. 226). The data findings in this research produced interesting findings among the created groups as to which choices they made [refer Chapter 6].

Performance driven management. According to Lad and Luechauer's (1998) research, if targets in a performance driven environment are being met, then there is little incentive for change [see Chapter 5]. They argue that the mechanical environment of performance measurement sees success in terms of performance outcomes. Therefore the bottom line is accepted as the only criteria by which to measure success because it is thought that if you cannot measure it, then you cannot manage it (Morrigan 1997). However, leaders who succumb to performance driven management fail to realise the costly and hidden danger in terms of low morale, lack of trust, anxiety and stress that is the price paid for success in this environment (Lad and Luechauer 1998, p. 62. See also Morgan 1997; Morrigan 1997). Rather than building a system of cooperation, it creates a system of competition and this leads to another set of problems that stem from defensive protectionist behaviour, (Morgan 1997, pp. 29-31).

In summary, Morgan claims this “one best way” of functionalism was promoted as a timeless answer to solve organisation problems forever. However, functionalism has caused many of today’s problems and inabilities to become flexible and cope with constant change. Any change efforts are still steeped in functionalism and any success is short-lived and not sustainable [see Chapter 6]. The mechanistic approach that moulds humans to fit into a mechanical structure limits, rather than develops human beings to their full capabilities. *“Both employees and organisations lose....Employees lose opportunities for personal growth....and organisations lose the creative and intelligent contributions that employees are capable of making, given the right opportunities.”* This is because the mechanistic view is so ingrained in our thinking that management is blinded to seeing any other way. Morgan claims that in future organisations will develop around the strengths and potentials of their human inhabitants (Morgan 1997, p.31).

Psychological contract

The psychological contract is the term used for the unwritten reciprocal contract that exists between an employer and employee and covers a range of expectations, not only monetary, but relating to conditions of employment. But above all, the psychological contract is founded on trust (McKenna 1999, p. 305). It is discussed here for its strong relevance to this study of Railcorp, which is a work environment wherein mass redundancies have left many workers cynical and distrustful of leaders [see Chapter 7].

Researchers have found that it is not the harsh action of downsizing that leaves employees feeling demoralised and demotivated, but the consequent feelings of anger and outrage that emerge when employees perceive the process to have been unfairly carried out [as was the case for this study]. Unfair treatment produces strong emotional feelings of betrayal and injustice that the organisation has failed to fulfil its obligation. This has implications for self-worth and self-identity and unfair treatment may be a sign of a longer-term threat because the psychological contract has been broken and the emotional status of the employee severely affected (Brockner, Tyler and Cooper-Schneider 1992; Morrison and Robinson 1997; Ashmos and Duchon 2000).

Breaking the psychological contract has serious repercussions for the development of future relationships. Employees lose confidence in the belief that future employers will reciprocate future contributions. Such an experience leaves them vigilant in order to detect future breaches, regardless of whether or not suspicions are well founded; they will be less likely to commit to a future relationship and employee motivation declines. A break in the relational contract means that employees prefer transactional relationships of pay and security, based on immediate monetary reward and with little regard for involvement and commitment (Brockner et al. 1992; Morrison and Robinson 1997; Ashmos and Duchon 2000). This suggests that it is much easier to break down employee organisational commitment than it is to build it.

According to Seglin the massive redundancies in the 1990s have taught employees to question their loyalty to the company. *“No matter how much employees give to these corporations, they will give them nothing back in return. Companies relied on aggressive staff cutbacks during the 1990s to give one more short-term boost to the bottom line. They looked at their employees as just another disposable commodity that could be squeezed dry and then thrown out the door”* (Seglin 2003, p. 42). The cost of this behaviour is the break in trust with employees. According to Seglin when people do not feel they are acknowledged they really pull back, the extreme of this distrust being sabotage [see Chapter 7].

It is in this kind of environment that leaders of good “character” are required. The search for leaders of good character in much of the modern literature has associated character with developing personality traits and so has its basis in the functionalist paradigm that seeks to motivate others to follow leadership direction. This leadership is characterised by management “fads” that claim to value people while maintaining transactional relationships that first seek to serve the institution before serving others. This behaviour challenges leadership integrity and legitimacy and is the basis for challenging leadership theories based in the behavioural sciences. It is the understanding of servant-leadership as personality traits that does not distinguish the difference between self-serving behaviour and serving others and explains why self-promotionalism and servant-leadership are not seen as mutually exclusive in the modern literature [and this was also evident in the data].

Greenleaf warned that the line separating leading from within and fanaticism was fuzzy and discerning the difference was one of life's challenges for which he did not offer an answer. However he believed servant-leaders were identified by their integrity and sense of the mystical and deep spiritual resources that stopped them being corrupted by power (Greenleaf 1977; Greenleaf 1995b). This work argues that servant-leaders are distinguished from fanaticism by their integrity, which values their own self-worth and recognises the identity and self-worth of others. They do not promote their ideas as the one best way, but allow others freedom of choice to make their own decisions based on the formulation of their own values and principles. Lad and Luechauer (1998) believe the difference is found in those leaders whose purpose comes from a base of humility, compassion, empathy and commitment to ethical behaviour and values. Larkin [1995] claims that transformational leadership is the basis from which emerges transcendental leadership because it recognises the spirituality of the servant-leader¹⁹ and Greenleaf believed that, "*To lead with spirit is to transform*" (Greenleaf 1982, p. 12). Transformational leadership is said to rely on the personality and character traits of the leader [charisma, entrepreneurship, authenticity, integrity] who can motivate others to achieve organisational goals articulated by the leader (Bartol et al. 1995). Transformational leadership, as we currently understand it, relies on the promotion of shared values and belief systems. Transcendental leadership cannot spring from this base until it recognises there is unity in diversity. While the modern literature indicates a movement away from creating shared values to recognising individuals have their own set of values, there is still no understanding in the literature of how to unify individuals to work for a common purpose, other than through the promotion of shared values.

Because of this misunderstanding of the leader's spirituality, there is a gap in the literature as to how servant-leadership might develop, other than by teaching it as a set of behavioural traits. This misunderstanding arises from the focus on organisational performance, rather than on the development of people and society, and this maintains the dominant functionalist approach that focuses on first serving

¹⁹ Larkin's dissertation discusses at length the spiritual state of being of the servant-leadership as going beyond self-actualisation.

structures rather than people (Harari 1993; Morgan 1997; Murrigan 1997; Benson and Murrigan 2000).

Summary

In this chapter the literature on servant-leadership has been discussed for its relevance to leadership character. Greenleaf's understanding of character has been compared with the modern literature, which sees character as a display of integrity that is reflected in personality traits. For Greenleaf integrity stemmed from the faith one had in the self and this inspired the ethical behaviour needed for proactive and risk taking behaviour.

The work of Greenleaf shows that he had a deeply spiritual understanding of the way leadership should be and his understanding of character is underpinned by an understanding of trust as faith that has been neglected in the literature. Greenleaf understood trust as faith in the self and others. This is not a conditional understanding of trust that exists as long as needs are met, but stems from faith in humanity to create a better society. This understanding of trust forms the basis of the servant-leadership principles and guides the risk taking behaviour necessary for effective leadership. It was the responsibility one shared with others in trusting them to also take this risky path that justified trust in leadership. Servant-leadership does not wait to be served first; it does not rely on strategic planning and risk management to first ensure that the way ahead will be risk free. It ventures out ahead and shows the way. The character of the leader, which is strongly connected to their spirituality, underpins servant-leadership. This is bound together by:

1. Trust as faith in themselves, in their own values, and trust in others.
2. Integrity which is acting in accordance with one's own values and principles while there is freedom of choice to do so and that extends this same courtesy to others.
3. Risk taking ability of the leader; the risk is exposing one's own values as the basis on which to be trusted.
4. To love and trust unconditionally – to give without expectation of reward.

It has been argued that the modern literature has not captured the importance of understanding trust [and character] in this way and therefore missed understanding the character of the servant-leader. The modern understanding of trust is reciprocal, that is, leaders displaying integrity will be perceived and trusted to take care of employee needs. And those leaders will trust others only as long as their own needs are also met. The consequence of this represents a misunderstanding of servant-leadership. This is because the modern writers understand character as personality traits rather than recognising the spirituality of the leader. This means character development is focused on maintaining organisational survival and it will not move past this point until authors grasp Greenleaf's understanding of trust.

Modern writers have suggested pathways to servant-leadership and identified barriers to its effectiveness, all of which stem from an understanding of performance driven management that is focused on serving the organisation, rather than the people in it. Therefore servant-leadership has been identified as a set of personality traits that can be taught and servant-leadership is interpreted as a "model" that will best serve the organisation in its time of need. This maintains self-serving behaviour because Greenleaf's concept of role modelling has been interpreted as developing leaders who can align people to follow leadership direction, rather than learning the guiding principles of servant-leadership. It is this misunderstanding of the comprehensiveness of servant-leadership that has confined writers to the mechanistic model of management. Therefore it has not been developed as new paradigm thought, but compromised to suit the mechanistic system.

The lack of relevant research into servant-leadership for a business environment represents the major gap in the literature, from which stems other gaps. This analysis of servant-leadership in the work of Greenleaf and modern writers on the topic has highlighted the following gaps in the mainstream literature on leadership as well as the literature on servant-leadership:

1. The character of servant-leaders is inadequately explained because of the lack of research into servant-leadership in organisations [other than in religious and educational environments] and because of the reliance on quantitative analysis to measure characteristic traits. To date there is no qualitative research in Australia.

2. An understanding of Robert Greenleaf's spirituality and the relationship between spirituality and the meaning of character. Where "character" is the central element Greenleaf argues that trust as faith is the single ingredient underpinning the spirituality of the leader that embellishes good character; the modern literature understands "character" as personality traits.
3. An understanding of servant-leadership in terms of new paradigm thought where serving others comes before self-serving behaviour; this research offers an explanation of new paradigm thought by understanding the two different forms of trust, *Reciprocal Trust* and *Trust as Principle*.

Conclusion

This literature review makes a contribution to knowledge firstly by offering a comprehensive understanding of Robert Greenleaf, and how his understanding of "character" was connected to his spirituality. This influenced his understanding of legitimate leadership. It makes a second contribution by comparing Greenleaf's work with the modern writers and explains how modern writers have not captured Greenleaf's concept of spirituality because of a reliance on functionalism that understands character development as personality traits. This inhibits them from seeing it another way. This chapter therefore offers an explanation of new paradigm thought in terms of serving others ahead of the self that underpins congruent behaviour and leadership legitimacy. It offers a challenge to the functionalist assumption that influential leadership must come from the top down only and that people are motivated only by inherent self-interested behaviour.

Therefore in making this contribution to knowledge this study undertakes the search for character in an Australian organisation to discover the "character" of the leader who serves others. Having thoroughly explored servant-leadership in the literature review this research study goes on to discover the possibility of servant-leadership within a large organisation called, for the purpose of this study, Railcorp.

In the next chapter the theory, methodology and research techniques for this research are discussed.

CHAPTER 2
THEORY AND METHODOLOGY

Diagram 2.1: Theoretical Understanding



CHAPTER 2: THEORY AND METHODOLOGY

“As I look out through my particular window on the world I realise that I do not see all. Rather I see what the filter of my biases and attitudes of the moment permits me to see” (Greenleaf 1977, p. 138).

Introduction

Chapter 1 identified a gap in the literature that the understanding of servant-leadership is inadequately explained in the literature because of a lack of research that has investigated leadership character. This chapter argues that quantitative research methods have dominated academic research, including that into servant-leadership, and further argues that the characteristics of servant-leadership are subjective and cannot be understood in numerical terms alone. This research will argue that servant-leadership, as understood in this study, represents a new paradigm in management thinking and therefore challenges traditional research methods and quantitative analysis. It argues that servant-leadership research will be enhanced through the use of qualitative methods that allow for a deeper understanding of the research topic into leadership character. An important contribution of this work recognises that no research into servant-leadership has yet been completed in Australian organisations, although it is noted that a thesis is being prepared concurrently with this work and its author has contributed to journal publications.

The purpose of this research is to investigate leadership character in an organisation where leadership has traditionally been authoritative and top-down [see Chapter 4] but nonetheless where it was believed that pockets of servant-leadership existed. This was Greenleaf’s challenge that servant-leaders find a place in organisations from where they could be influential, regardless of the leadership style set by top management. Therefore Railcorp was chosen for this exploration of leadership character as an environment that may provide support for Greenleaf’s

challenge, because of the historical and cultural changes that were influencing leadership. I wished to explore how servant-leadership might survive and develop in an organisation whose circumstances were changing from a community service orientation to private ownership with a bottom line focus [see Chapter 5]. Therefore the search for leadership character looked to investigate the character of leaders who could meet Greenleaf's challenge and to discover grounded hypotheses about leadership character from the actors' point of view.

From informal discussions with leaders in Railcorp I was aware of their interest in finding a better way and from personal knowledge gleaned from a working relationship I believed individual servant-leaders existed in the organisation. The contribution of qualitative research is that it allows for the participants to tell their story in their own language. This was significant for the data analysis where servant-leaders were identified from their own words and from unprompted discussion about the importance of trusting in people. [The data chapters record their comments, together with some of Greenleaf's writing, to highlight the similarity in language, even though these participants had not read Greenleaf's work. Therefore the data analysis could have been different if analysed only against the modern literature.] The interview data challenged my own previously held assumptions for identifying servant-leadership in people who spoke little, if at all, of trusting in people, even when prompted. It was this qualitative analysis that revealed an important difference between servant-leadership and transformational leadership [see Chapter 6] and how the two are easily confused.

In addition to the contributions of the literature review, the research methodology makes two further contributions to knowledge. Firstly, it relies on a qualitative methodology only to discover patterns as to how leadership character is defined in terms of the actors' point of view, and this can reveal important discoveries. The researcher's personal biases are put aside because the data speaks for itself. The second contribution comes from introducing Greenleaf to Giddens; Greenleaf wrote from practical experiences and aligning this with Giddens' social theory of structuration gives this research a modern Grounded Theory approach. Grounded hypotheses are discovered from understanding the historical and cultural aspects of Railcorp and how they have created dysfunctional leadership that has implications for the development of servant-leadership. This represents new research

not only for Railcorp, but also in Australia, because it is the only qualitative study to connect the exploration of leadership character with servant-leadership.

Railcorp has developed from a government organisation with a community service orientation. The results of quantitative research in the U.S. indicate that while public servants may see themselves as servant-leaders they experienced difficulty with the principles of humility and love. Quantitative analysis did not determine whether these difficulties were definitional or organisational based and further research was needed to determine this (Bryant 2003).

The chapter unfolds as follows:

1. A discussion of the ontological and epistemological assumptions, which underpin this research study. The ontological and epistemological assumption is that research is not value free and so the knowledge of the researcher will affect the research. In this regard I was an “insider” having some prior knowledge of the organisation through a working relationship (Blaikie 1993). It argues that most management research is generated in the traditional paradigm of quantitative reliable data and this is not appropriate for developing a new body of knowledge like servant-leadership that could represent a new paradigm for management. Qualitative research allows for more rigorous investigation to generate a deeper understanding of the issues affecting the population in this study.
2. Grounded Theory is presented as a particularly appropriate qualitative research method for newly researched areas where minimal knowledge exists on the topic, where population numbers do not exist to generate reliable quantitative statistics and for which there is no existing theory to explain a phenomenon. Classical Grounded Theory from the work of Glaser and Strauss (1967) is discussed, as well as the contribution made to this method by a reading of the work of Anthony Giddens (Kaspersen 1995. See also Giddens 1991; Giddens 1993; Giddens 1996).
3. The research process is outlined.

Section 1: Ontological and Epistemological Assumptions

Different ontologies and epistemologies generate different research methods, because the techniques used to collect data directly relate to our view of social reality. This research study adopts the method of a revised form of Grounded Theory. Grounded Theory has been widely used in the social sciences (Turner 1981) and, as a study of the behaviour of people, it falls into the subjective paradigms [interpretive and radical humanist] identified by Burrell and Morgan which reflects the view that “*the social world has a very precarious ontological status, and that what passes as social reality does not exist in any concrete sense, but is a product of the subjective*” (Burrell and Morgan 1998, p.67). Therefore the epistemological assumption of this research rejects positivism and the objective understanding that the research process is value free, that knowledge and values can be separated and believes that people’s values influence their interpretation of facts (Alvesson and Willmott 1996). This research accepts the interpretive paradigm and recognises that the social world is always changing (Hussey and Hussey 1997). Radical humanism recognises that human beings co-create their reality through participation, experience and action (Morgan 1993; Hussey and Hussey 1997). Therefore social reality exists as meaningful interaction between individuals and it can only be known through understanding others’ points of view, interpretations and meanings (Minichiello, Aroni, Timewell and Alexander 1995). Servant-leadership falls into this paradigm because it reflects the empathy of servant-leadership that we seek to understand others (Greenleaf 1977).

The ontological and epistemological assumptions of quantitative research have limitations for understanding this research because subjective meaning is socially constructed. Because human beings act towards things on the basis of the meanings those things have for them, and these meanings arise from social interaction, the focus on social interaction is characterised by immediately reciprocal orientation. And so the knowledge and values we bring to a situation should be acknowledged or recognised (Flick 1998). In contrast the functionalist assumption that cultural systems frame the perception and makings of subjective and social reality (Burrell and Morgan 1998), gives rise to the understanding that organisations shape values, the emergence of which is shared values and visions. These attempt to

establish a system of order, as well as provide a code for social exchange (Flick 1998).

The Contribution of Anthony Giddens

“Relations of trust are absolutely critical for a person’s development and action potential, and the concept of trust is therefore critical for Giddens” (Kaspersen 1995, p. 102).

Giddens’ work stresses the ontological discussion, as to how to conceptualise reality, and he suggests that social science discard the never-ending epistemological discussion of how reality is understood; Giddens assumes that we are part of reality and understanding takes place through our own language and so is a matter of our own interpretations and subject to how we see things (Kaspersen 1995, p. 32). Giddens’ work therefore makes a contribution to the subjectivist paradigm. However, his theory of structuration takes account of the influence of historical social structures or institutions on the subjective interpretation of the actors. Therefore Giddens’ work falls somewhere between objectivity of positivism and the subjectivity of interpretivism from which classical Grounded Theory arises (Giddens 1993). Giddens is not a Grounded Theory researcher and does not claim his work as a research methodology, but his work has been usefully applied to modern Grounded Theory research (Morrigan 1997).

Giddens’ work arose out of dissatisfaction with the classical social theorists [Marx, Comte, Durkheim, Spencer, Weber] whose theories had developed post-Enlightenment and, according to Giddens, were not completely adequate for current times and rapidly changing circumstances. Classical social theory developed within a framework of economics and Giddens believes it is no longer appropriate to understand organisations by one single principle such as capitalism [Marx], industrialism [Durkheim] or rationalism [Weber]. These classical theories all assume the needs of social systems are met by institutions and so classical theory has developed around this support strategy for systems and structures; they seek stability and so regulation is achieved through shared values such as that proposed by Durkheim’s “conscience collective” (Kaspersen 1995, p. 17; Morrigan 1997). Giddens believes the industrialised society has brought about individual alienation (Giddens 1971). This is because classical management does not recognise that

institutions are made up of individuals who have values and knowledge and so this focus on system maintenance has also been at the expense of individuals' values, skills and knowledge (Morrigan 1997). More recently of course there has been a search for new management theories as discussed in the literature review.

This classical understanding still dominates institutions today; the problems currently facing the globalised economies have been compared with industrialisation. Therefore the resurgence of classical theories can be attributed to this search for management strategies that still seek adaptation to current circumstances. It is this emphasis on maintenance of the system that prevents theory from emerging to explain how systems change (Greenleaf 1977; Kaspersen 1995; Morgan 1997; Morrigan 1997).

Giddens' theory of structuration is a challenge to functionalist theory that assumes self-interested behaviour and that explains human behaviour in terms of motives, norms and values (Kaspersen 1995, p. 40). Giddens' duality of structure believes human activities and structures are not two separate and independent entities, but human activity forms social structures and therefore is not separate from the structure as in functionalist classical social theory and classical Grounded Theory. Giddens sees human behaviour in terms of agency and power, that individuals have a free will [agency] and so can influence structures, intervene and make a difference in the world. Social structures influence human action and because humans have agency they can contribute to changing these structures. Therefore it is the structure that either constrains or enables human activity. Giddens describes this free will in terms of ontological security and self-identity [see below] (Kaspersen 1995).

Introducing Greenleaf to Giddens

Giddens' work is therefore highly relevant for explaining this research because it investigates the conditions necessary for the development of the self and identity in modern society and so connects strongly with Greenleaf's work (Greenleaf 1977; Kaspersen 1995). Greenleaf believed that institutions are the people within those institutions and it is the organisation, not the people that constrains human activity. People have a responsibility to find a place within organisations wherein they can influence it (Greenleaf 1977). Both Giddens and

Greenleaf believe that it is the people within the organisation who make the difference (Greenleaf 1977; Kaspersen 1995).

Giddens, unlike Greenleaf, does not address spirituality. However, his understanding of faith or “being” aligns strongly with Greenleaf’s concept of trust as faith in the self. Greenleaf’s concept of trust as faith is in communicating this confidence to others, but importantly, it is the faith as trust shown in others that inspires them to share risk and responsibility (Greenleaf 1998c, p. 132). Trust as faith gives others freedom of choice to make their own decisions based on what they believe is right and in accordance with their own values. Giddens’ concept of self-identity, following Erikson and Winnicott, is determined by ontological security. Giddens believes that a person’s ability to trust is determined by their ontological security and developed from early childhood from faith in the parental caretaker that the child’s needs will be met. Ontological security is thus the state of being that seeks to feel safe and avoid anxiety. Giddens defines trust “*as confidence in the reliability of a person or system, regarding a given set of outcomes or events, where that confidence expresses a faith in the probity or love of another, or in the correctness of abstract principles (technical knowledge)*” (Giddens 1996, p. 34). Giddens aligns with Greenleaf because strong ontological security allows us to develop a self-identity that recognises the existence and identities of other persons and objects and so a person with strong ontological security has the ability to trust in people. It recognises that people have agency and so their actions are based on what they believe is right (Giddens 1991).

This is a person who has free will and who can intervene in the world, make choices and make a difference (Kaspersen 1995, p. 40, 103) and this is Greenleaf’s requirement of the servant-leader. Giddens recognises that self-identity is not a constant, but a process, developing from the process of discursive reflexivity and this was also Greenleaf’s understanding that servant-leadership emerged as a result of the person one becomes through the self reflective process (Greenleaf 1995b). According to Giddens, self-identity is not socially constructed and it is not dependent on others’ reactions to behaviour. We are what we make ourselves into through the reflexive process. Self-identity, ontological security and the ability to trust for Giddens culminates in the ability to love (Kaspersen 1995, p. 128;

Greenleaf 1977). Giddens understanding of ontological security [see Chapter 2] is useful in explaining this.

The autotelic self is one with an inner confidence, which comes from self-respect, and one where a sense of ontological security, originating in basic trust, allows for the positive appreciation of social difference. It refers to a person able to translate potential threats into rewarding challenges, someone who is able to turn entropy into a consistent flow of experience. The autotelic self does not seek to neutralise risk or to suppose that 'someone else will take care of the problem'. Risk is confronted as the active challenge which generates self-actualisation (Kaspersen 1995, p. 128).

Giddens thus defines two types of trust; facework commitment that exists in relationships with people and is characterised by strong ontological security, and faceless commitment that is the trust in abstract systems characteristic of ontological insecurity. A person with a strong ontological security will have a strong self-identity and the ability to trust in people as well as in systems. On the other hand, a person with ontological insecurity and who does not have a strong self-identity, has not learned to trust in people and so trusts in mechanisms such as expert systems for their well being (Kaspersen 1995, pp. 40, 99, 103). Like Greenleaf, Giddens is critical of our modern institutions wherein there is a high degree of trust in the system and low trust in people (Greenleaf 1977; Giddens 1996, p. 83).

Giddens, following Luhmann, believes that trust is the link between faith and confidence that presupposes awareness of risk (Giddens 1996, pp. 30, 31) and that accepts responsibility for the disappointments rather than to point the finger of blame (Giddens 1991; Giddens 1996. See also Greenleaf 1998c). Risk is important for Giddens because he believes change is occurring so rapidly in modern times that it is no longer appropriate to trust in science and mechanical systems to solve modern day problems. Therefore the limitations of systems are recognised and our trust in them undermined. Increased knowledge and changing technology means that we are constantly faced with decisions and choices. Increased knowledge questions our blind acceptance of the expert system, because new research will always reveal contradictions with the old. Therefore we should learn to live with the permanent state of risk (Greenleaf 1977; Kaspersen 1995, p. 102).

Giddens proposes a movement away from trusting solely in expert systems and calls this the detraditionalisation of society wherein the norms, values and

beliefs that determined relationships were mostly defined in a social context by family, community, religious or workplace institutions. Therefore it was traditional societal values that used to create trust and Giddens believes tradition is no longer the basis for behaviour (Giddens 1991; Giddens 1996).

Giddens thus proposes building relations between individuals and expert systems, based on trust in people. This he calls pure relationships. Both Greenleaf and Giddens draw on Kantian philosophy that moral reasoning, rather than science, can solve humanity's problems. The pure relationship is based on mutual trust between parties, sharing risk, and each party must open up to the other and disclose itself. People's actions are based on their own moral values and judgements and they are able to justify those actions [see below]. Giddens calls this discursive consciousness (Giddens 1991; Giddens 1996).

The relationship in itself must be sustainable because it is not sustained by external conditions but the pure relationship is dependent upon both persons opening up. It is this disclosure of the self and one's values that creates the foundations for a relationship based on openness and trust. The relationship is no longer bound together by external factors, but by mutual commitment to one another. This process is important for trust generation and mutual commitment (Kaspersen 1995, p. 124). In the absence of traditional fixed rules, norms or values determined by tradition, relationships must be continually renegotiated. Thus we do not only choose the relationship, but we choose the rules for it and so relationships develop from negotiation of the norms and ethics which form the basis of the relationship (Kaspersen 1995, pp. 107-108). Giddens believes power is in the relationship, not with the hierarchy.

When external factors no longer form the basis for trust and relationships, that is, they no longer define identity, one is forced to look within the self to find the replacement and create the trust necessary for self-development. Giddens calls this discursive reflexivity. Self-identity is not a fixed state but is a process of continual renewal where individuals can reflect on their actions, behaviours are constantly re-examined and this is the key to changing behaviour and attitude. Giddens believes that humans have a set of cultural values and so can alter their behaviour according to these values; it is our ability to constantly reflect on our activities and incorporate self-knowledge that we become capable of altering our behaviour. Giddens explains

this as discursive consciousness, wherein we not only express ourselves, but also can justify our actions. Reflexivity becomes an issue of identity; it is what we make of ourselves (Kaspersen 1995, pp. 88, 89, 104. See also Giddens 1991; Giddens 1993; Giddens 1996). Discursive reflexivity enables us to review actions and provide explanations with the possibility of changing our patterns of action and is the non-linear way in which people learn (Stacey 1996). Greenleaf explained this as the ethical behaviour of acting while there was freedom of choice to do so, and in accordance with one's own value system (Greenleaf 1977).

Like Greenleaf, Giddens believes that reflexivity exists at institutional and individual levels and is enhanced by communication and availability of knowledge, the questioning of tradition and acting from our own values rather than those set by established traditions (Kaspersen 1995, p. 88. See also Giddens 1993; Giddens 1996).

The contribution of Giddens to this research is to question the relevance of actions determined by tradition. In particular Giddens' work challenges the functionalist paradigm that does not recognise agency and the influence of human actors on structures. It challenges classical Grounded Theory that the researcher must put aside all previously held assumptions because according to Giddens, "*we cannot separate ourselves from that which we know*" (Kaspersen 1995, p. 11) and Greenleaf also wrote from this epistemological assumption (Greenleaf 1977). According to Giddens, understanding the significance of detraditionalisation, and its associated processes of pure relationships and discursive reflexivity is the key to understanding new paradigm thought.

This leads to a revised Grounded Theory [see Section 2] concerned with discursive consciousness and reflexivity that in questioning the value of traditional rules and values people must justify their own values and beliefs. Data interpretation leads to gleaning an understanding of the actor's point of view in terms of the historical and organisational context of Railcorp, and the understanding that the responses of the participants in this research study are influenced by the historical and cultural changes in Railcorp.

Justifying Qualitative Research

In academic research there has always been the need to justify one's research method. The main research method in the field of management studies has relied on the quantitative approach and therefore it is important to justify alternate methods. The emphasis on the rigor of quantitative statistics has been at the expense of qualitative information that is relevant to business. Qualitative research methods have therefore emerged as a result of dissatisfaction with quantitative research because it produces useful and accessible information to the general public as well as professional researchers (Turner 1981). It is considered more appropriate in a rapidly changing and diversified social environment where new problems are emerging and for which there is no existing theory to explain a particular phenomenon (Flick 1998). It is an emphasis on quantifiable data and verification of theory that limits the potential for generating new theory (Glaser and Strauss 1967, p. 185). Greenleaf was also critical of researchers who were not disposed to being experimental and creative. So much of their success was dependent on nourishing innovation and creativity and this was stifled because of a reluctance to risk the unknown (Greenleaf 1982; Greenleaf 1995b, p. 35).

In the 1970s in *The Structure of Scientific Revolutions*, (Kuhn 1970) Thomas Kuhn identified that research contradicting the existing paradigm would be difficult because of the pressure to conform with the existing paradigm and so the adequacy of the rules and regulations of the old paradigm are never questioned. And so alternative theories are forced into the background and this prevents the emergence of new theory. Kuhn argues that particular scientific communities build their theories on current knowledge as learned from their founding fathers and use this to define what is appropriate for future generations (Morrigan 1997, p. 91). Reproduction of the dominant paradigm helps to maintain the functionalist systems of "what we know", hampering the development and understanding of the emerging paradigm and preventing new theory from explaining social change and the development of new management theories (Greenleaf 1977; Kaspersen 1995; Morrigan 1997; de Bono 2000).

Although there have been some quantitative studies into servant-leadership (Laub 1999), in this thesis it is argued that the characteristics of servant-leadership [as discussed in the literature] are subjective and cannot be understood in numerical terms of measuring behavioural traits. This research therefore rejects the positivist understanding of reality that rationalises the meaning of life, looking for causes of social phenomenon in isolation of the subjective state of individuals and assumes that the study of social phenomena should apply the same scientific techniques as the natural sciences (Minichiello et al. 1995). “*Therefore human behaviour cannot be measured and recorded in the same way as the behaviour of molecules*” (Kaspersen 1995, p. 10).

Research methods therefore require finding practical ways in which to change our traditional frame of reference from the mechanistic understanding of analysis and judgement to an emerging approach incorporating perception, compassion and greater understanding through conceptual thinking, creativity and designing new ways. This change requires that data not necessarily be interpreted in terms of existing ideas but that in order to see a new idea one needs to generate a new concept and create ways of implementing the concept through specific and practical ideas. It is a speculative strategy requiring letting go of past ideas and risking the new (de Bono 2000).

The concept of servant-leadership is intrinsically linked to qualitative information such as values and perceptions. This work argues that it represents a new paradigm and a breaking away from traditional practices, values and beliefs. Drawing on the work of both Greenleaf and Giddens, servant-leadership would not look to past works or traditions to establish credibility. Credibility is established through one’s own actions, which determine one’s own integrity. This lack of understanding for servant-leadership perhaps explains the lack of qualitative research into this subject, particularly in a management environment.

In September 2001 Dr Ton van der Wiele of Erasmus University²⁰ indicated in conversation that the quality movement in Europe was trying to implement

²⁰ Dr Van der Wiele was visiting Edith Cowan University, Churchlands Campus, Perth, Western Australia, from Erasmus University in the Netherlands.

something like the servant-leadership concepts within the quality management framework, [which is based on quantification], but they did not know how to do it. This is a significant comment for this study because a major data finding indicated that while there is immense interest in the concept of servant-leadership, many people do not really understand how to do it. The research of Hull and Read (2003) offers an explanation for this where they claim quality in Europe is an obsession with standards, whereas in Australia quality means quality of relationships. While they identify something like servant-leadership as developing trusting relationships, they give no explanation of how it is done. A research study by Hunt and Handler evidenced servant-leadership behaviour in small family operated businesses but understanding how it was done was the subject of further research (Hunt and Handler 1999). Other researchers claim that as few as one percent of the population ever develop the characteristics of servant-leaders (Anderson et al. 2000. See also Wilbur 1997). So there is certainly room for a qualitative research contribution in this field of study.

Summary

This section has argued that the characteristics of servant-leadership encourage qualitative research and so acknowledge that the researcher's values will determine what are facts and will influence the interpretations of those facts. Therefore objective facts cannot be relevant when they do not recognise the assumptions held by the observer. Servant-leadership evaluation is subject to the participant's own values and perception of organisational values and there may not be a "fit" between the two (Blaikie 1993; Minichiello et al. 1995; Flick 1998; Finegan 2000) and this is underpinned in the data below [see Section 3]. The epistemological assumption acknowledges that the researcher influences the research and therefore the researcher's values and beliefs influence the quality of the data. Researcher values will determine what should count as information and therefore affect knowledge (Blaikie 1993; Kaspersen 1995; Alvesson and Willmott 1996; Hussey and Hussey 1997; Flick 1998).

Section 2: Classical Grounded Theory

The Classical Approach of Glaser and Strauss

The rationale behind the classical approach to Grounded Theory of Glaser and Strauss (1967) is that there is not enough understanding about a particular subject to theorise about it or build the research from existing theory. Grounded Theory is appropriate in dealing with new problems where there are very few earlier studies to refer to or explain the phenomenon, and so there is a lack of extant theory on the research topic and traditional theory verification is not possible.

Research into servant-leadership represents a new approach to management thinking and so Grounded Theory is a natural method because it does not seek to verify existing theory; this research seeks to offer an understanding of servant-leadership and for its complexities and differences to other forms of leadership.

Classical Grounded Theory was developed as a research method for studying complex social behaviour and offers the researcher a deeper understanding of the phenomenon being researched. It has a practical use because it generates formal theory that explains and predicts relevant behaviour and so can be applied to a substantive situation. For the theory to work it must be relevant to the area being studied (Glaser and Strauss 1967; Glaser 1978; Strauss 1987). The iterative process of Grounded Theory [see later] ensures an organised and systematic research strategy for investigating imprecise concepts such as philosophical content [servant-leadership] and value driven action [servant-leaders] where such situations or persons cannot be found in sufficient numbers to justify a sample for a quantifying study and generalisable findings (Flick 1998, p. 5. See also Glaser and Strauss 1967; Blaikie 1993; Punch 1998).

Grounded Theory is a research strategy whose purpose is to generate a theory from the data and so it gives preference to data and the field of study, rather than to prior theoretical assumptions, perfect descriptions and verification of facts. Research does not start with the proposal of an existing theory from which hypotheses are developed for proving or disproving the existence of a phenomenon. In Grounded Theory the researcher starts with an open mind, with hunches and informal theory, from which hypotheses are generated for testing and a formal

theory developed. This means that data is not analysed in accordance with existing theory, knowledge or literature (Glaser and Strauss 1967; Blaikie 1993).

For Grounded Theory to emerge from the data, the researcher must put aside all previous assumptions that are not supported in the data, and ignore the research literature or theory until core categories emerge from the data. Data must not be forced or selected to fit preconceived or pre-existing categories or discarded in favour of supporting existing theory. The research data is the ultimate basis for developing the theory and so theory will be generated on the basis that it is ground in the data (Glaser and Strauss 1967; Glaser 1978; Hussey and Hussey 1997; Flick 1998; Punch 1998).

In Grounded Theory qualitative data is a collection of verbal and visual data and so data analysis works with texts derived from interviews or observations. Unstructured and in-depth interviewing is seen as central to data gathering for qualitative research in social sciences because it is a complex social science research methodology that gives the researcher access to knowledge, meanings and interpretations that individuals give to their lives (Minichiello et al. 1995).

Part of the observation process of in-depth interviewing is the open-ended questioning intended to generate conversation in which the researcher just listens and allows the participants to tell their story (Glaser and Strauss 1967; Minichiello et al. 1995; Flick 1998; Punch 1998). This is an anti-positivist approach where research methods reflect and capitalise upon the special character of people as objects of enquiry, where their point of view is sought and valued. This is because in-depth interviewing is a purposeful conversation between researcher and participant that focuses on the informant's perception of self, life and experience, by probing intentions, motives, meanings, contexts, situations and circumstances that are expressed in the participant's own words and language (Minichiello et al. 1995, pp. 61, 68). It was the participants' own language in this study that determined their understanding of servant-leadership. Human interaction depends on language so words people use and interpretations they make are of central interest to the researcher and so in-depth interviews are an appropriate tool to gain access to, and subsequently understand, the individual's words and the private interpretations of social reality that individuals hold. This is because in-depth interviewing shows real interest in people's experience of social reality and it is this social interaction that

brings greater understanding of how people perceive their circumstances (Minichiello et al. 1995, p. 62).

Therefore in choosing the technique of in-depth interviewing as a research method, the researcher is inevitably making a theoretical and methodological choice that is appropriate in building Grounded Theory. It is taking a stand for qualitative research methods of social science that seek to go beyond the natural sciences of studying causes and reporting facts through measures and statistics to recording human experience and explaining people in terms of their reasons and interpretations of causes. *“We need to know what people think in order to understand how they behave in the ways that they do”* (Minichiello et al. 1995, p. 68). Therefore the reader needs to be aware of these underlying assumptions [see later] when in-depth interviewing is chosen as a qualitative method and that this method will influence what the researcher sees (Minichiello et al. 1995, pp. 9, 68).

The methodological understandings are that data is collected through participant observation and unstructured in-depth interviews. Data is reported in the language of the participants, not in the researcher’s language and so themes in the data analysis develop from the natural language of the participants (Minichiello et al. 1995). The researcher however conceptualises this data into categories from which emerge substantive theories. And so the research design involves a progressive building up from facts, through informal substantive theory and strategically linking this to grounded formal theory. Elements of theory are generated by comparative analysis of categories and their properties; hypotheses are generated from the relations among categories through comparison of the groups [see later], which lead to integration of theory. There are three aspects to Grounded Theory: theoretical sampling [see below], theoretical coding and writing the theory, and [unlike traditional quantitative research] the theoretical structure emerges at the end of the study (Glaser and Strauss 1967; Glaser 1978; Flick 1998).

Beyond Classical Grounded Theory

Classical Grounded Theory as developed by Glaser and Strauss (1967) believed that the researcher should put aside previously held assumptions. More recently, since the work of Kuhn and subsequent authors, the view has developed

that this is not possible and Grounded Theory has developed through discussion of paradigms that knowledge is no longer value free (Kuhn 1970; Burrell and Morgan 1979). Strauss went on to review value freedom and distanced himself from Glaser's view (Bryant 2002). Feminist studies (Oakley 1981; Stanley and Wise 1983), abductive strategies (Blaikie 1993) and structuration theory (Giddens 1991; Kaspersen 1995; Giddens 1999) have all questioned Glaser and Strauss' original assumption of value freedom. Giddens and Blaikie challenge earlier studies that cultural systems shape values because they recognise individuals have agency and so can influence structures and this fits in with Greenleaf's writing that individuals have a responsibility to challenge the structure (Greenleaf 1977).

It may be argued that classical Grounded Theory has also not sufficiently incorporated the effects of historical and cultural circumstances or context on the individual. Referring back to Section 1, Giddens' theory of reflexivity discusses the detraditionalisation of society wherein traditional values, rules, beliefs and accepted norms can no longer form the basis for creating trust. Values are no longer determined by an external source such as religious or workplace institutions. Power and knowledge is no longer with the defenders of these traditional institutions. The rules for the future will be of the actors own making and relationships must be sustainable through the negotiation of rules and morals that form the basis of the relationship. Relationships are therefore based on trust and one party opening up to the other and sharing of themselves. It is this disclosure that sustains the relationship because it is founded on openness and mutual commitment to one another and will last as long as mutual trust exists and needs are met (Kaspersen 1995).

This is Giddens' structuration theory and duality of structure that the social structure cannot be seen as something external to individuals because actors have agency and it is therefore their knowledge, creativity and values that continually remake the rules and so influence the structure. Giddens' dialectic of control suggests that because people have agency, then "*those who are subordinate can influence the activities of their superiors*" (Giddens 1993, p. 16). According to Giddens when they are not able to do this, then they cease being a human agent (Kaspersen 1995, p. 41). Giddens' work bears a strong connection to Greenleaf and his belief that servant-leaders have a responsibility to find a place in institutions from where they can be influential. Giddens' work is vital to the interpretation of the

data where structures are still dominated by traditional rules and work practices, despite efforts to break with tradition and forge new systems [refer Chapters 4 and 6]. The consequence of this action is discussed in Chapters 5 and 7 where a culture of mistrust existing in Railcorp indicates it is moving away from developing pure relationships, as proposed by Giddens. In particular, Chapter 5 discusses the frustration of those who feel unable to act as agents and their powerlessness in challenging their circumstances.

Section 3: The Research Process

The research process relied on classical Grounded Theory through the use of in-depth interviewing techniques and the analysis of data into categories that emerged from the data, rather than to a pre-determined set of categories (Glaser and Strauss 1967). The use of in-depth interviewing is mostly classical Grounded Theory but the way in which data was analysed was influenced by personal “insider” knowledge (Blaikie 1993) and so influenced the interpretation of the data. The data had a strong focus on recent changes in the organisation of which I was aware, and which altered the working relationship our organisation had with Railcorp [see later]. This working relationship terminated during the data collection stage and the circumstances in which this happened were not to our company’s satisfaction. The research therefore came to a halt as I worked through the emotional issues that then allowed me to resume the research with a renewed commitment and understanding. During this period I turned to the servant-leadership literature for inspiration and learned to apply these principles to my own situation. My personal experience therefore influenced what counted as data because ultimately I was able to abandon what had previously been a judgemental attitude as I gained greater understanding and acceptance of people’s circumstances. I thus developed a more perceptive interpretation of data, rather than judgemental.

Theoretical Sampling

Theoretical sampling is the process of data collection for generating theory whereby the analyst jointly collects, codes and analyses his data and decides what data to collect next and where to find them, in order to develop his theory as it emerges. This process of data

collection is controlled by the emerging theory (Glaser and Strauss 1967, p. 45).

The principle of theoretical sampling (Glaser and Strauss 1967) means that data collection is guided by theoretical developments that emerge from the data analysis. *“Theoretical sampling is done in order to discover categories and their properties, and to suggest the interrelationships into a theory”* (Glaser and Strauss 1967, p. 62). The role of the interview questions is to generate some initial data that guides the next stage of data collection. Data is analysed into categories that emerge from the data and this process of collection and analysis continues until theoretical saturation occurs, that is, categories are saturated and new data does not add anything new to the theoretical development but confirms what has already been found (Punch 1998, p. 167).

In theoretical sampling the research starts with a “natural group” of participants who are chosen for their relevance to the research, rather than for their representativeness of a population. Sub-groups for data collection are chosen for their theoretical relevance to the emerging categories and for the new insights they bring to the developing theory in light of the knowledge already drawn from the data (Glaser and Strauss 1967; Flick 1998). These are the “natural groups” as determined by Glaser and Strauss (1967) and this is why it is difficult to accurately cite the number and type of groups from which data is to be collected until research is complete. Choosing pre-planned groups limits theory development because of the lack of theoretically relevant data and so groups are chosen that will generate as many properties of the categories as possible, that will help relate categories to each other (Glaser and Strauss 1967). If well grounded categories have been developed the researcher will be led inevitably to look for exceptionally revealing comparison groups that run counter to the developing substantive theory (Glaser and Strauss 1967, p. 172) and encourage the researcher to challenge the developing assumptions.

The search for useful comparison groups is essential to the generation of theory. The criterion for the selection of comparison groups is for their theoretical relevance to further develop the emerging categories and so *“the scope of a substantive theory can be carefully increased and controlled by such conscious choices of groups”* (Glaser and Strauss 1967, p. 52). They are grouped for their “features in common” and excluded for their “fundamental differences”. The fullest

possible development of categories comes from comparing any groups, irrespective of differences or similarities (Glaser and Strauss 1967).

The role of ideal types or created groups

“The basic criterion governing the selection of comparison groups for discovery theory is their theoretical relevance for furthering the development of the emerging categories” (Glaser and Strauss 1967, p. 49).

In qualitative research rigorous statistical analysis is replaced by rigorous in-depth interviewing and the use of created groups allows for the researcher’s own creativity to rigorously explore the data. Glaser and Strauss (1967) suggest that the researcher can create groups, provided it is remembered that they are an artefact of the research design and do not possess the properties of the natural group. These are Weber’s “ideal types” constructed by the researcher in order to be generalisable in giving a subjective meaning to actual behaviour (Blaikie 1993, p. 178). Glaser and Strauss claim created groups are a more efficient use of interview data because they are created from the emergent analytic framework and much time is saved in searching for comparison groups (Glaser and Strauss 1967, pp. 52-53). Created groups emerge from names given in the data analysis to the possible relations between concepts, and in Grounded Theory these typologies are called ideal types because while they arise from the quotes of real people in the data, they are also the researcher’s interpretation of what is happening to them and so allow the researcher to generalise and categorise without measuring. The created groups result from the inductive process [developing concepts, categories and relations from the text] and deductive thinking [testing the concepts, categories and relations against the text, in particular text that differs from those from which they were developed] (Flick 1998, p. 184). This is a method used to better understand phenomena by grouping ideas and forming ideal types that conceptualise situations that have similar or different characteristics. They do not exist in reality but are mental constructs of the researcher’s data analysis. Therefore they give a social identity to a typical person and study behavioural patterns, rather than personal patterns. Rather than a comparison of populations, it is a comparison of ideational characteristics of groups that in turn delineate behavioural and attitudinal patterns. And so there is no need to engage in descriptive analysis of group behaviour, but behaviour is a process that occurs among group types (Glaser 1978; Minichiello et al. 1995).

In-depth interviewing

In social research the choice of method signals that the researcher holds a particular methodological and theoretical approach which influences what the research is trying to accomplish and what the researcher will see (Minichiello et al. 1995, p. 9. See also Morgan 1997). Research methods in this research reflect and capitalise upon the special character of people as objects of enquiry and so in-depth interviewing fits into this paradigm, and unstructured in-depth interviewing is central to data gathering for qualitative research in the social sciences (Minichiello et al. 1995). *“The Grounded Theory approach is likely to be of maximum use when it is dealing with qualitative data of the kind gathered from participant observation, from the observation of face-to-face interaction, from semi-structured or unstructured interviews”* (Turner 1981).

There are many types of interview process. Minichiello et al. provide a continuum model for interviews depending on how structured the interviews are. At one end are the structured interviews, also known as standardised or survey interviews. At the other end are the in-depth or unstructured interviews (Minichiello et al. 1995, p. 62).

The highly structured and standardised interviews are represented by survey type questions; questions are pre-planned and in accordance with a pre-determined set of categories. The same questions are asked of all participants and in a pre-determined order. This is done to ensure comparability with other studies and prevent differences or biases between interviews and so answers are easy to code to the pre-determined set of categories. Questions are closed ended prompting a “yes” or “no” response and so do not have the flexibility to generate conversation and to probe the “how” and “why” questions that enrich the data by allowing the participants to express their own views and the interviewer to find out what is relevant to the participant.

This structured interview process seeks to understand human behaviour from the participants’ own frame of reference and data analysis attempts to reconstruct those subjective theories as closely as possible to the participants’ point of view. The interviewer attempts to play a neutral role so there is no interpretation of facts, and the researcher’s own values and knowledge are not thought to influence the interview. However, the researcher controls the flow of conversation and the

informant is referred to as the subject or respondent because he or she is expected to respond, rather than inform through participating in conversation. It is a one-way process and assumes the interviewer knows, and therefore determines, the information sought after. “*There is no participation from the subject matter who is required only to answer back like inanimate objects studied in the natural sciences*” (Minichiello et al. 1995, p. 63; Flick 1998; Punch 1998).

In contrast unstructured or in-depth interviews [sometimes called ethnographic interviewing] are informal and consist of open-ended questions, designed to generate conversation. Interview questions are not pre-planned but the interviewer has a set of conversation starters to get the interview going and provide some supporting structure or frame. Responses to those conversation starters determine further interviewing. Responses are not coded to pre-determined categories but the categories emerge from the data. This is the in-depth interviewing of Grounded Theory wherein researchers attempt to understand the complex behaviour of human actors without any *a priori* categorisation that may limit the field of enquiry. This is because qualitative research discovers what people think in order to understand how they behave in the ways they do. This is founded on the belief that people act the way they do because of the way in which they define the situation as they see or believe it to be (Minichiello et al. 1995, p. 68). In contrast to the impersonal questionnaires or survey type questions, in-depth interviews are purposive and generative and offer flexibility to probe issues and so are capable of producing rich and valuable data because a successful interview can generate a deeper level of conversation and level of trust characteristic of a prolonged intimate conversation. However the skill to do this does not come naturally and requires specific training (Minichiello et al. 1995; Morrigan 1997; Flick 1998; Punch 1998, p. 178).

Analysis and Theory Generation

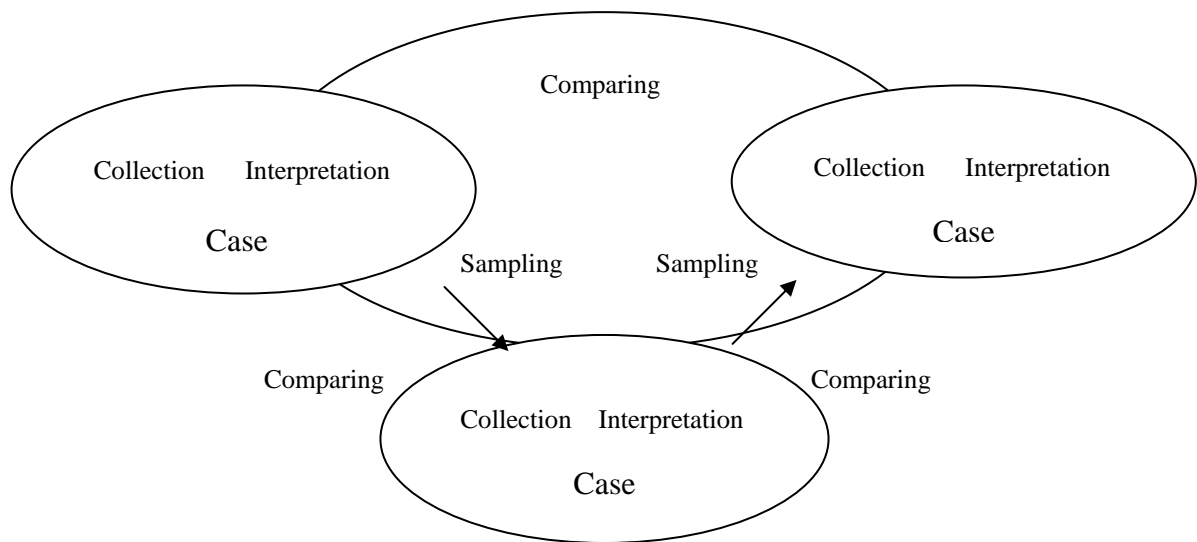


Figure 2.1 Models of Process and Theory Source: (Flick 1998, p. 45)

The process of theoretical sampling [refer Figure 2.1 above] is a process that strengthens the research because it forces reflexivity in the researcher to question the whole research process and emerging theory in light of new empirical material collected and is a concrete strategy closely aligned with everyday life (Flick 1998; Punch 1998). It forces a close link between data collection, interpretation, and selection of empirical data and, unlike traditional quantitative research, grounding qualitative research forces the researcher to constantly question the validity by asking the question, how far do the methods, categories and theory do justice to the data? It asks the questions, what is this data a study of, what is happening in the data? In the absence of existing theory, this questioning forces the researcher to focus on the data and on the emerging patterns, and so forces the generation of a core category (Glaser 1978, p. 57; Flick 1998, p. 43).

Arrival at a core category from which theory is generated is the purpose of theoretical sampling. This is done in two levels of coding, substantive [first order construct] and theoretical [second order construct]. Substantive coding is the conceptualisation of verbatim quotes that come from the empirical data; theoretical coding conceptualises how the substantive codes relate to each other as hypotheses to be integrated into theory. The first order construct is designed to open up the data

and break it apart to get a deeper understanding of the text and expose the theoretical possibilities. Categories are not preconceived but are generated from the data by comparison for similarities. The concepts are not brought to the data and may not be obvious in it but are inferred by the analysis during the inductive process of abstraction that raises the conceptual level of the data (Glaser 1978; Flick 1998; Punch 1998).

The second order construct for example the “created groups”, determines the relationships between categories that open coding has developed, the purpose being to interpret the relationship or give meaning to the relationship and explain how it came about. This is done by showing that a first order construct is a property of a second order construct and this again raises the conceptual level of the data. It is from this coding process that propositions and hypotheses are generated (Glaser 1978; Miles and Huberman 1994; Punch 1998).

The theory emerges when the analyst chooses a category that has emerged as a central theme in the data and is central to all of the participants in the study. This becomes the core category that is the centrepiece for the Grounded Theory. Once it is identified it is related to other categories and so relationships are validated against the data. As the data unfolds hypotheses are tested against the emerging theory. This shows the categories where further data is required and so directs further theoretical sampling. When no new information is forthcoming but only confirms what has already been discovered, then all categories become saturated and this is called saturation of the theory (Flick 1998; Punch 1998, p. 218).

Coding is a process of reflexivity whereby the researcher raises the conceptual level of the data so the interpretations put on the data will be influenced by the researcher’s own style, values and the knowledge he or she brings to the research. The subjectivity of both researcher and participants are part of the research process and these become data and form part of the interpretation (Kaspersen 1995; Hussey and Hussey 1997; Flick 1998). Theoretical codes are ground in the data and so emerge from the understanding of how actors make sense of their world and how social circumstances contribute to their meaning because Grounded Theory sets out to discover the patterns that emerge in the processes people use for dealing with their circumstances (Punch 1998, p. 220).

Using a CAQDAS

Data was analysed using NUDIST [Non-numerical Unstructured Data Indexing, Searching and Theorizing], a database designed to manage projects using unstructured data (Richards and Richards 1991). NUDIST allows for inductive analysis and exploration of interdependent themes and allows for the continual modification of the coding system. Rather than coding to be pre-determined, NUDIST allows for the categories to be created and is “*designed to help the researcher define and explore research ideas, find text relevant to complex ideas, pursue wild hunches, and formulate and test hypotheses*” (Richards and Richards 1991, p. 308). For example, categories emerged from first order constructs where people’s behaviour was linked to organisational issues. The created groups emerged from second order constructs where behaviours were linked with categories such as self-concept and values with self-concept. Categories and sub-categories were formed using an unlimited number of nodes, thus creating a structure resembling an upside-down tree until the substantive theory emerged linking self-concept and trust (Richards and Richards 1991).

Support for qualitative research has been strengthened in recent years by the use of computer programs to analyse qualitative data and this has reduced the need to justify one’s methods (Morrigan 1997). However, the need for training in qualitative research methods is still not fully addressed in research institutions and learning mostly occurs concurrently through practical experience associated with the research work (Flick 1998; Punch 1998). This is because social constructions of reality lose sight of the fact that training influences methodological practice and the relationship between theory and methodology as it applies to the research is not fully understood (Minichiello et al. 1995).

My Interest in the Research – Maybe He’s Not Crazy After all!

My interest in this research arose from a personal understanding of servant-leadership gained from the servant-leadership literature (Greenleaf 1977; Spears 1995; Greenleaf 1998a) which I then identified as operating in my own work environment. My natural tendencies had always been functionalist, needing certainty, predictability and control. On the other hand, my husband Brian, whom I had worked alongside for some twenty-seven years, displayed many of the

characteristics of servant-leadership as discussed in this study]²¹. His management style was illogical to a functionalist and at times just plain crazy. Thus the literature for me was inspirational; it was real; it came alive. I had a role model with whom to identify and it was Brian. [And just maybe he wasn't crazy after all!!].

Despite this misunderstanding I was always aware of the favourable reputation our company had earned in the railway industry as a contractor to various Australian railway systems. I believed this to be attributable to Brian's influence and the servant-centred culture that existed throughout the company; it was this reputation that gained Railcorp's trust in allowing me into their organisation. I assumed from informal discussions with leaders in Railcorp that this type of leadership would be valued in their work environment. I was therefore somewhat of an "insider" being aware through informal discussions with senior management of changes they were experiencing, and of their interest in developing a better way through participative management, quality management systems and continuous improvement management. We had discussed the concept of servant-leadership informally and I was aware of their interest in the subject, although they had no knowledge of it prior to our discussions. In view of their radically changing circumstances from government to private ownership [see Chapter 4], I was interested in investigating how servant-leadership might survive this change.

Our relationship with Railcorp terminated during the course of this research and I accepted this as a consequence of their financially driven changes [see Chapter 4]. At this point the research became a strong avenue of personal development for me as I learned to "practice what you preach" and therefore I need to reveal my personal bias and support for the concept of servant-leadership as an avenue for personal growth and development through discursive reflexivity.

I believe I have benefited from servant-leadership in that it has allowed my development and I now feel a responsibility to share my knowledge and experience of servant-leadership to benefit others (Minichiello et al. 1995). Therefore my sole motivator for this research topic comes from my own experience and belief in servant-leadership as a path for personal development. In quoting from Hesse's novel *Greenleaf* writes, "*I recalled a short conversation that I once had with Leo*

²¹ Others confirmed this understanding of our work environment in a pilot study carried out into our company prior to undertaking this research, its sole purpose being for me to practice my "skills" as an

during the festive days at Bremgarten. We had talked about the creations of poetry being more vivid and real than the poets themselves” (Greenleaf 1977, p. 47).

Greenleaf believed that the greatness of servant-leadership was in the principles, not in the person as leader. Servant-leaders are but a channel for the creation of people who can themselves continue to develop and spread these principles. *“As we venture to create, we cannot project ourselves beyond ourselves to serve and lead” (Greenleaf 1977, p. 48).*

The Natural Group

The natural group was chosen by the General Manager (Glaser and Strauss 1967, p. 49), from my request that I interview fifteen people, approximately ten of these being in a leadership position. This was expected to generate at least fifteen hours of interview data, being the requirement for a Master’s Degree. The natural group consisted of an all male population of fifteen participants, in the 40 and 59 age group. There were no females in positions of leadership in this organisation. The natural group included seven engineers, three people with TAFE certificates or diplomas, two people with trade or apprenticeship backgrounds and three people with business qualifications. Only two of the participants had a financial background. The participants were represented across three levels of management; senior management [8 of 15], middle management [5 of 15] and superintendent level [2 of 15]. Engineers and people with a TAFE qualification were represented at both senior and middle management. Trade people were represented at supervisory level only. People with a business qualification were represented at senior and middle management. [See Table 2.1 below].

It is noted that leadership and management training had not been given any priority in this organisation at the time of doing the research. However, prior to commencing this research, senior management in the organisation [including one of the participants in this study] had been addressed on the leadership by people from Harvard University.

interviewer and check my understanding of servant-leadership.

Table 2.1: The Natural and Created Groups

Natural Group	Created Groups				
	“Valjeans”	“Cosettes”	“Javerts”		
			<i>“alienated”</i>		
Senior Management					
Engineer	4		1	1	2
Tafe Qualification	2			1	1
Business	2	1	1		
Middle Management					
Engineer	3	1	1		1
Tafe Qualification	1	1			
Business	1				1
Supervisory Level					
Trade	2		1		1
Total Interviews	15	3	4	2	6

Beginning the Research at Railcorp

Several weeks prior to conducting the interviews, participants were given a folder of servant-leadership material and this was their introduction to servant-leadership. Most participants were familiar with this at the time of the interview, but not everyone. It offered a direction to the interview at the outset and included:

- A summary of Laub’s (1999) work [see Table 2.2 below].
- Table 1.3 from Chapter 1 detailing the characteristics of servant-leadership.

Most participants had familiarised themselves with Laub’s summary and this provided a conversation starter with the natural group in that participants did not come cold to the interview. The material contained the following assumptions:

- A definition of servant-leadership from the literature.
- A definition of a servant-leadership organisation from the literature.
- Values that emphasised the “character” of the servant-leader.

- A model of leadership, which made assumptions about the importance of people over organisational structure, which was not the norm in Australian organisations.

The preliminary research hunch was that servant-leadership was valued in Railcorp but I wanted to question if it existed with the recent organisational changes, in particular the change in ownership [refer to Chapter 4]?

Table 2.2: Servant-Leadership and the Servant Organisation Model

Servant-leadership is an understanding and practice of leadership that places the good of those led over the self-interest of the leader. Servant-leadership promotes the valuing and development of people, the building of community, the practice of authenticity, the providing of leadership for the good of those led and the sharing of power and status for the common good of each individual, the total organisation and those served by the organisation (Laub 1999, p. 83).

The servant organisation is an organisation in which the characteristics of servant-leadership are displayed through the organisational culture and are valued and practiced by the leadership and workforce (Laub 1999, p. 83).

The servant-leader...

Values people	By believing in people By serving others needs before his or her own By receptive and non judgemental listening
Develops people	By providing opportunities for learning and growth By modelling appropriate behaviour By building up others through encouragement and affirmation
Builds community	By building strong personal relationships By working collaboratively with others By valuing the differences of others
Displays authenticity	By being open and accountable to others By a willingness to learn from others By maintaining integrity and trust
Provides leadership	By envisioning the future By taking the initiative By clarifying the goals
Shares leadership	By facilitating a shared vision By sharing power and releasing control By sharing status and promoting others

Source: (Laub (1999))

Participants had positively accepted this model of leadership as an ideal environment and one in which they would like to work. It was also noted that many participants spoke of the lack of support for training in this organisation, particularly leadership training, and this had not been distinguished from management.

The In-depth Interviewing Process

The interviews took place at two locations, one being the head office and the other being at a regional office. Eleven of the participants were in head office, while four were regional. Later in this chapter I will discuss the grounded data, which arose from this part of the research methodology.

The research data into this organisation represents twenty-four hours of tape-recorded in-depth interviews from 15 participants. Participants did not object to the use of the tape recorder, although it did place limitations on the research. Some participants seemed hesitant to mention names and as such I was hesitant to probe some issues. In this respect I was aware that it was my role as the researcher to develop an atmosphere of trust and so I was also aware that the data would be limited by the extent to which participants were prepared to trust me. Some interviews started out fairly rigid, but participants “opened up” to reveal their real concerns as the interview progressed. For example, some casual conversation at the closure of the interview revealed the participant’s perceptions of leaders that they were not prepared to discuss in a formal interview. When this was a wider point of view it counted as data that either confirmed or disputed what leaders said about themselves. Data analysis also recorded the more personal information gathered, such as the interest in the servant-leadership material provided and how this was perceived, as well as the response to some questions.

The quality of the research is limited to the timeframe of the interviews, the one-hour allocated being extended in most instances [1.6 hours average]. All participants willingly agreed to any extension of time, and this was an indication of their interest, support and cooperation for this research.

Some material from the work of Laub [1999] was a conversation starter for the interviews in that it provided participants with an introduction into the concept of servant-leadership and so the interview started with a question to determine their level of understanding servant-leadership and this set the direction for the interview.

The questioning was broad and in terms of “what”, “why”, and “how” questions because “*social research is about exploring, describing, understanding, explaining, predicting, changing or evaluating some aspect of the social world*” (Blaikie 1993, p.4).

The use of unstructured in-depth interviews thus gave the flexibility to develop dialogue with the participants by probing issues and so increase the depth of understanding as to how they interpreted their own circumstances (Blaikie 1993). For example, conversations revealed how certain individuals enacted characteristics that aligned with servant-leadership and, in an investigation of leadership character, these conversations presented participants with the opportunity to reflect on, and question, how those characteristics might be further developed. This sparked the reflexive thought of Grounded Theory of alternating between inductive and deductive thought and models the way in which people have always learned (Blaikie 1993; Hussey and Hussey 1997; Flick 1998; Punch 1998).

The interview questions

The in-depth interviews were guided through four “conversation starters”. These were:

1. What is your understanding of servant-leadership?
 - Can you think of anyone in the organisation who is a servant-leader?
2. Do you think it is possible to be a servant-leader in your organisation?
 - What makes it possible for [name] to be a servant-leader in this organisation?
 - What limits you in being a servant-leader?
3. What are the core values you hold around your own leadership?
 - How do you play out those values at work?
 - How do you cope with any discrepancy between organisational values and your own?
4. What kind of leadership is expected of you in this organisation?

Analysing the Data

Categories emerge

The data was analysed in keeping with Grounded Theory methods. The data issues were not allocated into a pre-determined structure, but categories were identified as they emerged from the data. *“Data should not be forced or selected to fit preconceived categories or discarded in favour of keeping an extant theory intact”* (Glaser 1978, p. 4). Consistent with theoretical sampling groups were created to best reflect relationships between emerging categories and so develop theory (Glaser and Strauss 1967).

On analysing the interview data one category quickly emerged. This was named “the corporate cloud” and identified by those who were not supportive of recent corporate changes [see Chapter 4]. Within this category two sub categories became heavily laden and were named the “fearful bottom line” and the “culture of mistrust”. These are presented in Chapter 5 where the “fearful bottom line” underpins other issues raised in this chapter. Chapter 7 presents the issue of trust as a major issue for this research.

The second category to emerge was named “support for the changes” and within this category two categories emerged and were named “compulsory empowerment” and “succession planning” because it was believed that these issues would allow servant-leadership to develop. These are presented in Chapter 5 as a challenge to leadership legitimacy in that knowledge is devalued in preference for maintaining the system. Chapter 6 presents this understanding of “leadership” as it compares with the understanding of servant-leadership.

This data was analysed until all categories were saturated and no new sub-categories emerged (Glaser and Strauss 1967).

Introducing The Created Groups

It became evident early in the interviews that corporate issues and recent changes in the organisation were a major concern for many participants and these issues directed the data collection and analysis. It was from this data analysis that the first two created groups emerged, because of their relationship to the issues

raised: those who did not support the changes, and those who supported them. They were originally given the very unimaginative names of “Disempowered” [no support for changes], and “Empowered” [support for changes]. The “Self empowered” were neutral to the changes. [Table 2.1 above details the created groups to emerge from the natural group.]

As the research progressed these names became inappropriate and not creative. And so in renaming the created groups inspiration was taken from its paradigmatic circumstances. This research study represents a new approach for management and just as new theories followed a period of great change [The Enlightenment], this work presents new theories emerging from our current circumstances of change in a globalised world environment. Reflecting back to that time period of paradigmatic change, inspiration for renaming the groups was taken from the works of Victor Hugo’s *Les Miserable*, and characters who were experiencing revolutionary change in France.²² The groups were renamed the “Cosettes” [6 of 15] because of their negative attitude towards organisational practices and how they felt alienated and disempowered to effect any change. For at least four of the “Cosettes” this interview appeared to be an avenue for “letting off steam”. The second group, the “Javerts” [6 of 15] were aligned with organisational practices and felt empowered in making them work. The third identified group was that of the “Valjeans”. Their neutrality to the organisational issues identified them. They neither spoke out in favour of them, nor against them.²³

This organisation has recently encountered massive changes [refer Chapter 4] by downsizing and restructuring. Participants indicated three differing attitudes to these changes and so the groups emerged from the data in accordance with their reaction to the new organisational direction.²⁴

- The “Valjeans”, a minority group [3 of 15] were typified by their indifference to recent organisational changes. They were mostly senior

²² It is noted that The French Revolution followed The Enlightenment Era and a connection is not made between the two. Both are used as examples of great change in world history where people challenged traditional thought and accepted belief, and to draw alignment with the challenge to current world values being experienced in our time [refer Chapter 1].

²³ The characters depicted by Hugo were Valjean, an ex convict who lived a respectable life as a community leader; Cosette, who came from a peasant background but had been rescued from this environment by Valjean; Javert, a law enforcement officer whose priority was to defend the law.

²⁴ Giddens is critical of the downsizing process and claims that restructuring should not be about downsizing but restructuring to improve services (Kaspersen 1995, p. 132).

management and had accepted the changes as the commercial element of business. Their role was to commit to getting the best result for the organisation. *“The decisions have been made you’ve got to try and make them work. Unless you accept that change and make it work, you’re going to have a miserable working life every day.”* Their understanding of people management was closely aligned to Greenleaf’s language of giving people freedom to make choices. *“You can say well write a letter on that and it’s not exactly the wording you would have done yourself, but it’s their letter and if it still means the same thing, it doesn’t matter does it?”* For them spending time developing their people was critical to good leadership and for some of this group time constraints were a consequence of the recent organisational changes that made it difficult to do this. This was obviously distressing to them. *“Valuing people is very, very critical. Developing people is something I need to do more of in the coming year, that I did not do sufficiently during this year. I really have to share some of the leadership among some of my own people.”* The “Valjeans” aligned with Greenleaf’s understanding of people development by showing trust in people. *“You’ve got to trust your people and train them.”*

- The “Cosettes”, a major group [6 of 15] – [but no women were in the sample], were identified because they had not accepted the recent changes and felt powerless in challenging the decisions. *“It’s a big emotional strain on individuals when you’re no longer wanted and you’ve been in the organisation twenty years and you become just another number.”* They were very interested in the concept of servant-leadership but felt it could not exist without a corporate policy driven from the top that supported people development. Participants in this group had lost trust in the organisation and in some of its leaders. Not only did this group indicate distrust of leaders, but also they felt the distrust of some leaders in them. *“When you don’t know what their bigger vision is, where they want to get to, people feel that they’re being held back or not being given a level of trustworthiness.”*

[Within this group a split occurred which emerged as an important data finding because it revealed an alliance between the “Valjeans” and “Cosettes”. Four of this group had identified servant-leadership type behaviour in the organisation and had aligned with this leadership by reflecting on how they might adopt that behaviour themselves. A sub-group then emerged who had lost trust in the organisation but had not identified leadership in whom to trust.]

- The “alienated” were identified because they trusted in neither the organisation nor its leaders [people]. Unlike the “Cosettes” [and the “Valjeans”], their language was not in terms of giving others freedom of choice, but in “*weeding out*” the one’s that do not think like you and “*getting rid of the no-goods*”. Their data indicated that they were at loggerheads with everyone and so were aptly named “alienated”.
“If I don’t sign the common law contract next week, come December, there will be no qualms about it, I will be gone.”
- The “Javerts”, a major group [6 of 15] aligned with recent organisational changes and believed these changes made it both possible and essential for something like servant-leadership to work. *“Because there are so few of us, we are saying we’ve got to do something. You just can’t do it all otherwise you’d go silly.”* This understanding of their environment indicated that, while they wanted to be servant-leaders, they did not know how to do it. This was because their understanding of people development was in language of.... *“a servant-leader would be one that would say, well the person has got some knowledge and let’s get the best out of him”*. They differed from the other two groups because they did not raise the issue of having trust in people.

The data produced two major streams of thought pertaining to the organisational development of servant-leadership.

- This environment works against the development of servant-leadership and could not develop without corporate policy to support people centred values.

- It could happen, or is happening in this environment, through the necessary empowerment of others to maintain the structure.

Summary

This chapter has argued that traditional research methods relying on rigorous quantifiable data are no longer appropriate for explaining the rapid changes occurring in a globalised environment. The ontological and epistemological assumptions are developed from the work of Anthony Giddens, which falls between the objectivity of functionalism and the subjectivity of interpretivism. Giddens' work is particularly relevant for this study because:

1. His theory of discursive reflexivity recognises the detraditionalising of society wherein traditional values, beliefs, norms and values are no longer appropriate for defining relationships based on trust. Defining relationships requires an understanding of trust based on an individual's integrity, openness and willingness to commit to the relationship.
2. Giddens' understanding of trust as one with strong ontological security and self-identity closely aligns with Greenleaf's understanding of trust as faith in the self and others. Both see this as the prerequisite for sharing risk and responsibility.
3. Giddens' theory of structuration recognises the role of human actors in effecting structural change. This has relevant application to the historical context of this study.

Grounded Theory is considered appropriate for a research investigation wherein there is little previous research and theory to explain a phenomenon. This research has adopted a two-tier approach to Grounded Theory in that:

1. Data collection adhered to classical Grounded Theory by using in-depth interviews and theoretical sampling.
2. Data analysis adopted the framework of Giddens' structuration theory in that it was interpreted within a social and historical context.

3. This historical context allowed for the emergence of the created groups who were introduced in terms of their reaction to their historical circumstances.

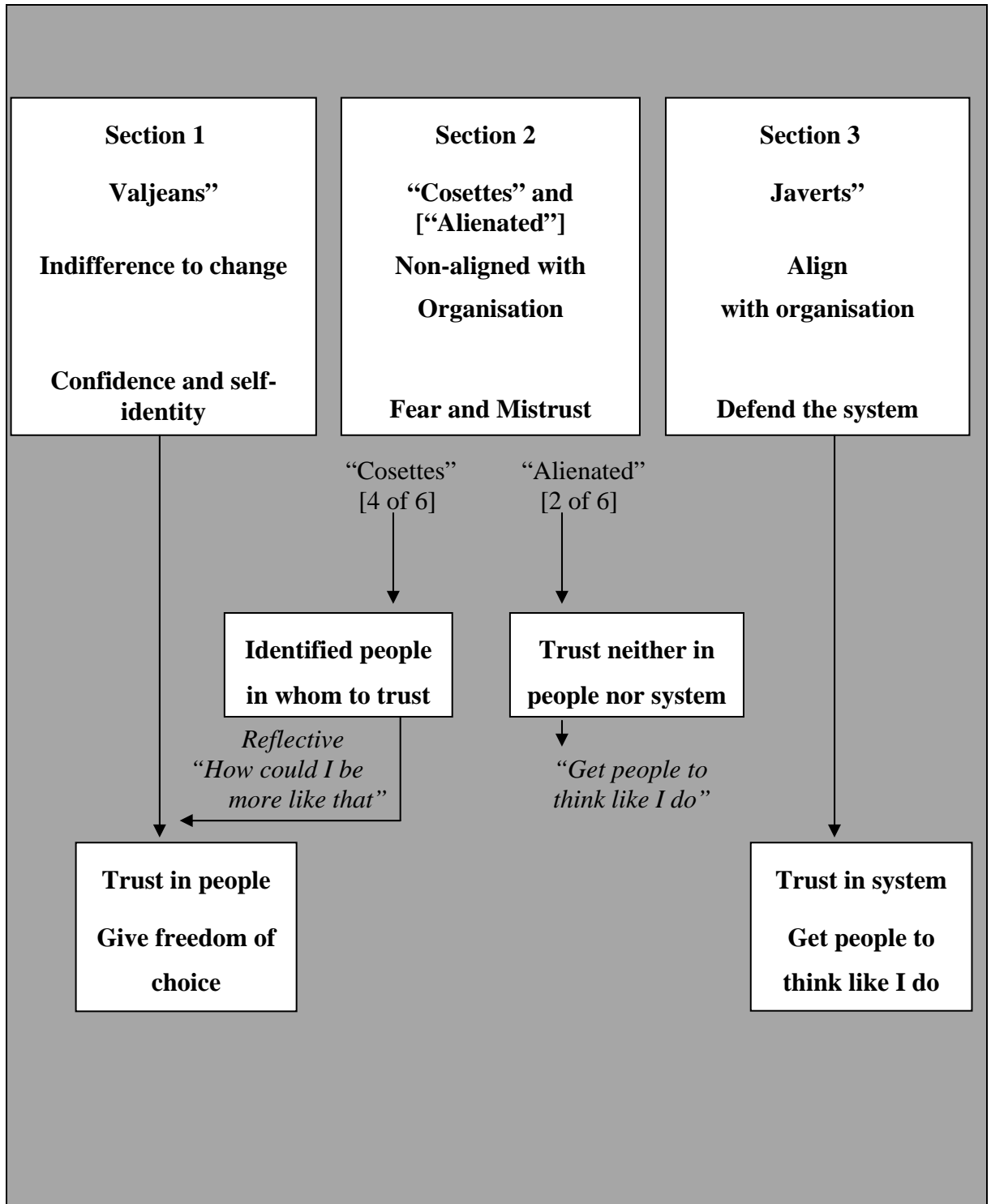
Conclusion

This chapter makes a contribution to knowledge because it is a qualitative search for character from the actor's own point of view. I have also revised classical Grounded Theory using the concepts of structuration theory. This allows for the analysis of the grounded data to be accomplished within a social and historical explanatory framework. I have "introduced Greenleaf to Giddens" in order to establish an ontological and epistemological framework for this research study. This is a new contribution to Australian research because it investigates the concept of servant-leadership in an Australian organisation and connects the exploration of leadership character to servant-leadership. This chapter has outlined the theory and methodology for this study, as well as the research process undertaken. The natural and created groups have been introduced. However, what is really important is the voice of the participants and Chapter 3 presents their story.

CHAPTER 3

**CREATING THE RESEARCH GROUPS;
THEORETICAL SAMPLING**

Diagram 3.1: Links Between Created Groups



CHAPTER 3: CREATING RESEARCH GROUPS: THEORETICAL SAMPLING

The sociologist developing substantive or formal theory can also usefully create groups provided he [sic] keeps in mind that they are an artefact of his research design, and so does not start assuming in his analysis that they have properties possessed by the natural group. Only a handful of survey researchers have used their skill to create multiple comparison sub-groups for discovery theory. This would be a very worthwhile endeavour (Glaser and Strauss 1967, p. 52).

Introduction

Chapter 2 discussed the theoretical argument for servant-leadership and why qualitative research is appropriate for developing this body of knowledge. This chapter gives a more detailed understanding of the groups to emerge from the data and how they are characterised by the way in which they view their circumstances.

This work draws inspiration from the Enlightenment period, that period of intellectual development that sought to challenge accepted belief and find a new way, a way that has most strongly influenced society today. Enlightenment and servant-leadership share the same principles of justice, freedom, equality and valuing human worth. This period was closely followed by change and revolution. Revolution in France was driven by a small number of people who were not in a position of power and authority; likewise Greenleaf believed servant-leaders are a small number of people who have the opportunity now to effect lasting change, without necessarily being in a position of power and authority (Greenleaf 1977).

The created groups as introduced in Chapter 2, are not real per se, but are a typification of people's viewpoints as they relate to their circumstances. Participants do not represent a one on one relationship with a particular "ideal type", but most participants are represented in at least two of the typifications.

The naming of these groups comes from the French Revolution, following the Enlightenment Era, that working class people could challenge their

circumstances and this inspired me to use this metaphor to shape the thesis around characters taken from Victor Hugo's *Les Miserable*. While servant-leadership does not propose battle lines be drawn, similarities existed between Hugo's characters and the created groups emerging from the data [see below]. The inspiration for these names did not emerge until late in the research. However they fitted in very well with the data analysis. The data of the individual groups forms the framework for this thesis. This section explains how these groups were created and how the different levels of understanding influence the way in which servant-leadership might develop [see Chapter 6]. They are re-introduced as follows and summarised in Table 3.1 below:

- The “Valjeans” whose behaviour is most closely aligned to servant-leadership behaviour in that they challenge the system by enacting their own values and principles in what they believe is finding a better way. They are an inspiration to the “Cosettes”.

Hugo's Valjean did not take up arms against the ruling class, but was supportive of those fighting the cause for the working classes.

- The “Cosettes” feel alienated and disempowered by the organisational practices and believe they are powerless in challenging their circumstances. However, they have identified the “Valjeans” as leaders in whom to trust; both groups gave freedom of choice to their people. Hugo's Cosette came from a working class background and was taken in and cared for by Valjean. Under Valjean's care she flourished and developed to a higher social status than her origins would have allowed.
 - The “alienated” aligned with the “Cosettes” in that they had lost trust in the system and were disempowered by it. However, they had not identified a group of people in whom to trust. They aligned with the “Javerts” only in that they liked to have people think like them [to preserve a system in which they were losing trust].
- The “Javerts” represent those who have aligned with and trust in the existing structure and believe maintaining this structure is the path to a better way. They assume organisational and individual values alignment.

Hugo's Javert was a defender of the law who fought against the cause of the revolution.

Table 3.1 summarises the views of the created groups.

Table 3.1: Summary of the Created Groups

	“Valjeans”	“Cosettes” [align with “Valjeans”] <i>“alienated”</i>	“Javerts”
Power Relations	Close to decision making Accept changes as commercial element	Alienated from decision making Not supportive of changes	Part of decision making Accept changes because you chose that path
	Power in self to challenge decisions	No power within the self to challenge circumstances	Align with new systems
	Give freedom to people	Give freedom to people <i>Create shared values</i>	Set visions, goals Create shared values
Development of Servant-leadership	Develop through role modelling	Develop through role modelling and training of mindset	Develops through empowerment and succession planning
	Leadership not affected by organisation	Servant-leadership cannot exist in present environment	Leadership enabled by present environment.
Individual Determinants	Trust in people Share knowledge, risk responsibility	Lost trust in organisation Cynical, letting off steam Reflective	Trust in system

Younger participants

Older participants

Older participants

Section 1: The “Valjeans”

This group was by far the minority and consisted of three people. While this group is perhaps not the “full on” servant-leader their behaviour demonstrated they were closest to it in terms of Greenleaf’s writing and in comparison with Anderson et al. (2000) scale of human effectiveness [refer Chapter 1]. It was their discussion on trusting people that set them apart from other groups. Their leadership qualities had developed from a communal spirit at a young age. However, the data did not produce any concrete evidence of their circumstances being a link to follow.

The “Valjeans” were identified from other groups by their:

- Discussion on people development that aligned with Greenleaf’s understanding of people development by creating relationships based on trust, shared risk and responsibility (Greenleaf 1977; Greenleaf 1982; Greenleaf 1996a).
- Acceptance of the recent changes within the organisation and the desire to make them work and get the best result for the organisation.
- Power within themselves to challenge what they did not like.

Nurturer of the Human Spirit

“I think to be a servant-leader you clearly have to have a high level of integrity and people have to believe in you and trust your judgement and your opinion, not only in my role as a manager and a technical person, but also as a person.” [“Valjean”].

Likewise Greenleaf believed that, *“Leaders do not elicit trust unless one has confidence in their values and competence (including judgement) and unless they have a sustaining spirit (entheos) that will support the tenacious pursuit of a goal”* (Greenleaf 1977, p. 16).

Valjean is a typification representing this group. He displays a good sense of humour, and is represented by the younger members of this population. He is a senior manager, mostly from a technical background and has spent all or most of his working career in this organisation, starting as a junior cadet and being developed and trained by a senior engineer. His understanding of servant-leadership is closely aligned to Greenleaf's writing [see quotations above] and even used Greenleaf language of leading by example and role modelling, giving support and guidance in teaching others to take responsibility for themselves. *“Through example you become a mentor to people and in a technical area which I'm in you have to lead them in a particular direction to solve problems and you've got to trust them to make those judgements themselves.”* People therefore learned through the role modelling process and this created relationships based on trust.

I've got no problem with them out in the field. I trust their judgement. They come to me with their problems and you give them options to solve the problem. They come to you because they need some guidance, so you've got to suggest some other ways of dealing with the problem. And that also builds trust, because, I do the same thing at home.

The data indicated that “Valjean's” leadership style was close to that of servant-leadership and this was supported in the interview data of others who claimed that people experiencing this leadership developed trust in their leaders and so were inspired to take the next step. *“He can engender that sort of trust in his managers to do the right thing. He seems to be very good at getting people to perform and deliver and taking the next step up to deliver results without feeling threatened.”*

Therefore this group was also distinguished [2 of 3]²⁵ from others by the praise given to them by their people and their ability to build relationships based on being trusted and trusting in others. This was because they believe that people development comes before getting the mechanical issues in place. *“I've always believed that you've got to get the people, the human side, working, then the technical side things will work themselves out.”*

²⁵ Participants in this research did not include people who worked for the third member of this group.

Confidence and self-identity

“Valjean” had accepted the recent organisational changes, although at times somewhat reluctantly, as the commercial element of business. *“If the organisation, for commercial reasons, has made a decision, I might be philosophically opposed but I accept the commercial reasoning and use that as the basis.”* “Valjean” had accepted the classical understanding that institutions are in business to maximise profit. *“At the end of the day the organisation employs you and it’s their business, so what they want is paramount.”* However he was prepared to challenge the organisational policies if he did not align with them. *“If it was enough to concern me, then I would seek to change them.”* “Valjean” believed that his actions had to be aligned with his own personal values. *“You’ve got to be aligned, I can’t go and tell somebody to do something that I don’t believe in.”* Therefore “Valjean” recognised that organisational values and individual values could differ and there was always a choice. *“Because the organisation is always going to be stronger than the individual you have a choice. You either go with the flow, or you go!!”* Another alternative was to challenge the system.

Sometimes there was a reluctance to accept the commercial decision and “Valjean” put forward his objection believing his role was to make the most of the situation to get the best result for the organisation. *“Sometimes you don’t always agree with the reasoning. You wanted to go down this path and you’ve given them your reasons for wanting to go down this path and they’ve chosen that path. All you’ve got to do is make the best of that.”*

“Valjean” gave examples of having changed the organisation’s policies [in government days] by providing factual evidence that the proposed changes would not best serve the organisation and its people. The example was also given of a supervisor who was opposed to a decision, but worked to make sure the best result was achieved for the organisation. *“I didn’t like it but I wanted to make sure the contractor did the job right, so I showed him how to do it.”* This action almost caused an industrial dispute by those who saw contractors as a threat to their jobs, but nevertheless the purpose was to make sure the work was done properly. So the “Valjeans” echoed Greenleaf’s challenge not to follow a non-servant-leader, but “hang in there when the going gets tough” and try to make a difference (Greenleaf 1977)

“Valjean” was not critical of organisational policies. It was not that he was unaware of these issues, but they were not a constraining factor in effecting his leadership style. He was critical of those who had not accepted the recent changes and worked against them. *“You do get people that try and work against the change and it does make life difficult for them and others and their managers as well. Now that decision’s been made, you’ve got to try and explain the reasons and try and make it work.”* By working with people in a role modelling capacity it was possible to break through some of the barriers and issues concerning them by allowing them to make mistakes and learn from those mistakes. *“You have to give people the chance to make decisions and make mistakes and learn from it and it’s basically working them through a number of experiences where that would happen.”*

Therefore while accepting the performance driven motivation [see Chapter 5] as the norm for business, “Valjean” is typical of this group because he was guided by a purpose that was to get the best result for the organisation. This appeared to be greater than personal vision, but achieving a common purpose for which he inspired others to work, by allowing them the freedom to choose their own path. They displayed Greenleaf’s ethical use of power by persuasion and so a high level of ontological security by recognising the identities of others and so they closely aligned to both Greenleaf’s and Giddens’ understanding of trust [refer Chapters 1 and 2] (Greenleaf 1977, Giddens 1991).

However, for someone coming from the traditional paradigm [as most of us do] this understanding of trust through sharing knowledge, risk, and responsibility is not understood. And so this behaviour is open to the interpretation of blind faith or eternal optimism, of being blind to the problem. The servant-leader is not overly concerned with the problem because they are focused on creating what needs to be done rather than eliminating what is wrong.²⁶ Revisiting Kuhn, he believed that understanding new paradigm thought is difficult because of the need to conform with the old (Morrigan 1997).

²⁶ This thought is reflected in the writing of popular management guru, Edward De Bono, whose work is not associated with The Greenleaf Centre for Servant-Leadership

Section 2: The “Cosettes”

This group represented a large percentage of the natural group [6 of 15]. They were identified by their:

- Lack of support for recent organisational changes.
- Negative attitude to servant-leadership developing in their current environment and frustration with control measures in this performance driven environment.
- Value incongruence between their personal values and the bottom line focus of the organisation.
- Need for top down support before servant-leadership could develop.
- Powerlessness in changing their circumstances.

Fear and Mistrust

The “Cosettes” are represented at all levels of management, are older members of the group, mostly of a technical background, and have been in this organisation for over thirty years, and are somewhat disgruntled towards organisational policies [refer Chapter 1]. “Cosette”, is typical of this group because of his criticism of recent organisational changes believing the redundancies [see Chapter 4] had gone too far and were having a detrimental effect on the organisation. *“Some external service providers are very good and some require a fair bit of managing and if you don’t have the horsepower to manage them, then what you get is what you’re given.”* He had a good understanding of servant-leadership, and it was something he aspired to do but felt there was little support in the organisation for enacting these principles. *“I fully support the concept of servant-leadership and I have been applying those principles as a manager, but if the managers above you do not follow those same principles, you are perceived as being a weak manager.”* Leadership was constrained by bottom line management and consequent control measures that were creating a culture of fear and maintaining an atmosphere of mistrust [see Chapter 5]. This was the only group to believe that this environment did not support the concept of servant-leadership because it was a big shift from the

leadership thrust on them. *“You’ve got to be able to build those qualities into people and it’s a pretty big shift from the forms of leadership that we have thrust on us.”*

The “Cosettes” were the only group to allude to the incongruence of corporate values [see Chapter 5 and 6] and believed this had a negative effect on the development of servant-leadership.

Servant-leadership as it’s expressed here appears to allow people to be empowered, make a lot of decisions and for there to be some clear goals and objectives to work towards. Now, if the goal posts are moving all the time, then it’s going to be very difficult to allow people to remain self-empowered, people’s directions will have to be changed from above and in doing that, you’ll be working against the servant-leadership principles, I would imagine.

The battle cry of the alienated

Lad and Luechauer [refer Chapter 1] describe this need for corporate support as the battle cry of the *“unempowered, apathetic, and alienated!”* It is based on the misguided assumption that people have no voice and no control over the organisation (Lad and Luechauer 1998, p. 62). But for “Cosette” these fears were real and this organisation now represents a culture of fear and mistrust where *“all that comes down from up in the corporate level is dictates”* and in this environment *“if I stuff up then it will have a detrimental effect on my employment as well.”*

The reasons for their disempowerment were varied but ultimately they believed the organisation “won out” and this forced them to compromise personal values. Disempowerment resulted from being alienated from the decision-making. *“You see top management go off to their meetings and sometimes you don’t feel like you’re part of it”*. Disempowerment was also a consequence of not being listened to. *“I’m not in a position of power to change the corporate ethos or mindset. I wouldn’t be listened to.”* Giddens calls this dialectic of control when people feel they are no longer able to influence the activities of their superiors they cease to be a human agent (Giddens 1993).

Discursive reflexivity – a glimmer of hope

“Cosette’s” leadership role was that of giving support and encouragement to his people, of involving them in decisions affecting them, of being authentic and

sharing leadership. It was important that his people had the resources to do the job and were given freedom to be “*innovative and creative*”. His leadership values were in terms of honesty, availability, being trustworthy, non-judgemental and empathising with his people. Typical of this group, “Cosette” had not experienced any formal leadership training but his understanding of leadership had developed from the role modelling process. He typified this group by identifying a servant-leader within the organisation as a leadership style he admired and was genuinely interested in how he could develop those leadership qualities in himself. “*But those people for whom you enjoy working most are the people that are a little freer, more encouraging, less critical and wouldn’t it be wonderful if I could be more like that myself!*”

Thus the “Cosettes” were the only group to represent Giddens’ concept of discursive reflexivity by reflecting on their own behaviour and how to change it in order to become more servant-centred.²⁷ Like Greenleaf, they reflected on their experiences to gain new meanings. However they were the only group who did not believe servant-leadership could develop in this environment because of a lack of support at a corporate level for these principles. Their individual values did not align with organisational practices and so they felt constrained by the organisation in effecting their own leadership style and developing their people (Giddens 1971). In Giddens language they were without agency.

Their alienation is explained by Durkheim as organic solidarity which is a move away from “conscience collective” and mechanical solidarity towards greater individualism. This is a product of moral and social development that recognises differences between individuals and their beliefs. Marx claims this is a product of the capitalist society wherein the more material wealth that is created, the more worthless the human individual becomes. Durkheim explains this as anomie, “*a state in which individuals are not free because they are chained to their own inexhaustible desires....*” (Giddens 1971, p. 117). According to Durkheim increased individualism means people become disconnected [alienated] from the collective or community and this gives rise to self-interested behaviour.

²⁷ Note: they did not reflect on how adopting the principles might change their behaviour [as proposed by modern writers], but on how they needed to change in order to enact those principles.

The “Cosettes” represent a confused group who no longer trust in the organisation that has supported them for most of their working careers. However through Giddens’ process of discursive reflexivity they have identified with servant-leaders as people in whom to trust.

The “alienated”

It was in making this theoretical link to the data that a split was identified in the “Cosettes” to reveal a sub-group named the “alienated”. The “alienated” had lost trust in the system, but had not identified people in whom to trust. *“So it’s not only them. I need to change, as you probably gathered! But it’s a very long process.”* This was a long process because of a lack of trust in the self as well as others and so there was no power within the self to effect change. *“I suppose in some senses I aspire to a servant-leadership type role but I don’t necessarily achieve that. Ego is probably the main reason and ego always gets in people’s road and is very difficult to overcome.”* This group appeared to display characteristics of Durkheim’s alienated people. They linked to the “Javerts” in that both groups sought to have people think like they do.

Section 3: The “Javerts”

This group represented a large section of the natural group [6 of 15] and initially their interview data could have been interpreted as servant-leadership. The group spoke of empowering people to take more responsibility and providing management structures to act in a support role. On closer examination this revealed transformational leadership and aligning people to achieve previously set organisational goals, vision and direction (Bartol et al. 1995). Unlike the “Valjeans” they saw empowerment as an abdication of responsibility. So the “Javerts” were identified by their language that spoke of:

- Support for recent organisational changes for providing the organisation with improved goals, direction and a vision.
- Classical understanding of leadership in mechanical language that constrained the development of servant-leadership.

- Trust in the system rather than trust in people. Succession planning seen as compulsory to maintain the system.
- Classical understanding of people development to serve the organisation.

Defenders of the System

“Javert” is in his fifties, a fairly serious type of person, of a technical background, in a senior management position, and supportive of the recent changes for taking the organisation in a new direction. *“I’m not saying that I see evidence of moving to servant-leadership, but I see evidence of better leadership. We are now working for an organisation that will make decisions, that will set directions and will provide goals and directions.”* This new direction was an improvement on some of the previous leadership and so accepting the recent changes also meant accepting all that went with it, including the commercial element. They echoed Greenleaf’s concern that in the absence of good leadership, people would accept any sort of leadership, even if in the process they lost much of their freedom (Greenleaf 1977, 9. 46).

“Javert” has confused servant-leadership with strategic management and saw servant-leadership as providing visions and giving direction to follow those directions. *“I think that the core values [of leadership] are the ability to provide the guidelines, the boundaries, the rules, the directions”.* The recent changes in the organisation had resulted in smaller internal workgroups and people being closer to management. The “Javerts” now felt closer to the decision-making and so believed they were influential in effecting change. “Javert” therefore saw servant-leadership behaviour developing in these newly created systems because *“the circumstances are there for it to flourish.”*

Leadership was understood in structural terms of consensus thinking, delayering of structures, empowering middle management, and motivating people to support the previously created vision. Succession planning was therefore essential to maintain these systems. *“While we’ve been saying that we haven’t done succession planning, the excuse is always because we’ve been downsizing, outsourcing and all these sorts of things.”* Therefore the decision to get the structures in place first

meant that “...*just one single person leaving, what a hole it left in that structure.*” This goal setting and directional language was not found in the other two groups.

While “Javert” had a genuine interest in developing servant-leadership he was constrained by his own classical management understanding of management and acknowledged that his educational background of structural and mechanical thinking was a constraining factor in understanding this new thought. For this group trusting people was either not mentioned in the interview data or spoken of as “*the hardest thing*”. Therefore, empowerment did not come easily.

There is obviously an education role to pass on any information that I have for the development of that person. Empowerment also means the ability of the leader to delegate appropriately. I don't know that I've been the best delegator, I probably thought that I could do it better.

Empowerment was conditional upon how receptive people were to being empowered and taking that responsibility. “*I delegate to people and a lot of people don't want that but they're still good at what they do so you'll pass over and go to someone else.*” Reduced staff numbers and resulting time constraints had also made it necessary to now empower people, because you could not do it all yourself. “*What better way to develop this person than to pass on those responsibilities and educate and hopefully that will provide them with greater work satisfaction. I sometimes wonder what that word means.*” The “Javerts” saw empowerment as an abdication of leadership responsibility, rather than sharing.

Any understanding of people development was therefore reciprocal and in terms of the benefit to the leader or the organisation because, “*if all the rhetoric about the value of people is true, then that development can only add to the bottom line.*” This is the classical understanding of people development that maintains transactional systems and motivational management based on the belief of inherent self-interest” [see Chapter 6]. “*The positive spin off that gets back to me is that I'm developing somebody, as well as perhaps making life easier for myself.....[the] direct person beneath me knows everything I know. For him to know everything I know works in my favour.*” For the “Javerts” acceptance of the bottom line focus did not preclude people development.

Morgan explains this as the classical understanding of people development that people should serve the organisation [refer Chapter 1]. This is the behaviour

criticised by Greenleaf as being open to coercive behaviour. Giddens [refer Chapter 2] relates this to as ontological insecurity, lack of self-concept and where people trust in systems. According to Giddens, there is little need to trust in people when the technical system is understood (Giddens 1991, p. 19). According to Giddens, trust in systems arises from the industrialised society, division of labour and specialisation that produces attitudes and talents that are shared by specialised groups. Durkheim's "conscience collective" explains that shared values and beliefs arise from specialisation and therefore assumes that individual and organisational values align. Survival is dependent upon becoming part of the mechanical solidarity and finding a way of becoming locked into that society by accepting that environment and so any personal values are denied in order to confirm and align with those of the structures (Giddens 1991).

Summary

This chapter has introduced the three created groups and discussed how they were created from the data. The three groups have been presented as:

1. The "Valjeans" as representative of servant-leadership principles and echoed Greenleaf's understanding of developing people through sharing risk and responsibility. They are an example of the leaders Greenleaf called on to find a place in organisations from where they could be influential, while recognising that at times they may have to compromise themselves to effect the greater good (Greenleaf 1977. See also Giddens 1993). They had the courage to challenge leadership and therefore chose not to follow a non-servant-leader. Giddens links this to strong ontological security, self-identity and ability to trust in people, and to intervene and make a difference (Giddens 1991).
2. The "Cosettes" represent the battle cry of the alienated and have lost trust in the system. However they have identified with servant-leaders as people in whom to trust and reflected on their own behaviour to understand how these principles might also develop in them. [They did not look to change behaviour by adopting servant-leadership principles, but looked to change the way they were so that they could be more servant-centred.] Greenleaf calls

this reflecting on life's experiences and gaining new meaning (Greenleaf 1995b) while Giddens explains it as discursive reflexivity to change attitudes and behaviour (Giddens 1971).

The sub-group the "alienated" who have lost trust in both the system and people. They felt powerless in challenging their circumstances because lack of power within the self to do so. Giddens says this is to be without agency when there is no recourse for influencing the activities of superiors (Giddens 1993).

3. The "Javerts" who have a classical understanding of management, trust in the system rather than people. People development is an abdication of responsibility and they believe people are developed to serve the system. Greenleaf criticised this defensive focus on organisational survival for its challenge to leadership legitimacy.

The "Javerts" and "Cosettes" are in conflict but share the same constraint in developing servant-leadership. The "Javerts" reliance on strategic planning, risk management and control measures is criticised by Greenleaf for its aversion to the risk taking behaviour necessary for effective leadership. Likewise the "Cosettes" demonstrate risk averse behaviour in feeling powerless to challenge their circumstances (Greenleaf 1977; Greenleaf 1982). However their discursive reflexivity is a starting point to finding the power within themselves to change their circumstances, while the "alienated" believe they are without this power.

Conclusion

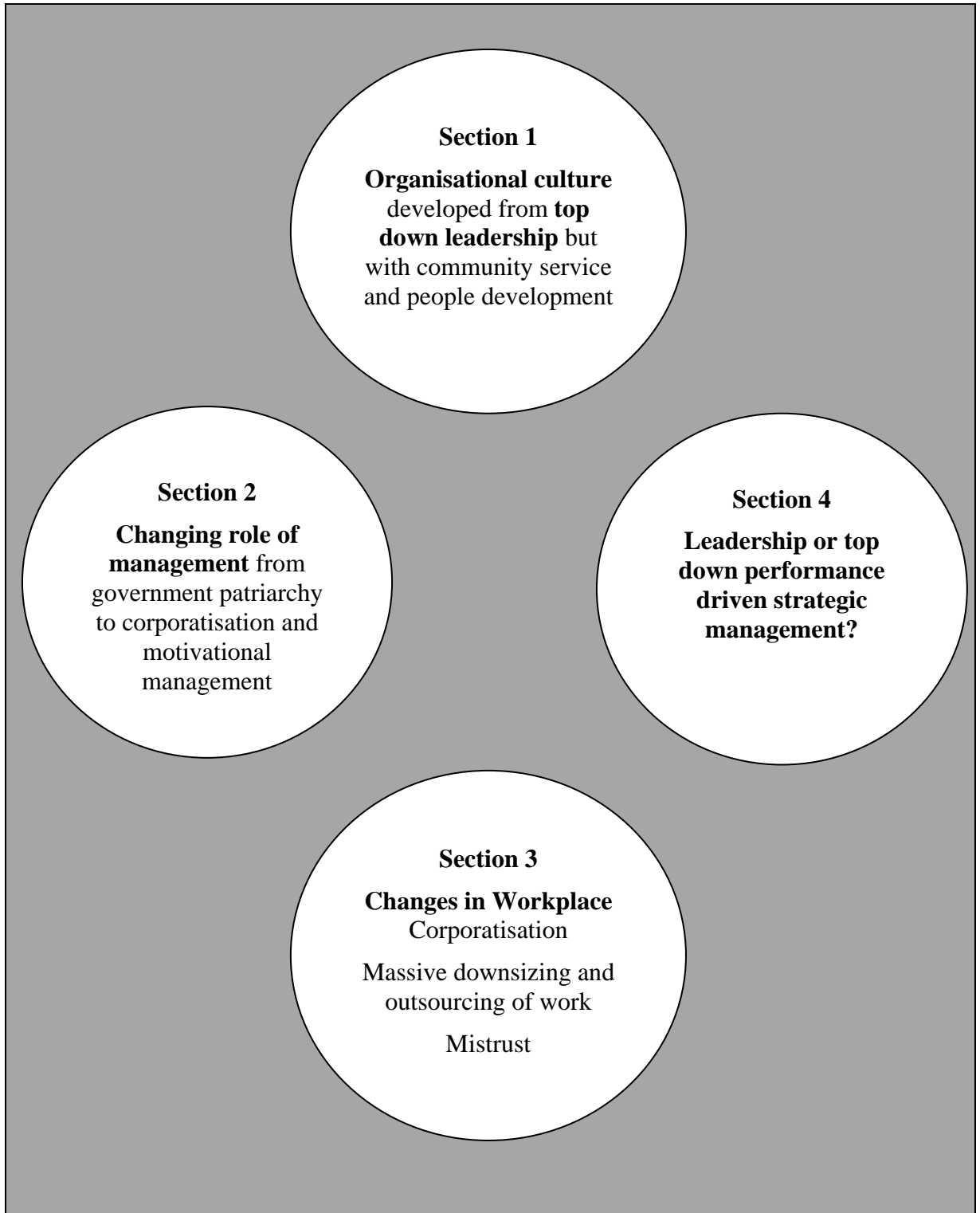
This chapter offers a contribution to research into Railcorp and identifies these groupings in the organisation. Further research could investigate whether these groupings exist in other organisations and whether the same patterns emerge.

Chapter 4 discusses the organisational context in which these groups have been created in a culture that has evolved from one of community and shared values to one in which recent changes have caused divisions within this culture.

CHAPTER 4

INTRODUCING RAILCORP: FROM PATRIARCHY TO AUTOCRATIC STRATEGIC MANAGEMENT

Diagram 4.1: Organisational Context



CHAPTER 4: INTRODUCING RAILCORP: FROM PATRIARCHY TO AUTOCRATIC STRATEGIC MANAGEMENT

“I look back now over the last thirty years and I wonder if we’ve changed much as an organisation” [“Javert”].

Introduction

The previous two chapters introduced the created groups that emerged from the data and gave an understanding of how they were created. This chapter gives an understanding of the organisational context in which these groups exist and how this culture has shaped the groups. It argues that the management role has not changed from the days of the top down patriarchal government system to the present day of private ownership and top down autocratic strategic management. This is despite significant changes involving restructuring and downsizing. According to Giddens’ theory of structuration and reflexivity the rules and values that have traditionally defined relationships are no longer appropriate for creating relationships in the changing globalised world environment (Kaspersen 1995). Drawing on Giddens’ work this chapter sets the scene for understanding the social, structural and historical framework in which the participants understand leadership roles.

This research was carried out in the railway industry and a sector of this industry that until December 2000 had been a government owned entity. The organisation is given the fictitious name of Railcorp to protect the identity of participants. Railcorp is now privately owned, its ownership being a venture between an Australian company, with no experience in the rail industry and an overseas company with wide experience in railways. The participants in this research all have long careers in this industry, dating back to the 1970s. This chapter is compiled from interview data with participants, and from the observations and knowledge of the

researcher. It is the story of this organisation as told by the people in this research study. They had a story to tell and were eager to tell it (Glaser and Strauss 1967, p. 76). The chapter unfolds in the following sections:

1. A history of the organisational culture as part of the community and how this focus is now changing to a bottom line orientation.
2. The changing role of management from traditional scientific management [Taylorism]²⁸, which is patriarchal, directional, top-down and authoritative (Bartol et al. 1995), to corporatisation and motivational management policies that have their basis in neo-classical management.
3. Workplace changes, restructuring and downsizing that have moved Railcorp away from community service management to top down strategic management with a bottom line focus.
4. The understanding of leadership as strategic management in a privatised environment.

Section 1: Organisational Culture

This organisation was not just a government department, but also probably one of the really traditional organisational workforces of the last hundred years or so. It was the railways that sponsored migrants from war torn Europe to work and maintain the railway in remote Australian communities. It was in this industry where you went to get employment, where sons followed in their father's footsteps. This was the gendered nature of the organisation because traditionally women had not sought technical careers. So this industry was typical of Australian rural life and reflective of Australian history in remote areas. This was a workforce steeped in autocratic processes. *"If you got here three minutes late, you were docked eight. And if you went to the toilet you had a bloke sign you in and sign you out."* This was a workplace culture wherein blue-collar workers were totally insulated from the community. *"It was almost like the rest of the world didn't exist until they knocked off."*

²⁸ In this thesis Taylorism refers to the early twentieth century scientific management practices designed by Frederick Winslow Taylor.

At the same time they were also alienated from management. *“The same people have an expectation of the boss to walk around with a tie on, to keep his hands clean, give you orders and be the boss, and work up in the castle and only come down when there’s a problem.”* So the work practices supported dictatorial management and a subservient workforce that alienated the manager and the worker, and this gave rise to strong unionism as the voice of the people. People did not cross boundaries because there would be strikes, and those boundaries were very clear. And so instances of demarcation disputes could be a costly exercise in maintaining this workforce.

The industry went through all the evolutions of organised workforces, being the absorber of unemployment, to being the provider of apprenticeship training. Although this was a highly unionised workplace, very structured and based on scientific management of job design and task specialisation, there was a very strong emphasis on workplace training. So under government ownership there was a social benefit in that this workplace had an excellent skills training and development program, training that is apparently no longer available under private ownership. *“I was trained by an engineer when I first started. He took me under his wing and developed me and there’s really nobody for me coming up.”* This was also training and development of a role modelling nature [as proposed by Greenleaf], where participants claimed to have developed their own leadership skills from observing their own supervisors or managers and adopting what they admired and rejecting what they did not like. This role modelling allowed people such as the “Cosettes” the freedom to choose their own leadership style. *“I did some training with this guy and everybody thought the sun shone out of him and I thought he’s pretty inconsistent with what he’s telling people and what he’s doing.”* This training was of a high standard and many people [both tradespeople and professionals] who have progressed to positions of management, and even leadership, owe their success in no small way to the training they received in this industry under government ownership.

The presence of the rail industry supported rural and regional Australia. Although this may have been a patriarchal system, leaders existed within this framework whose contribution to the development of the railway industry allowed the industry to play a major role in the development of Australian regional communities. And so remote areas of Australia were opened up to industrial and

agricultural development through the development of railways and town communities grew from this development. Towns like Port Augusta in South Australia, Western Australian wheat belt towns, as well as the small communities along the railway line across the Australian Nullarbor, were to a large extent “railway” communities and were strongly supported by the rail industry.

District Engineers were seen as part of the community and were often approached by community members for guidance and to stand on committees. In times of natural disaster, such as floods, District Engineers were called upon for their experience to assist in restoring order. This was endorsed by government. And so in this communal environment, the development of people emerged as a by-product of a community serviced orientation. Leadership was not necessarily an example of servant-leadership, but there was a strong focus on community service and people development.

Change began in the 1990s when government policy dictated that government entities must become profitable, and there was a move away from training and developing people towards large-scale redundancies. The Industry Task Force on Leadership and Management Skills, Volumes 1 and 2, had strongly criticised Australian leadership and called for major leadership change if Australia was to survive in a globalised economy (Karpin 1995). These findings were confirmed by an OECD survey in 1995 and reinforced the need for better training of managers in institutions as well as in the private sector. This was because effective leadership development had not eventuated from management training institutions and leadership skills had not been differentiated for the unique qualities they brought to management (Karpin 1995; Breen and Bergin 1999; Ashkanasy 2000; Moore and Irwin 2000; Uren 2001). Australia’s answer to this leadership crisis however was the massive redundancies and downsizing that occurred and it is the way in which these changes were made that has undermined the trust and legitimacy in Australian leaders [refer Chapter 7] (Ashmos and Duchon 2000).

The enormous downsizing in the rail industry meant the closure of traditional regional establishments and workplaces, as well as the closure of rural communities, such as those along the Nullarbor. Families were moved from rural communities into the cities and people’s lives were changed by the need to relocate. So the issue of redundancies and downsizing was not just a business issue, but also a community

and social one that left communities such as Port Augusta struggling to redefine its identity. Railway engineers are no longer a part of the regional communities. *“People were taken out of the regional areas, they’d know you’re a government servant, they might come to you to go on committees.”*

Some of the operational activities in most Australian railway systems have now been privatised [Queensland Railways are an exception]. The bottom line focus has undisputedly brought with it a new culture to this organisation and one that differs greatly from what the people in Railcorp had previously experienced. *“In government days we might have one or two bad years but the money would still be there. It wouldn’t fluctuate. In business now, if it looks like being a bad season the tap will get turned off because if you’re not making money, you can’t spend money.”* According to this participant the tap gets turned off to those communities experiencing a bad season because there is a need to demonstrate *“that we’re doing things as economically and as efficiently as we can, so our focus has gone away from individual people in towns”*. Therefore the focus has gone away from the individual people in the towns to big corporations and *“to demonstrate to interested people in those organisations that we’re doing the right thing”*.

And so development of the industry is now conditional upon returns from customers first providing good shareholder returns for corporate owners. The corporate owner’s annual reports clearly state that the company’s primary objective is to provide a satisfactory return to shareholders and the company measures its success in terms of shareholder returns.²⁹ Chapter 7 argues that this is a priority over developing the industry. This latest change represents a major cultural change because, *“In the government sometimes things were done because they were a good idea and mightn’t necessarily have had to be justified on a dollar return.”*

In government times this organisation would have been the typical bureaucracy characterised by empire building, defensive protectionist behaviour, agenda setting and padding of budgets (Morgan 1997). Nonetheless it was a developmental culture that nurtured communities and people albeit in a protective and alienating cocoon. The recent changes in this organisation have resulted in a cultural change and taken the organisation away from a community service focus to a

²⁹ Corporate documents are not referenced to protect the identity of the company, but are available from the researcher.

bottom line focus, but the same set of cultural problems still seem to exist [see Chapter 5].

Section 2: The Changing Role of Management

Management in this organisation has developed in a Tayloristic fashion. There was a high degree of job design and specialisation; management was top down, directional and authoritative. Further, it was the view of the participants that, over the last thirty years, one only got into a position of executive management if you had the right qualifications and went to the right school and “*belonged to the right regiment in the Army Reserve. It was traditional, it was parochial, it was based upon having the right contacts and coming from the right school.*” The organisation had a very hierarchical structure headed by a Commissioner who handed down instructions and things were always done according to his will.

One particular recent Commissioner was very firm handed and people who didn't see eye to eye with him ended up leaving the organisation. He dealt harshly with some people. You got on alright with him if you saw it his way and did as you were asked. Some people's principles were too strong for that and they wouldn't bend [to his demands].

And so “white-collar” workers could apparently be alienated from management if they did not agree with the Commissioner.

Engineering and Management

If you look at the history of this organisation people in top management positions have traditionally been engineers. Giddens would say these are people who have traditionally put their trust in expert systems (Giddens 1991). Usually they came from a civil background because that was where the dollars were spent. Divisions occurred within the organisation between branches of engineering, civil, mechanical, etc. The culture encourages “*a perfectly engineered system*” providing a service to the community, rather than a business. Promotion resulted from seniority and technical ability.

It was my experience, certainly before we changed the company structure, that leadership training and the criteria required, were

really not given any true high rating. People floated into positions based on seniority, rank, technical ability, rather than on their ability to provide a leadership role.

Deregulation and the Changing Role of Management

This type of management continued through to the mid-1980s when, due to government policy, the organisation started to change because of deregulation and competition. This was the time that governments became serious about their entities being profitable. So there was a move away from the engineer in top management to people with a business background. While it was claimed there had been a shift from the autocratic management it “*wasn’t the full swing*”. At this time there was a change in management style to some extent, but it remained blended with the traditional. With these changes there was still no recognition of the need for leadership training and people management skills. “*We’ve had a history of change since the seventies. Every few years there’s been a major [structural] change and because of the changes, there wasn’t a lot of emphasis on training and certainly not on leadership and management.*”

This era was a move from scientific management to neo-classical management (Morgan 1997). New management policies were introduced, such as quality management, continuous improvement, participative and consultative management, structured efficiency processes, value added management, performance management and these all have their basis in classical management. These were management practices that relied on human motivation in order to maintain a balance between human and technical aspects [refer Chapter 1, p. 55]. In order to align and motivate employees towards goal achievement, selection and training fits humans into the requirements of the mechanical organisation (Morgan 1997; Fulop and Linstead 1999). Ironically, the “people centred” management policies were being introduced at the same time as redundancies and downsizing were being contemplated. So classical management formed the basis of the “new” management practices in this organisation with an emphasis on rational planning and control that still draw on principles of military and engineering for their ideals (Morgan 1997). Therefore there was still a lack of understanding about the role of leadership.

Strategic planning all flowed from the top down. There were attempts to try and reverse that, but it never really got off [the ground]. I don't think there was the commitment. There was always a lot of enthusiasm at the beginning, we want your ideas because we want to move forward. This applied to total quality management, but then after participating, we fell down in that we didn't really pursue it.

It was not until the mid-1990s that ideas about leadership emerged. Corporatisation was supported by executives of the time but still from the classical understanding, that these changes would bring about a better way by eliminating some of the workplace problems experienced in the past. Corporatisation now provided the organisation with the opportunity to have a comprehensive restructure, including the opportunity to change the management structure. At this time management attempted to move away from the mechanistic view that people must slot into structures:

And this particular CEO said I will build the structure around the person and this shocked people. He was saying this particular gentleman had certain qualities that I'm going to exploit for want of a better word, and if I have to I'll build a structure around that, because that's the role I want him to do. I'm not going to pigeon hole people into the structure if I've got somebody with the ability, then I'll modify the structure. It was a real change of thinking.

It was claimed that executives had a vision of the direction in which the organisation was to go, but the vision was not clear. They had a vision but they did not know how to get there but were able to identify the people who might be able to carry out this vision and take the organisation in a new direction.

But they were purposeful enough to say, we haven't got the answer but we can identify the people who can put it together and they gave those people the freedom to make decisions free of unnecessary interference and make it occur, and so they themselves were able to grow and have some influence on that part of the organisation that they were responsible for.

This was still classical management, a mechanistic system and an example of transformational leadership where goals and objectives are used to control the direction in which managers and employees can take the organisation. For example, through the development of performance targets consistent with these goals and

various budgetary systems, information systems allow performance to be subjected to almost complete surveillance and control (Morgan 1997, p. 21).

In terms of management style, the organisation moved from Taylorism to neo-classical management. Taylorism does not claim to value people, whereas the management practices emanating from classical management claim to value people in as much as people are motivated and aligned towards achieving organisational goals (McKenna 2001). Characteristic of classical management, this assumes that organisational and individual values align. Problems therefore arise when espoused organisational values such as “*employees are our most valued resource*” do not align with management behaviour that first seeks to defend the bottom line focus [see Chapter 5].

Section 3: Changes in the Workplace

Since the mid-1980s this workplace has been subject to extensive changes, restructuring and rationalisation. “*I suppose over 20-25 years I’ve been through a lot of rationalisation in the organisation. We had nearly 10,000 people when I joined it, we’ve got about 1,000 now.*” However, this was not unique to this workplace because the late 1980s and 1990s was a time of mass redundancies; it was the time that governments became serious about corporatisation and privatising government entities. So this massive downsizing also applied to many other government workplaces, such as the Australian Taxation Office (Morrigan 1997).³⁰

The way in which the redundancies were carried out was strongly criticised by the “Cosettes” in particular. And it appears that nothing has changed in the way in which they are still carried out and even the “Javerts” agree that “*Geez we do it badly. Perhaps procedures gone astray again.*” These redundancies were all financially driven and along with these policies came cut backs in spending that affected morale.

They closed the canteen down. They closed the bar area down because they were non-profitable and they weren’t seen as core tasks. Under government everybody had their own little jar of coffee

³⁰ Overseas studies indicate that of businesses using cost cutting strategies in the first half of the 1990s [a period that included a recession], seventy one percent failed to achieve growth in the strong second half of the decade. A 2001 survey by Mercer Management Consulting indicated that most redundancies in the last decade occurred in 1998, a period of strong economic growth (Seglin 2003).

and their own little bit of sugar and milk in the fridge with their name on it and just hoped when they got there to use it, it was still there. Our manager would sight every requisition – right down to toilet paper.

This has changed in recent years and authority has been given for people to buy minor items such as tea and coffee. Apparently this has gone a long way towards alleviating the mistrust in the organisation. However, it is still a problem [see Chapter 7].

Major changes occurred in the mid-1990s with the comprehensive restructure that involved redundancies, downsizing and outsourcing of work to private contractors. These operations were part of the same restructuring program, but occurred over a two-year period during 1995 and 1996. Redundancies started occurring in 1995 at the same time as the process commenced on selecting suitable contractors to do the maintenance work [see below]. The massive downsizing occurred with a restructure that meant dismantling the in-house labour workforce completely.

We basically dismantled our whole in-house labour. We're talking about the civil infrastructure of the organisation, which probably accounted for about forty percent of the total make-up in terms of people and the value to the organisation. Seventy five percent of those people were let out the door.

In 1996 private contractors undertook the maintenance work and this represented a major cultural shift for managers, as well as workers.

We would have had in the early nineties up to one hundred people so there's a big human element in your management. That dropped off when the contractor came in because the contractor was responsible for the labour. We were responsible for no more than ten people. So you're going from forty or fifty down to about ten and those ten people didn't come from a strong union background. They were more the "white-collar" worker. There was union involvement, but not as strong as with the "blue-collar" worker.

And so the task of manager was quite different, and changed from managing people, to managing contracts.

This exercise represented a major cultural shift from doing work in-house to outsourcing to private contractors, a move which caused much animosity, conflict and mistrust [see Chapter 7]. This is because the redundancies were carried out in what was described as a “*clandestine*” approach when people knew something was happening “*but had no idea until the day on which it was announced*”.

Contractual Partnerships

The issue of contractual relationships is discussed here because a significant amount of interview data [twenty percent] was initiated by participants and pertained to two contracts in particular, one of which was said to be an example of servant-leadership. Some managers believed that this outsourcing program would make Railcorp industry leaders in Australia and take it from a reactive organisation, reacting to problems, to a proactive one with a regular planned preventative maintenance program. And so, choosing suitable contractors was a lengthy process, taking some twelve to eighteen months and taking place concurrently with the redundancies.

The first stage was to invite interested parties to register an expression of interest in the work and how it might best be done. “*It was a fairly exhaustive process before we got down to those two, it just wasn’t a tender in the paper and these two were chosen. It went on for twelve or eighteen months.*” This avenue was chosen for selecting only those contractors who could work together with Railcorp [then still a government entity] to help it achieve its goals and form a relationship that would be for the mutual benefit of both organisations. This approach was based on overcoming the idea that the contractor was only there to “*rip you off for everything he can get and they employ people to do that*” [see Chapter 7]. The work of Anthony Giddens explains that the basis for relationships of the future will not be based on traditional values, such as those defined by religious and workplace institutions, but on mutual trust between parties and lasting only as long as mutual needs are met (Kaspersen 1995). However the tradition to break with here was a culture of mistrust.

From these expressions of interest seven contractors were then invited to tender for the work. From these seven two were awarded individual contracts to each

carry out the maintenance work. Within Railcorp these two contracts were managed and operated independently of one another and each having their own contract manager. *“It became pretty obvious right at the start whatever management or leadership style you had meant you had to become a contract manager.”* Outsourcing of work to contractors meant that leaders were now required to manage contracts, indicating that performance management is valued over good leadership. This was also because *“you didn’t want the litigation, you didn’t want to be the arguer because that was a path to nowhere.”* The organisation controlled the expenditure because they understood the business and therefore *“dictated”* to the contractor what resources they had. Railcorp therefore maintained the control.

It was claimed that although the two contracts were similar, ultimately they went down different paths and this was attributable to the people managing those contracts. *“They were the same contract, the same words and yet they went down two different paths entirely and I put it down to the people, not just on the contract side, internally as well.”*

All groups represented contract management. For the “Valjeans” and “Cosettes” managing a *“difficult”* contract meant there was less time to spend developing their own people. The “Javerts” believed *“it was up to us to make the contract work – our contract – and we’ve got to make it work.”* In this instance a successful working relationship developed between the contract manager within Railcorp and his counterpart in the contracting company by the two getting together to overcome the animosity and mistrust that existed towards contractors [see Chapter 7]. The purpose was to enable what the tendering process had set out to do, that is, establish a contractual relationship that would be of mutual benefit to both parties. Of the other contractual relationship it was claimed that the animosity was never resolved and it was said, *“We used to be at loggerheads constantly with our contractor.”* Despite this animosity, the people in Railcorp responsible for this contract *“probably thought the way we did it was OK and we would hear what was happening on the other side of the fence, and we might be critical of that. There was no one really from within our group who spent enough time on the other side of the fence to give a real perception of what was happening there.”*

Privatisation and the Contractual Relationship

The last major change for this organisation was its sale in December 2000 and a shift from government ownership to private ownership with overseas interests. Participants felt that the owners were only in the industry for financial returns [see Chapter 5]. It is interesting that Greenleaf was critical of American companies in this industry for concentrating on operational issues only and so lacking in conceptual vision (Greenleaf 1977).

A major decision arising from privatisation in 2001 was the decision to go from the two-contractor arrangement for track maintenance, to one sole contractor [apparently an economic decision]. It was claimed this decision “*was fairly brutal, but this is the business end coming out. The business can afford to do this and it can’t afford to do other things, so whereas government, it might make changes but they wouldn’t be quite as dramatic as what this one is.*” The tendering process that operated in government days no longer applied under private ownership. All of the maintenance work was awarded to the contractor with whom a successful relationship had been established. Track maintenance contracts in Railcorp were brought under one manager and the other contract manager was made redundant.

This new contractual relationship represents the new direction of the organisation and the “Javerts” believe this relationship to have its basis in servant-leadership. Evidence of this is said to exist both within this organisation and with the contractor. Motivating the internal workforce to support this new structure was believed to be an example of servant-leadership. However the data indicated that Railcorp still maintains the same controls as before.

The management role is still one of a coach, both to the contractor and a supporting role to the people within the organisation who have been empowered with making the contract work, many of whom did not have the benefit of education, especially tertiary education. It had been a huge jump for them to take on a safety management role in this structure, which gave responsibility to people who previously had a hands on role. The structure was set up so that senior engineers acted as a support for these people in their new role. This group worked together with the contractor in a very close relationship. It is said to be a relationship based on trust and is believed to represent servant-leadership.

Privatisation and Splitting Up

Since privatisation the organisation has now been split into two groups, which are essentially two separate companies, yet operate under the same umbrella of corporate ownership. The one Human Resources company, also operating under the same umbrella of ownership, services both companies. This appears to be causing confusion, particularly to the “Cosettes”. *“They operate with a different mindset and with a different approach, yet we are the same, we are the one organisation, so it’s difficult.”* It was claimed that this splitting of the organisation into two separate companies had created conflict and confusion because they were *“companies within companies”* and yet, at the same time, they had to operate separately from one another and not seen to be favouring companies under the same umbrella over more independent competition. *“We can’t be seen to favour one above the other. We talk to them, we try and get more cooperation because we’re all under the one umbrella. People don’t see that. We have people out there that don’t even know who they work for. People aren’t all that interested.”*

Handy calls this splitting up of entities as federalism, its purpose being to give corporations the opportunity to sell off those parts that are not profitable [refer Chapter 1]. But this splitting up of entities is creating an atmosphere of uncertainty and maintaining a culture of fear within this organisation [see Chapter 5], that if financial targets are not met, parts of the organisation will be sold, causing further upheaval. Handy’s idea of federalism is that power is shared amongst the entities [similar to Greenleaf’s idea of shared leadership]. However the data suggests that leadership is still confined to the top and not shared in the Greenleaf and Handy sense (Handy 1995; Handy 2001).

Workplace changes have resulted from a desire to find a better way and a belief that these changes would bring about improved productivity and performance. However the way in which these changes were implemented has caused a huge internal problem of mistrust [see Chapter 7]. Internal relationships have broken down because of a break in the psychological contract that has implications for self-worth and self-identity [refer Chapter 1, pp. 59-60]. As this organisation now looks to building successful external relationships, the success of these is dependent upon the ability to overcome the mistrust that has been tradition between Railcorp and external contractors [see Chapter 7].

Section 4: Leadership or Strategic Management?

“There are some people with some visions, but the parameters or the controls of the government organisation are still very much there.” [“Javert”].

The kind of “leadership” now valued in this organisation is more like that of strategic management to meet financial outcomes. There still appears to be a lack of understanding for the value and role of leadership because *“people just get plonked into those roles. The very best they’ll get is an eight hour training session on performance management.”* However at the time of doing the interviews one of the senior managers had been included in an address from a visiting group from Harvard University about the value of leadership. [This was now two years ago, so this approach to leadership may have changed.]

All participants in this study showed a keen interest in the concept of servant-leadership, many indicating this was something they would really like to do. Behaviour aligned to Greenleaf’s servant-leadership was identified in twenty percent of the research population [3 of 15]. [This is interesting because researchers claim that only as little as one percent of the population ever reach servant-leadership status (Anderson et al. 2000, p. 35).] This is perhaps because *“in the government service the idea of servant-hood is quite strong through the organisation but the ability to carry it out is not there because of the red tape and that sort of thing”*. (See also Bryant 2003; White 2003). So while the potential for leadership is there, the data indicates it is not being explored or developed [see Chapter 6].

There is some understanding of leadership and there is a genuine interest in finding a better way, but the opportunities are not being presented. Mostly leadership is understood as transformational leadership [as discussed in the previous section, see also Chapter 6] that motivates employees to perform beyond expectation, to go beyond self-interested needs and to achieve the extraordinary missions articulated by the leader (Bartol et al. 1995, p. 473). It is this transformational leadership that is taking the organisation in a new direction.

There did not appear to be any recognition for the value of leadership qualities, the strong bottom line focus revealing that only performance management

is most valued [see Chapter 5]. Participants from each of the created groups claimed that leadership in this organisation had never been given any priority and with the recent change in ownership nothing has changed. There is little recognition for either a leadership training program or succession planning [see Chapters 5 and 6].

The other issue is whether or not we do any leadership training and the answer is probably no and that's an issue we could seriously spend some time with. A lot of these people have been to the [name university] and so they say they're trained as managers, but unless it's changed in the last year or two, that's always been pretty basic financial and accountability training. It hasn't been leadership training.

While it was believed that in government days there had been a move away from the traditional dictatorial management, participants felt the recent change to private ownership indicated that new management was moving back into a more authoritative and dictatorial style. So management is still very much in the traditional approach that is directed and is top down. “*Brutal*” was a word used to describe corporate actions pertaining to recent economic rationalisation and restructuring. “*Recently in the organisation there was more rationalisation which was done from the top down and it was done fairly quickly without any consultation, so I guess the top down approach hasn't really changed.*” Therefore at times the organisation expects leaders to be autocratic and there is little time for people issues. That is when the decision has been made and there is no recourse. “*The organisation says we're going to do this and we're going to do it quickly and no questions asked. You haven't got time to discuss it with your own people.*”

The change in ownership indicates a move back to more authoritative management and perhaps a disempowerment for those senior managers who had been empowered in government days to take the organisation in a new direction. For these managers, their decision-making priorities have moved from an engineering one and solving of technical problems, to one in which decisions must be financially viable [see Chapter 5].

It's been a bit of a culture shock for some of our senior managers, the so-called breaking away of all the shackles and encumbrances of the government bureaucracy, only to be replaced by corporate governance and bottom line driven. There have been some greater shackles put on certain managers because of the very strong need to justify every dollar.

Summary

This chapter has presented an understanding of the organisational context, which frames the understanding of leadership in Railcorp. It has identified leadership as going the full circle from a patriarchal system of scientific management, through neo-classical motivational management to autocratic strategic management. This chapter has revealed the significant changes to impact on leadership and workplace relationships, with no apparent change in leadership style.

The following points are noted in understanding the consequences for developing leadership in Railcorp.

1. Railcorp has experienced a major cultural shift from government ownership that engendered community service and people development to privatisation where community and people development is determined by a bottom line focus and is conditional upon those targets being met [see Chapters 5 and 7].
2. Despite the changing role of management that has resulted from the significant changes in restructuring and downsizing, along with the introduction of motivational management practices, there is little recognition of the need for leadership training and people management skills [see Chapter 6].
3. A culture of mistrust has resulted in Railcorp as a result of the way in which recent downsizing exercises have been carried out and this has negative implications for self-identity. While internal relationships have broken down, managers now look to outsource work and establish external relationships. These are based on the need to overcome relationships with external sources that previously had their basis in mistrust [see Chapters 6 and 7].
4. There is little recognition for the value of leadership and leadership is seen more as strategic management that supports performance driven management. This bottom line focus is creating a number of issues that have implications for leadership legitimacy and so are taking Railcorp further away from the development of servant-leadership [see Chapter 5].

Conclusion

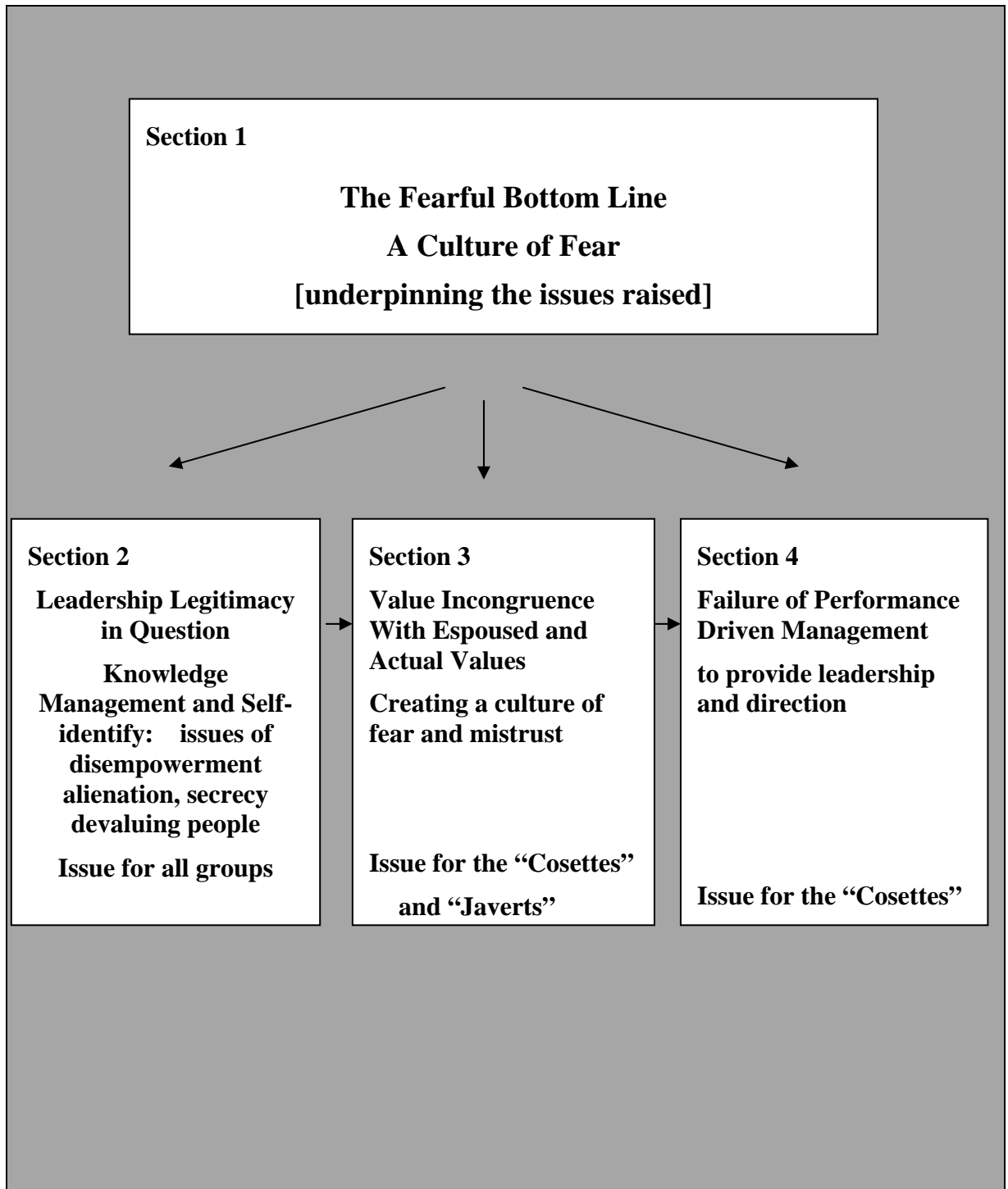
Drawing on the work of Anthony Giddens, this chapter has contributed to research in Railcorp by giving an understanding of the social, structural and historical framework in which the participants are explaining themselves.

Railcorp's historical circumstances present a unique challenge for corporate owners; it now moves away from its traditional community service orientation into the world of privatisation, with a new set of performance targets to be met and a stronger need to justify expenditure. This work therefore makes a new contribution to research at Railcorp by investigating leadership character and how the servant-leader has the potential to influence performance results through serving and valuing people. For those focused on measuring performance, this offers a different understanding of leadership. It could be described as performance management driven by service as a priority over profit. However the performance management noticed in Railcorp has a strong bottom line focus and this raises several issues. The way in which these issues make it difficult for servant-leaders to enact their behaviour is discussed in the next chapter.

CHAPTER 5

**RAILCORP'S CORPORATE CLOUDS:
A CULTURE OF FEAR AND MISTRUST**

Diagram 5.1: Summary of Data Issues



CHAPTER 5: RAILCORP'S CORPORATE CLOUDS: A CULTURE OF FEAR AND MISTRUST

The usual assumption about the firm is that it is in business to make a profit and serve its customers and that it does things for and to employees to get them to be productive, the new ethic requires that growth of those who do the work is the primary aim, and the workers then see to it that the customer is served and that the ink on the bottom line is black. It is their game. It won't be easy. But neither will it be any harder than other difficult things that large businesses have to do (Greenleaf 1977, p. 145).

Introduction

Chapter 3 introduced the three created groups that emerged from the natural group in the data analysis. These groups were created from their discussion on the organisation, how organisational practices affected their own leadership style and how this aligned with their understanding of servant-leadership. These groups were named as the “Valjeans”, the “Cosettes” [sub-group “alienated”] and the “Javerts”. Chapter 4 discussed the organisational context and changes in which these groups have been shaped. This chapter argues how these changes have had different outcomes for the groups, where the “Valjeans” and “Cosettes” are concerned with serving and developing people and the “Javerts” are concerned with people development to serve the organisation. This chapter is not intended to be a criticism of leadership but an explanation of how the issues raised here are moving the organisation further away from the development of servant-leadership.

The major issue raised was the undisputed bottom line focus but the other issues were intimately linked or arose from this focus. These issues are summarised in Table 5.1 below and were raised primarily by the “Cosettes”. They represented a significant number of the natural group [6 of 15] and felt that major issues hung like a corporate cloud over them. The issue common to all groups however was the loss of technical [engineering] knowledge that has brought the organisation to a crisis point.

The issues discussed here are an interpretation of the data and are presented in the following sections:

1. Focus solely on the bottom line that is creating a culture of fear through the use of control measures and the ever-present fear of further redundancies if performance targets are not met.
2. Knowledge management in terms of self-identity and raising issues of disempowerment, performance management, secrecy, alienation and power. Greenleaf would have viewed this as devaluing people and incongruent behaviour that would be an issue of leadership legitimacy.
3. Values incongruence between espoused and actual behaviours that is contributing to a culture of fear and mistrust.
4. Failure of performance driven management to provide direction or purpose other than good performance being measured in terms of profit outcomes.

Table 5.1: Summary of Issues

Issues:	Bottom Line Focus	Leadership Legitimacy	Value Incongruence	Performance Management
“Cosettes” and “alienated”	Do not accept Culture of fear No power to challenge	Culture of mistrust Shroud of secrecy Disempowered Loss of knowledge Less time to spend with their people Less time for doing the job they like and were trained for	Overt examples of incongruence between espoused values and actual behaviour	Management authoritative No vision No requirement for leadership Performance management disempowering
“Valjeans”	Accept as business element Power within the self to challenge what you do not like	Loss of knowledge No succession planning Less time to spend with their people No one to train and share knowledge		Vision blurred
“Javerts”	Accept as business and all that goes with it because that is the path you chose	Loss of knowledge No succession planning No one to carry on the systems put in place	Critical of corporate leadership They are part of the process for setting values	Current leadership directional and so an improvement on the past

Section 1: The Fearful Bottom Line

A significant amount of data collected indicated that most participants [14 of 15] perceived that the new ownership maintains a strong bottom line focus, perhaps even more so than previously when governments embraced corporatisation. This focus on shareholder returns was paramount to everyone and most participants now understood this to be their reason for being in business. *“Their prime responsibility is to the shareholders, so it’s our business to make money for the shareholders.”*

Acceptance of the bottom line focus differed amongst the groups. For the “Cosettes” it created huge problems of fear and mistrust so they rejected this focus. The “Valjeans” and “Javerts” accepted it as the commercial element of being privatised, but the issues created by the bottom line focus affected them differently [see below].

Those who expressed views of the “Cosettes” felt the extreme pursuit of profits represented excessive control measures in terms of financial reporting and job expectations. The need to conform to financial management was a major frustration in terms of control measures, budgets, and redoing budgets, and being accountable for minor budget variances. *“I’ve now got to report on the budget on a monthly basis, on variations of less than five percent or more than five percent, and it takes a lot of research to find out where that money was spent”.* This created anxiety and a culture of fear for their continued employment by Railcorp if they did not meet these requirements. This fear hung over them like a “corporate cloud” and they believed it constrained their own development and their ability to develop others.

This was because the bottom line focus was accompanied by a loss of technical knowledge in preference for financial knowledge [see also next Section]. *“We’re being run by accountants, we’re not being run by engineers and people who know how to run [the business]. We’re run by people who know how to make profits – or show profits.”* Participants complained that the redundancies had gone too far in reducing technical knowledge and that this financial management had been thrust on them. It was not an area of management with which they had previously been familiar or for which they had been formally trained. *“They’ve downsized and now*

put the burden on a fewer number of people to produce the same information and they just don't have the resources to do it effectively."

Along with these financial reporting requirements, there were also a lot of timetable driven events and deadlines to be met. *"There are a lot of timeframes set and it's so results driven you can't say, 'we couldn't get it out for the Board meeting today, it'll be tomorrow'. It's not good enough."* These time constraints and deadlines meant more control measures. *"The Board says at the close of business today you have to deliver and that forces [managers] to put in more control measures."* These time driven events also meant that people development suffered. *"Sometimes those targets are so harshly driven that you lose sight of the people side of things, you lose that ability to put yourself in their position."*

Criticism of the bottom line focus was defended by those representative of the "Valjeans", who claimed that because most leaders in this organisation had come from a government background, they had no other model of organising to compare it with. Therefore the organisation's current circumstances were probably no different to the rest of the private sector. It was believed this was something they had to work with, now that they were part of the private business sector.

The "Javerts" had accepted the bottom line focus as a necessity of being privatised and an extension of the financial focus that had developed under government ownership. This was because having made the decision to stay with the privatised organisation, [rather than take a redundancy package], you accepted all that went with that decision because *"that's the path you chose"*. So this group chose to follow corporate direction and all that went with it. For some this represented a better leadership than in government days. *"We are now working for an organisation that will make decisions, that will set directions and will provide goals and directions. We mightn't like them, but you know it's bottom line driven, but the upside of it is that it's directional leadership."*

Coming from the government sector, participants believed that the organisation had experienced expenditure that was at times whimsical and without justification or accountability. It was acceptable to the "Javerts" that leaders are now being driven by economics to be better managers and to find economic justification for their behaviour. This was seen as a positive action and a discipline that forced people to strengthen their perceptions and beliefs. Therefore it was felt that servant-

leadership could be practiced in this economically driven environment. *“They have to achieve a certain return on capital. But we’re in business, we can be servant-leaders, but if we haven’t got a job...?”*

A Culture of Fear

The pressure to perform appears to have produced a stressful work environment for many. Firstly there was the issue of further redundancies. Participants in all groups understood that there would be *“an almighty shake-up”* if profits were not met. *“They [corporate owners] want 18% return on capital. If you don’t get it they don’t want you.”* The second fear [refer Chapter 4], is that if corporate financial targets are not met, the threat exists for further upheaval in the organisation, by selling off of the unprofitable parts. *“It’s pretty hard nosed, if you’re not making money you’re not going to be there. If the business doesn’t meet that standard, they’re quite happy to let someone else take that, they don’t want to be in it.”*

Overall then the drive for the bottom line was seen to be inevitable, albeit stressful and fear producing. This data indicates a fundamental tension between leading people and leading for a good bottom line. This emerged as a perceived clash between the well being of individuals and the good performance of the organisation.

Section 2: Legitimacy of Leadership in Question

Trust is fundamental to legitimate leadership in any form and this is not only recognised in Greenleaf’s work, but in some of the modern literature (Greenleaf 1977; Covey 1992; Kouzes and Pozner 1993; Lowe 1998). However, it is the way in which leaders understand trust [refer Chapters 1 and 7] that sets servant-leadership apart from other leadership models. Revisiting Greenleaf, *“Legitimacy begins with trust. The only sound basis for trust is for people to have the solid experience of being served by their institutions in a way that builds a society that is more just and more loving, and with greater creative opportunities for all of its people”* (Greenleaf 1977, p. 70).

The understanding of leadership is discussed more fully in Chapter 6. However the questioning of leadership legitimacy is discussed here because it is

linked to the organisation's bottom line focus and the top down performance driven leadership model. Underlying the issues discussed in this chapter is a culture of mistrust [see Chapter 7] and this would present as an issue of leadership legitimacy for Greenleaf. Revisiting Greenleaf, he believed that leadership legitimacy was determined by the way in which leaders use their power to be a positive influence in the lives of others. Therefore the only legitimate leaders were those elevated to leadership status by their colleagues because of their record as proven and trusted servants. The leader [as servant] who is empowered to lead by colleagues is vastly different to a leader who seeks to wield supremacy over others. These leaders are vulnerable because they never know whether elevation to leadership is voluntary and whether they have the support of their people (Greenleaf 1977; Greenleaf 1982).

One of the "Valjeans" reflected Greenleaf's understanding of the difference between leadership legitimacy and followership based on personality traits:

You'll find pockets of loyalty to leaders that have more to do with the individual than with the company's goals....loyalty doesn't mean good leadership. The loyalty can be for a variety of reasons, not least of which is personality. So measuring leadership is very difficult, other than by measuring performance.

While measuring performance indicates effective leadership it does not give an understanding of why that leadership is effective.

The issue of leadership legitimacy arises from data collected from all groups indicating that the cost cutting exercises have had a detrimental effect on knowledge management and have resulted in a massive loss of technical knowledge from this industry. This was a serious problem, not only for the rail industry, but it was also seen to be a worldwide problem. Corporately, however, there was a lack of support for sharing of specific expertise and technical knowledge. *"Worldwide now there's a shortage of experienced people, people are retiring, there's no young graduates being taken on and groomed to fill the holes and that's a problem. There is a loss of corporate knowledge."* While all groups shared this criticism of knowledge management, the way in which it affected them had different outcomes and they are discussed below.

Knowledge Management and Self-Identity

Loss of knowledge actually had a disempowering effect on those represented by the “Valjeans” because the time constraints meant there was less time available to serve and develop their people. Senior managers felt that the change in ownership had created a mandatory focus on maintaining the organisation.³¹ *“It’s been very difficult to develop relationships and start building on people because we’ve been preoccupied with the change and putting out fires.”* This made empowering people difficult, not only because valuable knowledge had been lost during the restructuring, but also there had been little recognition for succession planning to replace that knowledge. This meant there was no one to train and develop, and with whom to share their knowledge. *“We need to develop a greater skill and knowledge of people to allow them to be empowered. However, there’s nobody to train, to impart the knowledge that I have.”* This situation would perhaps be foreign to these participants who have come through a training culture where graduate engineering cadets were trained into the system. *“I’ve worked under some excellent people who allowed me to develop.”*

With the outsourcing of work to contractors [refer Chapter 4] it would appear that training and development suffered because *“one [contract] in particular has caused a lot of grief to us, so that made it difficult for us to spend time with our people in the development area.”* So for the “Valjeans” outsourcing of work had the potential to have a disempowering effect on people because all the previous training and development would be applied in a new circumstance and not necessarily valued.

You’ve exposed them to a lot of new techniques, and you really build up their knowledge and capabilities and they might start working for somebody who doesn’t want that, or the job may go to outsourcing and they may end up with a lesser role than they’ve currently got. You’ve got people up to a certain level and all of a sudden they do stuff they did twenty years ago, so I worry a little bit about that...

The “Valjeans” indicated that they valued their own knowledge and wanted to share it with others. They expressed their frustration that time constraints made

³¹ Participants used the word ‘structures’ in talking about organisational systems. However Giddens distinguishes between *systems* and *structures*: systems are relationships between actors that produce social practice and this is reproduced to create a set of social relations; structures are characterised by

this more difficult, but nonetheless they endeavoured to pursue their purpose. They were trying to enact servant-leadership principles but the self-identity that trusts in people to share knowledge, risk and responsibility is being undermined [refer Chapter 2 (Giddens 1991; Giddens 1996)].

Performance Management and Disempowerment

Those expressing the point of view of the “Cosettes” aligned with the “Valjeans” in that they had less time available to spend with their people. Their criticism however was much more vocal because they felt the disempowerment of not being valued for the contribution they would like to make to the organisation. Instead they were constrained by the requirements of performance management [see also Section 4]. This meant that technical people were bound by paperwork, and were now required to do budgets and report to financial managers [engineers and tradespeople are required to be accountants]. *“Those sorts of things take a lot of research to find out where the money was spent, why it was spent.”* Therefore time was not available to do the things they liked to do and were trained to do. Communal time was not available to just sit with people and discuss issues like envisioning for the future and how systems might be improved. *“You just don’t get the time to do it. There are just too many things going on, you just can’t do it.”*

The “Cosettes” complained that they would be lucky to get out of the office for two hours a day and spend that time with their people. *“It’s sort of like being stuck in a glass tank, where you can see everything outside, but you can’t get passed the walls.”* This was disempowering because they felt they were unable to do the job they were trained to do, the job they would still like to be doing because this is where they feel productive, innovative and where they believe they contribute and add value to the organisation. *“So you don’t get the time that you used to, the things you like doing. I’d much rather be out in the field checking on standards and things and reporting on work that needs to be done, rather than just reporting on what seems to be necessary information in the office.”*

The “Cosettes” were critical of the latest round of restructuring, downsizing and remodelling that had gone too far in valuing financial returns while sacrificing

the absence of acting agents and exist only as a possibility. Therefore systems do not have structures

people development. They believed that financial knowledge was now valued to the exclusion of technical knowledge and this had occurred because of the commercial focus on government entities becoming profitable. However, the original workforce had been downsized to the point where it was no longer being trained and this indicated a lack of value for their knowledge and had a disempowering effect on them. However, *“it’s been interesting to see the people who were sitting around the executive table just prior to the sale [of the organisation], three quarters of them were engineers because that’s where the intellect was.”*

One senior manager believed that staff cutbacks had occurred to the extent where the organisation now lacked the capacity even to manage the contractors. This is an interesting comment in relation to the lack of leadership skills existing in this organisation.

I think you need a certain amount of capability to be an intelligent buyer of the services you purchase from the external service providers. I think we’ve probably gone too far in reducing engineering capability. We had outsourced a lot of our management functions of our project work and we’re still having to do that because we don’t have the internal people to manage the project work.

Alienation and the shroud of secrecy

The “Cosettes” felt both disempowered and alienated by a “shroud of secrecy” they perceived to operate in the organisation. They expressed the concern that management liked to make all the decisions and *“keep everyone in the dark”* until the final decisions were made. *“Suddenly you spring upon them, ‘well, now we don’t need 25 of you anymore and we didn’t tell you last week because we were doing it behind closed doors’.”* Some felt they were not trusted with strategic information about organisational change. *“When you don’t know what the bigger picture is people feel they are not being given a level of trustworthiness which keeps people locked in a ‘them and us syndrome’.”* The effect of this was that people felt they were being held back;

.....which is a constraining factor when management go off to their meetings and strategic planning, and sometimes you don’t feel like

but exhibit structural properties (Giddens 1993, p. 17).

you're part of it. There never seems to be a great deal of backward communication back down to the levels where you say, that's what we're working towards and you get some level of understanding. It's like here's your goal, lets perform.

The “Cosettes” felt that management decisions came down as dictates and they had no input into the decision-making and were powerless to effect any changes. *“It's a corporate issue and I'm not in a position of power to change the corporate mindset. I wouldn't be listened to.”* This group believed that good knowledge management in terms of sharing information was seen as weak leadership, particularly if the immediate manager did not support that thinking. *“The more minds working on it the faster you'll get to the solution because not one person has all the answers.”* However in applying this in practice one participant said *“certain managers have taken the view that I couldn't work it out, I didn't know how to work it out, therefore I was telling too many people about the problem.”* So in Railcorp creating a shroud of secrecy, it would appear, is an indication of strength.

This shroud of secrecy had a particularly disempowering effect on the “alienated”. One senior manager said they were *“sworn to secrecy”* not to divulge information. This referred in particular to issues affecting the future of people's employment. These were the leaders at the coalface, who saw themselves as being in a support role to their people and this was distressing for one in particular, because he felt forced to withhold information and even lie to staff until the timing was right. *“And I don't know what's happening to me, but I know what's happening to them and I can't tell them. I don't like it. When you have got to go out and work with a man everyday, and I lied.”* This manager had to deal with the rumouring but felt he was not able to be honest with his people. *“There's been so much dishonest information come out and people say we don't believe this and they've been proved right and that's the worst part.”* He did not understand it any other way and felt that he was compromising his personal values. *“If you want support of the people they've got to know that what you say is what you mean. We have not been honest and are still not honest, we don't practice what we preach. When you're telling porkies you can't.”*

The “Cosettes” valued their knowledge and felt they had a contribution to make to the organisation, but felt powerless in challenging those circumstances that were constraining their abilities. As discussed in Chapter 3, they had identified with servant-leadership principles as something they would like to develop and had identified with servant-leaders as people in whom to trust. However, corporate policies were having a constraining effect on the development of the self-identity that trusts people (Giddens 1991; Giddens 1996).

Knowledge Management and Functionalism

The “Javerts” group typified neo-classical management [refer Chapter 1] and their language was significantly different from the other two groups in that they spoke of their concerns for maintaining the new systems that were being created. Therefore loss of knowledge and lack of succession planning was a threat to the systems and ultimately preserving the new organisational direction. *“I am concerned if I departed tomorrow there is not one person I can say can step into my shoes and have a similar direction, a similar thought process, a similar style that I’ve put in place and would be of benefit to the organisation.”* So knowledge management for this group was understood as being necessary to maintain organisational survival. *“Because everybody now is a key person, if one or two or three key people leave, it’ll crumble. One person walked away recently and that weakens the whole organisation.”*

While succession planning was recognised as a serious problem, structural issues still took preference over people management; the example was given of a recent experience in strategic planning wherein a significant man management problem caused grief because people issues had not been taken into the calculation. Despite this, the data still made reference to getting the systems in place first. *“There’s always an excuse, but the reality is, once the contract is bedded in we have to go away for a few days and put some thought into how do we do this”* [succession planning].

To summarise the different effects of knowledge management on the three groups; the “Valjeans” and “Cosettes” are both logically disempowered in this organisation because of the lack of time now available to share their knowledge with, and develop their people. The “Cosettes” however feel further devalued, alienated,

not trusted and powerless in challenging their constraining circumstances. This environment works against the development of strong self-identity. The “Javerts” view succession planning and knowledge management as necessary to maintain organisational survival and so the need for succession planning is in reaction to the fear that organisational performance will suffer if the systems are not maintained. The “Javerts” trust in the system, rather than people, and Giddens would connect preservation of the system with preservation of self-identity.

Devaluing People

One common criticism shared by all three groups was the “*burden on a fewer number of people to produce the same information*”. They referred to “*costs and budgets, redoing budgets, budget variances, explanations and forecasts*”. Interestingly it was the “Javerts” who contributed mostly to this discussion. “*I see that I’m a slave*” and so very experienced team members were choosing to walk away because “*it’s tiring and it’s frustrating*”. People were not comfortable spending more and more time at work, and less time at home with the family. People felt disempowered because they were spending more time reporting to financial managers instead of putting their energies into what they had been trained for and believed was a positive contribution to the organisation. This pressure to perform was not only a cost to the organisation in terms of devaluing people [refer Chapter 1], but it also put a lot of strain on personal relationships as well. “*...it makes you work hard, puts a lot of strain on relationships, families, there’s no question about that, it comes at an expense. There is an expense.*” However, according to the “Javerts”, this expense was also seen as a direct cost to the organisation. “*People are exhausted and they are saying we’re not important and the direct cost to the organisation is now being felt.*”

It appears, however, that recognition of the need for succession planning is not in response to this devaluing of people, but is a reactionary decision forced on management, coming from the realisation that experienced people are in short demand and difficult to recruit, and so further losses will affect bottom line performance. It was said that succession planning was not a long-term strategy because of the rate of change in the industry. So while people talked about the

problem and it was broadly recognised in industry training schemes, nothing actually happened until there was evidence of financial performance being affected.

Its only now starting to happen because the prediction that we won't be able to recruit people, or won't have the appropriate skills, is emerging and hurting us on the performance side, so it's where does the investment sit in people and basically we've let it run to the point where you can actually see collateral damage if you don't do something about it. So it's now valid to do something.

This lack of succession planning supports the interview data that leadership in the Greenleaf sense does not have priority in Railcorp, but suggests short-term strategic management is valued. The issues discussed in this section are taking Railcorp further away from training and development programs for people and so further away from the concept of servant-leadership.³²

It is interesting that the “Javerts” support systems to maintain organisational survival, but recognise people are suffering.

Section 3: Incongruence with Espoused and Actual Values

Referring back to Chapter 1, Greenleaf's understanding of ethical behaviour occurred when people set their own values; decisions were made while they had the freedom of choice to act in accordance with those values. Serious ethical compromise was the failure to make the right decision when one had freedom of choice to act. Strength was not acquired through traditional corporate ladder climbing but came from openness to knowledge and finding the wisdom appropriate for our times (Greenleaf 1977; Fraker 1995. See also Giddens in Kaspersen 1995).

This section on values incongruence pertains to how espoused corporate values align with organisational practices. In a Greenleaf sense, it discusses whether freedom is given to individuals to make decisions in accordance with their own personal values.

³² It is interesting that corporate owner's web page makes the statement that “our focus on training and development ensures that we are able to continually enhance the skills and knowledge within the organisation” and “our business success is directly related to the people we employ”.

The Value on Leadership

All groups referred to the value placed on leadership at a corporate level.

One of our parent companies invests a lot of money in people management. They get a very loyal, highly adaptive workforce that they can switch around as the company changes. When they took us over, they've been able to put some people in here who understand how the whole thing goes together from their perspective.

It was only the “Cosettes” and “Javerts” however who expressed strong criticism of the value placed on leadership at a corporate level while people within the organisation “*rated a very low second or third, if at all*”. According to the “Javerts”:

It's all about making a quick dollar, parachuting in high-powered executives, ensuring that you reward them handsomely but to the detriment of the people working in that organisation. They come along as knights in new armour thinking that they have got all the answers and that they alone are going to make the organisation successful.

The “Javerts” perceived that corporate leaders were paid “*astronomical*” salaries, they were in this industry only to make a quick dollar, to get a good return for shareholders, then “*walk away from any responsibility.*”

The “Cosettes” criticism of corporate leadership was that it was image driven, as well as performance driven. “*The top managers tend to groom people in the same likeness as they want people up the ranks.*” Therefore a more self-promotional, aggressive and threatening leadership style was valued, “*where the people beneath you are considered as your – your - servants. They are there to carry out functions which serve you and serve the profit driven motivation.*”

This is the classical view that people are developed to serve the organisation and so it appears that leadership development pertains only to management at a corporate level as it applies to serving the parent company’s strategic financial plans.

A Culture of Cynicism and Mistrust

Despite the criticisms of corporate leadership, the “Javerts” felt that they were now closer to the decision making and so part of the process that set organisational values.

When we do our strategic planning we say we value the usual things, we value our people, and therefore I support that because I'm part of the process of coming up with them so, the values that the corporation sets and my values are similar. Organisational values are really just the people around you and it's their values we're reflecting.

And so the “Javerts” believed that there was alignment between individual and organisational values. However, all groups displayed an element of cynicism towards espoused organisational values and actual behaviours.

Organisations' [in general] values tend to be the same. If you ran all the annual reports, they've got a mission, vision, values. They'd all be the same. Integrity in all we do, customer focus, safety is our first priority. I don't think there is ever a constraint from an organisational value, but occasionally there is from application of those.

In Railcorp it is apparently espoused that: *“a company's only as good as its people and the most valuable asset is the people. I'm amazed how often it's said then they sack half the workforce. So you've got to work out what are hollow words and what really you know.”* The Annual Report of the parent company confirmed that they followed the popular trend of espousing good human relations policies. Reference was made to the commitment and efforts of employees to contributing to organisational performance and how they are appreciated for their loyalty and dedication. Further that employees are required to act with honesty, decency and integrity at all times. However, the assumption that people are valued does not appear to be getting through. *“We have these gee up sessions where we say the bottom line is this, we have got to generate a rate of return, who cares? Have I done a good job?...Have I done a good job?”*

The most vocal challenge to values incongruence came from the “Cosettes”. *“There's a very large emphasis on profitability and return on capital without a lot of emphasis on the people side. They might say we want to look after everybody and do all the right things. Empathising with the workforce isn't there.”* They were critical of deliberate policies emanating from the human resource section aimed at instilling a caring for people atmosphere, while actual behaviours reflected corporate policies that were clearly focused on performance outcomes as a priority over people issues. A new HR department had recently been set up employing a specialist corporate communications expert to bolster up the communications side and, through

newsletters, endeavoured to involve employees in instilling a family atmosphere rather than a business environment.

Human Resources had missed an important opportunity to show people that they were valued “*as a special part of the organisation*” by rewarding people for skills and knowledge and effecting flexible remuneration systems that were not possible under the confines of the government system.

We've got a HR cell that spent five minutes with me, with what my staff and I do, and they rate all the salaries on that. Our HR people never come out to see what the people on the floor want. They don't even come out and say what's not in your workplace agreement that you'd like to see in there or how would you like to see it structured different so that it would work better for you. It doesn't happen.

However human resources was growing, while the workforce was expendable if performance targets were not met. “*Our HR department is bigger than it's ever been. We've got a big HR cell so we cut more staff. It doesn't sit well with people.*”

These initiatives were having a negative effect on breaking down the culture of fear and mistrust [see Chapter 7].

The “Cosettes” were cynical of management practices believing that if management was serious about people issues they would visit people at the coalface and see for themselves what improvements could be made. However, when corporate management did visit it was done in a perceived clandestine manner that only aggravated employees and created further distrust. “*Its almost as though he's gone around behind our back to do something which we are expected to do anyway and then saying to our boss, now tell your guys to go and do it....so you've got to say – does anybody trust anybody?*”

In this workplace safe working conditions are a big issue relevant to employee welfare, as well as the public, and so the way in which safety is approached is an example of value incongruence that has serious undertones. “*A person can stand up at a meeting and claim to be concerned about safety, not because he's genuinely concerned about safety, the person or the family but because he's concerned about the effect that accident's going to have on the bottom line.*” So this management behaviour was perceived to value the bottom line above people and was contributing to a culture of mistrust and cynicism that undermined leadership legitimacy. *You must work safety because we care about safety. What a*

load of rubbish. The real care about safety is not I care about you, it's about I care what's going to happen to our profits if we have accidents.” So management behaviour did not align with espoused values *“because if they were genuinely concerned about safety they'd get out there and look at some of the hazards themselves and show a real interest, not just talk about it.”*

Avoiding accidents revolves around a multitude of mandatory safety regulations and procedures. However typical of the “Cosettes” was the belief that the way in which these control measures were used was not to give direction and guidance, but for management to abdicate responsibility and *“cover themselves in case something goes wrong....so they can say, well this guy didn't follow the procedure, he's at fault.”* And so it was felt that the use of control measures such as compulsory procedures and regulations implied that people were not trusted. *“It would be good if we didn't have to have as many procedures because you could then show that you value people.”*

In the past people were disciplined by rules and procedures; there was no margin for error and mistakes were heavily penalised. Some still felt constrained by this system and expressed the concern that they were not comfortable with making mistakes. Consequently, *“we're getting to a stage now where we're not just saying explain yourself. We're saying, if you're not doing it [the job] properly, you run the risk of losing your job.”* So in this environment of cynicism, fear and mistrust *“you can have nil accidents, but it's only by good luck, not by good management.”* Therefore, *“you've got to get to the point where people are authentic in what they're talking about and they've got to be able to get out there and do it, not just talk about it.”*

And so to summarise the cynicism of the “Cosettes”, *“no one knows whether these blokes are fair dinkum, or whether they are going to rape and pillage us”*. According to Greenleaf *“Lip service has been given for a long time to the idea that people are the most important asset in some companies”* (Greenleaf 1995b, p. 29).

Greenleaf's work hinges on the consequence of leaders who believed they were more important than their people because this power corrupted the leader's mind, the imagination and the personality (Greenleaf 1995b). In as much as one holds power over another, Greenleaf believed this to be arrogant behaviour that

resulted in institutional power as arrogance and people development suffered for this (Greenleaf 1982) [refer Chapter 1]. For Greenleaf “*good human relations is treating a symptom. The problem is the hierarchy*” (Greenleaf 1995b, p. 27). Greenleaf believed that “*the typical worker is not mean by nature, but if the employer sets up conditions so that the worker has to be mean to exert his [or her] influence, he[or she] will be mean* (John L Lewis [president of miner’s union, late 1930s] in Greenleaf 1995b, p. 25). Greenleaf believed that only those leaders who first served their people could be regarded as legitimate leaders, and this is the basis for challenging policies in this organisation that undermine Greenleaf’s concept of leadership legitimacy.³³

Seglin writes that there is a link between how employees perceive value congruence and the organisation’s key performance measurements for profitability (Seglin 2003). Therefore the effectiveness of good performance management is questioned because of an apparent unawareness [at corporate level] of the hidden cost to the business in terms of low morale, mistrust and anxiety caused by performance driven management (Morgan 1997; Lad & Luechauer 1998). Referring back to Chapter one, to expect employee commitment in this environment is naïve because the 1990s have taught employees that “*no matter how much they give to these corporations, they will give them nothing back in return*” (Seglin 2003, p. 42).

Leadership integrity, according to the servant-leadership literature, is determined by how closely values and behaviour are aligned. Behaviour reflects values and people whose values are bottom line oriented will enact behaviour to support those values, regardless of what they espouse. On the other hand servant-centred values will always enact behaviour to support those principles.

Section 4: The Failure of Performance Driven Leadership

According to one senior manager there has been a view for the past six or seven years that engineers have too much management power without an appreciation of business aspects and an understanding of where the organisation should be going. This was given as one of the reasons for the exit of technical

³³ Web page documents indicate that eligible employees are offered the opportunity to participate in the Employee Share Plan, an incentive criticised by Seglin because when stocks are performing well,

expertise at the top in preference for people with managerial and financial skills [refer Chapter 4]. The data here indicates that the move to performance driven management has not produced the requirement for any type of leadership and this has also hung like a corporate cloud over those participants who did not know where the organisation was heading and what their leadership role was in achieving organisational goals, other than making money for shareholders.

Therefore for the “Cosettes” their work had no purpose. They perceived new management as authoritative and dictatorial [refer Chapter 4]. Despite this apparent indication of authority, leadership was lacking in direction because all they knew was that they were driven on a commercial basis and this gave little purpose to their work. *“The new management has not adequately explained their vision of where this organisation should be heading. All we know is that they are driven on a commercial basis and that’s about it. No direction as to where we’re going.”* Therefore leadership ability was constrained because often the bigger picture was not clear. People working on particular projects did not always know the expected outcome of that project and so they did not know if they were heading in the right direction. *“There doesn’t seem to be that marrying together of the organisation having that feeling of commonality and all working together towards the same goal to be achieved.”* According to one senior manager this was because of less interaction at the lower levels of management and less input into strategic planning, setting visions, missions and values, goal and direction setting. Because decision-making was carried out at the top with little input from people at lower levels, decisions came down as directives and dictates. *“All that comes down from up in the corporate level is dictates – this is how we do it – this is the policy.”* They were *“stuck with it”* and believed they had little power to challenge the decisions made by performance driven management.

As discussed in Chapter 3 the “Cosettes” identified with servant-leadership and they aspired themselves to be servant-leaders. Some believed this leadership was expected of them. However, they believed there was little freedom in this environment to do it. This was because of the reporting procedures and control measures that went with performance management [refer Section 2]. They echoed Greenleaf in complaining that; *“Too much performance monitoring, measuring*

there is potential for employees not to rock the boat and question company practices (Seglin 2003).

performance, regular reporting, regular meetings to discuss progress is not empowering, it is controlling, it stifles innovation.” Performance management not only stifled innovation and creativity but also implied that they were not trusted because *“you’re always trying to protect your backside”*. Their endeavours to enact servant-leadership were hampered by confusion as to how they should lead. Those who tried to practice servant-leadership believed that sharing information was seen as weak leadership [refer Section 2]. *“No one has disclosed to me what sort of leadership they expect out of me, other than all this report writing, keeping on top of the budget. These are the things they would like you to have to make you a so called perfect leader.”*

The “Javerts” on the other hand felt new leadership was providing clear vision and direction. They believed the new management was a vast improvement on the management experienced in government days, management that lacked in direction, commitment and sustainability [see Chapter 6]. They supported policies of strategic planning, risk management, troubleshooting to *“seek out and destroy”*, information gathering and performance measuring. And yet it was claimed that, *“we don’t have a clear criteria about what standard we should be setting. There are so many things for which clear criteria have never been developed. So much of what we do is dependent upon how much money is available, rather than the reverse.”*

The “Valjeans” accepted the strong emphasis on performance management as a consequence of the sale process [twelve months prior to the interviews being done] and attributed what appeared to be more authoritative leadership to a necessary settling in period. However it had nonetheless resulted in a temporary lack of vision. *“There has been a progressive change in management style. I’m not sure that it’s leading towards that [servant-leadership] direction. I think because it’s a new organisation, some of the vision has become a little blurred.”*

So a theme emerged from the data, and was shared by all groups, that no particular leadership style was required as long as results were there. *“There are a lot of time frames and it’s very much profit driven. It doesn’t matter how you get there, but you have to achieve things and they are the critical factors.”* Leaders are given certain performance indicators and as long as those are met, then they are left alone. *“The organisation leaves you alone as long as the outcomes are there. While you’re achieving those, whatever your style, nobody bothers you”*.

Participants who discussed leading in terms of people skills [and these were represented by both “Cosettes” and “Javerts”] did not believe this leadership was recognised in the organisation for bringing about any effective team management and good performance outcomes. *“They haven’t asked or indicated that it could have been my management style [that has improved outcomes], in giving them freedom it has created within them the ability to be innovative and creative.”* This was because, *“they look to provide the right figure on the balance sheet, that’s all they’re interested in.”*

Revisiting Greenleaf, he believed that, *“Business institutions must move from where they are with the heavy emphasis on production to where they should be, with the heavy emphasis on growing people. And they will do this while meeting all of the other performance criteria that society imposes for institutional survival* (Greenleaf 1977, p. 143).

For these groups there is a fundamental issue of acceptance or not of the economic imperative. The “Javerts” have aligned with organisational systems and unlike the “Cosettes” and “Valjeans”, they are not concerned with people issues, but recognise people are suffering. There is a fundamental issue of vision and purpose. The “Javerts” are blinded by the vision, whereas the “Valjeans” and “Javerts” are with purpose but in this organisation, their purpose is unclear.

Summary

The data indicates management in Railcorp is still following the trend set in the 1980s and 1990s [refer Chapter 4] that values policies of economic rationality and therefore managing financial knowledge takes priority over managing technical knowledge. The irony of performance driven management is that hard-nosed performance targets mean the loss of good people and that does affect the bottom line (Morgan 1997). This chapter has highlighted the following issues:

1. The bottom line focus brings with it increased workloads and responsibilities but there is little support for people. In particular the “Cosettes” felt disempowered and alienated; they had not accepted the bottom line and this was the key to their disempowerment.

2. Poor knowledge management wherein people and their knowledge are not valued, despite espoused human resource policies to the contrary undermines leadership legitimacy. This has implications for self-identity wherein the “Valjeans” and “Cosettes” find their self-identity is being undermined by time constraints that inhibit their interaction with people. The “Valjeans” align their self-identity with preserving the organisation and so people development is conditional upon preserving the system. Empowering people to fill their shoes is an exercise of passing on responsibility. Nonetheless they recognise people are exhausted
3. Leadership legitimacy is further undermined by incongruence in organisational practices and espoused behaviours. This highlighted an issue with the “Javerts” who believe organisational and individual values are aligned and yet they are critical of corporate leadership for its self-promotionalism and abdication of responsibilities to people. The “Cosettes” are also critical of leadership that seeks to point the finger of blame. This abdication of responsibility is an issue of ontological insecurity for Giddens.
4. Performance driven management indicates that management, rather than leadership is valued in Railcorp and takes away from individuals the ability to take responsibility for their own behaviour. It fails to recognise that people have their own values; it assumes that the organisation shapes individual values, that is, they are the same. If not, then the employee must change (Morrigan 1997, p. 119).

Successful management in Railcorp is measured in terms of economic performance outcomes only and in the apparent absence of good leadership, control measures are a means of ascertaining if goals are being met. These practices imply mistrust and this works against the development of servant-leadership. And yet in Railcorp increased control measures are causing a domino effect, the more uncertainty, the more control, more staff losses, more loss of knowledge, more pressure, the structure crumbles, therefore more control measures and so the cycle continues.

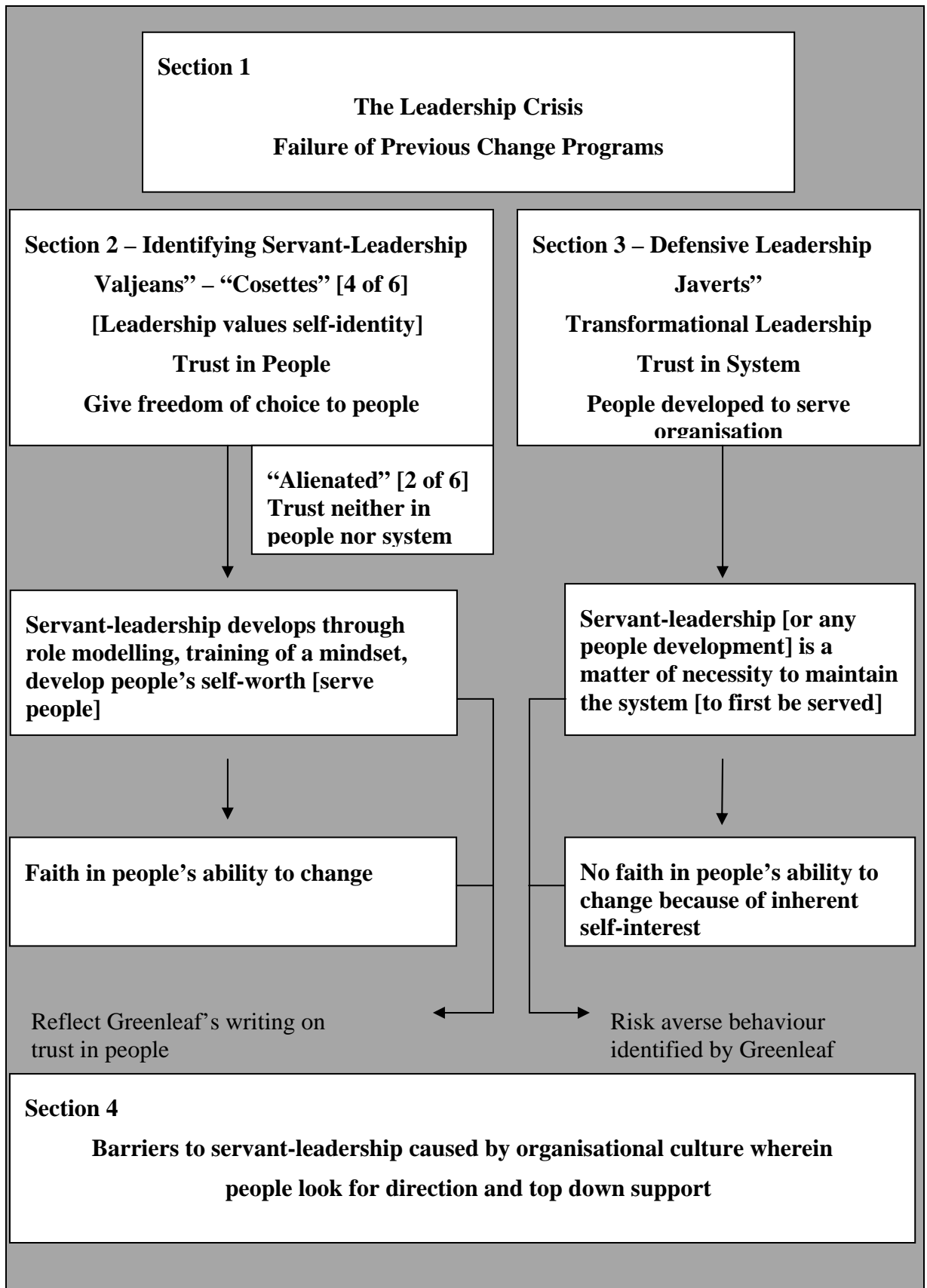
Conclusion

The negative consequences of downsizing have been discussed in previous studies. In Railcorp the bottom line focus has decimated both communities and people within the organisation and questions whether this is really what Railcorp wanted when they embarked on change programs. This chapter makes a contribution to understanding Railcorp's situation by the way in which the bottom line focus relates to how servant-leadership may develop. Downsizing and restructuring has brought this organisation to crisis point represented by a culture of fear and mistrust and this must be overcome before any leadership, let alone servant-leadership, can develop.

Chapter 6 looks at leadership in Railcorp and in particular the characteristics of leaders displaying servant-leadership behaviour and how they are able to influence others.

CHAPTER 6
LEADERSHIP IN CRISIS

Diagram 6.1: Leadership Direction



CHAPTER 6: LEADERSHIP IN CRISIS

“The leadership crisis of our times is without precedent” (Greenleaf 1998a, p. 80).

Introduction

As discussed in Chapters 4 and 5, the recent history of Railcorp shows that it has no specific approach to leadership, but relies on a strategic or executive management model. The participants however used the term “leadership” in the interviews. This chapter explains how leadership is understood in Railcorp and draws an alignment between two groups created from the data, the “Valjeans” and the “Cosettes”. Table 6.1 [see below] summaries the way groups were created through their understanding of servant-leadership.

The chapter is presented in the following sections:

1. A culture of cynicism has arisen because of an unacknowledged crisis in leadership.
2. Two groups, the “Valjeans” and the “Cosettes” align around the trust and self-identity concept. This section includes a discussion on the relative merits of training and role modelling as ways of bringing about servant-leadership.
3. Defensive leadership outlined by the “Javerts” that centres around their understanding of trust and self-identity. This is a transformational understanding of leadership where people development is understood as developing people to serve the leader or the organisation.
4. Barriers to servant-leadership development in terms of organisational culture.

Table 6.1: The Created Groups

	“Valjeans”	“Cosettes” and “alienated”	“Javerts”
Leadership and Trust	Spoke of trusting people	Spoke positively of being trusted and the negative effect of not being trusted	Little discussion on trusting people, Discussion on aligning people to support visions and goals
		Much discussion on mistrust in Railcorp	Lack of faith in the self and sustainability of leadership
Development of Servant-leadership	Faith in people’s ability to change by giving them opportunities to learn	Difficult in the current environment, needs support of a top down policy	Lack of faith in people’s ability to change because of inherent self-interest
	Develop through role modelling	Develop through role modelling and training mindset	Servant-leadership must develop in reaction to present circumstances
Leadership Status	Faith in the self and one’s capabilities, as well as in others	Powerless to effect change, fearful of recrimination Reflective	Need for certainty through control measures, defensive strategic management and risk management

Section 1: The Leadership Crisis

The understanding of leadership differed among the three groups, and this is discussed in Sections 2 and 3. However participants from all groups were critical of the lack of value placed on leadership.

Management is really about a herd mentality. It's about people being corralled or being pushed in a certain direction and then receiving instructions as to what they have to do and how they have to do it and then a good manager gets the blessing from his superiors because he's providing the outcomes that they see as necessary.

Strategic management, rather than good leadership is valued in Railcorp and opportunities are still not being created to change this. At a senior management level there was criticism of Railcorp's assumption that good performance results translate into good leadership and therefore good management is good leadership. So while it might be recognised in the strategic plan, for example, that the organisation needs to develop a succession management plan and it needs to develop people skills, the reality is technical issues are much easier to analyse and understand and so structural issues take priority. This was because effective leadership, and the improvements that might result as a consequence of better leadership, were very hard to measure and no one had done the exercise. *"We've got a lack of leadership skills. How do you measure what that is and how do you measure what the output's going to be - change as a consequence of better leadership skills. Much more difficult to do."* This is a purely subjective exercise and the data indicated that no one had any training in determining how to measure leadership skills.

Participants confirmed that under government ownership little recognition had been given to management or leadership training. In this engineering culture, training was of a technical nature only. Referring back to Chapter 4, people in leadership roles had got there through successful skills application and promotion through the ranks, rather than from direct recruitment to senior level to get the best person for the job. *"We're more likely to send someone to a course that says understanding a balance sheet, than we are to a course on leadership styles or people management."* So training has logically been confined to technical skills

because they can be measured by statistical or financial information. *“It’s only recently that they’ve sent you to management courses. Once you’ve been in the job five or six years they send you to courses and team building. It’s a bit hard, you’re not trained in how to manage people, you sort of walk into it. I’ve never been trained.”*

In the absence of a recruitment program for selecting good leadership, a process of elimination determines leadership positions.

Without some sort of recruiting you tend to live with who you have, therefore you’re putting people into leadership roles who wouldn’t get there if you were saying ‘who do I need here’. You’d probably end up with a completely different person in a lot of those roles than what you end up with by saying, what have we got left.

Not only is there little recognition for leadership training, but also referring back to Chapter 5, there is little emphasis now on technical training either. People management is understood as motivating people to serve the organisation.

Failure of Previous Leadership

Morgan’s argument rings true at Railcorp:

As in the old classical theory, the basic assumption is that if you get the engineering right the human factor will fall into place. As a result the engineering movement has encountered exactly the same problems and failures experienced by older-style classical management principles. The human factor often subverts the reengineering process, leading to massive failure rates (Morgan 1997, p. 22).

In the past two decades Railcorp has undergone major structural and re-engineering changes all designed to improve performance and all emanating from the classical mindset [refer Chapters 1 and 4]. In pursuing the change processes, the people in this organisation have endured many of the popular management programs, such as quality management and participative and consultative management. *“People exhibited the right sort of enthusiasm from the top but even that waned. The champion wasn’t a true champion. It was just something that caught his eye so therefore the excitement waned and the commitment stopped from the top.”* These

programs were therefore dumped as “fad” management because they did not sustain the desired changes.

It appears that poor leadership directed these changes. *“It always got stuck in the most difficult phase which is once you’ve got all the information, tell the people what’s going to happen and what you’re going to do about it. It always failed there.”* Another reason was that *“Financial things always became more important”*. People sat in endless meetings designed to encourage consultation and participation. However, these proved to be a *“waste of time”* because nothing was ever decided and people used these meetings to their own benefit. *“People had too many agendas that they wanted to filter into these processes”* and participants felt this undermined any genuine attempt to get value added results from the participative process. Therefore people got to the point where they did not enjoy participating because of the incongruent behaviour promoted by this type of “leadership”. *“I can remember years ago when it wasn’t called servant-leadership. It was called ‘pat your guys on the back and you’ll see what difference it makes’. There was so much ingenuineness about it that people saw straight through it.”*

So lack of commitment, poor communication channels, financial focus, self-interested behaviour and insincerity directed the leadership implementing significant change programs.

A culture of cynicism

The legacy of previous failed leadership programs echoes the findings of previous research [refer Chapter 1] and has left a culture of cynicism and mistrust that undermines the effectiveness of any future change programs. This has serious repercussions for the type of training needed to develop servant-leadership. For servant-leadership to exist there needs to be strong two-way trust; trust in leadership and trust by leaders in their people. *“Coming out of the consultative process there was a belief that if you just provided training you’d have these super guns in your organisation.”* Such is the understanding of training and development.

The above criticisms of the previous leadership in Railcorp have a significant influence on these data findings. This is because these criticisms are made mostly by the “Javerts”, who interestingly did not see these same issues of poor leadership in the current leadership [refer Chapter 5]. They seemed unaware that the “Cosettes”

were raising these same issues directed at corporate policies and management who support those policies. Overall there is a discontent with organisational change. The “Cosettes” blame the present while the “Javerts” blame the past.

Section 2: Identifying Aspects of Servant-Leadership

Self-Identity

Greenleaf says the servant-leader must accept the challenge of leadership knowing that at times compromises must be made, but to “ride out the waves” for the sake of effecting the greater good (Greenleaf 1977). Giddens explains this as a person with strong self-identity as one with ontological security who has agency to influence structures, to interfere and make a difference in the world (Kaspersen 1995). This was the attitude of the “Valjeans”:

“I don’t work against a corporate decision. Once a corporate decision has been taken, I accept it, sometimes reluctantly, but I don’t show it to my staff. I struggle with that sometimes, and my own personal reasons are not made known because it could cause more problems than solve.”

As discussed in Chapter 3, the “Valjeans” indicated their behaviour was determined in accordance with their own personal values and they had a strong self-identity, which allowed them to challenge situations they did not like. They were prepared to accept the commercial element as the “norm” for a business environment. However, they did not necessarily accept all that went with it and had the confidence to challenge the system, either directly, or by working with people to get the best result for the organisation within the economic parameters.

Trust in People

Greenleaf believed that the ultimate test of a leader’s ability was determined by the way in which they develop their people and also that a leader’s greatest strength lies in those led. Some time is taken here to record the data of those whose language most closely aligned with Greenleaf’s servant-leader [“Valjeans”], together with the data of their followers [the “Cosettes”], to set the scene for their

understanding of leadership. Both groups indicate a good understanding of servant-leadership and produced a natural alignment around the concept of trust and self-identity. [The “Javerts” had a different understanding and this is discussed in Section 3.] This discussion explains how trusting in people develops in them a strong self-identity.

It is interesting that the “Valjeans” did not openly identify themselves as servant-leaders, but did relate to the characteristics once they were introduced to them.

I've viewed some of the things with interest because I saw some of my own character in there and I never thought of it from that point of view. Sometimes I saw it as a weakness in me, when I've looked at people in the workplace and thought that I was a bit soft. I thought that was a weakness instead of a strength.

They believed that the best evidence of their leadership ability would be found in their followers. *“To see whether you're a good manager or not you need to talk to my people.”* So rather than identifying their own leadership strengths, they looked to have their leadership ability confirmed by the capabilities of others.

It was this group that was voted most like a servant-leader by participants in the other groups who gave praise to leadership that evidenced servant-leadership type behaviour. *“He's highly intelligent, a very good communicator. I find he really communicates well.”* This leadership was associated with Greenleaf's role modelling and leadership by example (Greenleaf 1977). *“He is closer to servant-leadership than I've seen. He probably does, in an indirect way foster it. He doesn't go out of his way to develop the culture, but through his own actions you see evidence of it.”* This leadership was recognised for the freedom it gives to individuals and how that freedom flows down through the organisation. *“He is prepared to let people run. He gives a fair amount of freedom to [Name] and if he's getting it, it comes down.”*

Underpinning this leadership were good communication skills indicating a willingness to share knowledge and leadership with others.

Answering The Battle Cry of the Alienated

This section explains the positive influence the “Valjeans” have on the “Cosettes”. A crucial data finding that created the alignment between these two groups was that while the “Cosettes” felt disempowered and alienated, they now look to trust in a group of people whose leadership is aligned with that of servant-leadership. [None within the “Cosettes” group had sought alignment with the “Javerts”.]

The “Valjeans” spoke of their leadership in language of trust, integrity, commitment, ownership and developing people.

I suppose through example you become a mentor in many respects to people. You have to lead them in a particular direction to solve problems and at the end of the day you've got to be able to trust them to be able to make those judgements themselves.

Trust was therefore achieved through the role modelling process, of working together, committing to one's people and taking a sense of ownership in their development.

There was two-way trust, both in leadership integrity and trust of leaders in their people. *“You've got to learn to trust your people. I think valuing people for what they are and not judging them on their bad decisions is very critical. People have got to be able to talk to me, and I've got to talk to them.”* Trust was understood in language of empowering others, allowing them freedom to make mistakes and working with people to learn from those mistakes. Trust therefore was achieved through openness, availability, visibility, disclosure, honesty and consistency.

You've got to tell people the real story, otherwise they won't trust you. The worst thing you can do is be inconsistent. There's always this bit about can you tell them the whole story, but by and large you can. One of the interesting things is that people say, 'I can't tell you what's going on', but people already know! They've seen the emails floating around or they've heard the gossip, so there's no point in telling them a load of crap.

So for the “Valjeans” the shroud of secrecy was not an issue; they did not comply with its requirements but acted in accordance with their own personal

values. It is interesting that their discussion centred as much on being trusted, as trusting others.

It was only the “Cosettes” who spoke at length of the positive effect this type of leadership had on them in terms of encouraging them to take more responsibility. This is because they were given a level of freedom to experiment and this helped them arrive at their own conclusions in deciding what was right.

He lets you get on and do whatever you have to do. He leaves you to your own resources and gives you encouragement to look at a problem then gives you the freedom to use the resources available to come up with the solution. And then he'll come back and give you some advice. He is understanding of people and has an empathising nature where he can put himself in the position of others and say 'I'll leave it to your resources and see what you can come up with'.

The “Cosettes” believed that to be on the receiving end of this trust enhanced their self-identity. People are encouraged to ask for solutions or guidance as to how their work can be improved in the future.

If you look at that level of trust from your manager and he in turn entrusts you to do the right thing, that gives you a great deal of empowerment because with that trust is a lot of other things captured as well. It gives you a sense of worthiness [as opposed to those who say, if you can't deliver we'll find someone else].

This comparison highlights how the positive effect of being trusted increases the “Cosettes” sense of self-worth and their ability to make a valuable contribution. This is the key to dislodging them from their disempowerment and alienation.

Sometimes we've had some good results and sometimes we might have been just slightly off the path. So it encourages that level of personal development by getting that sense of doing something right and we can focus on this next step or something else that might be outside of what we traditionally were doing or were expected to do. Interesting to get that feedback from a manager.

The “Cosettes” found the experience of this leadership, in its supportive and non-threatening environment, had an impact on their personal development because it encouraged them to reflect on how servant-leadership might also develop in them. “It has made life easier for me. I probably enjoy my work more. I wish I could say I thought I had been able to change what I do and how I do it and how I manage my

own people more like the way that I see that he manages people around him.” It was noted of one particular leader that, although he is very busy, he makes the time to go out and talk with people. *“Maybe you empower others because you’re not there and let them get on with it.”* So the “Cosettes” found being exposed to this type of leadership empowering and enabling them to rise to a higher level.

The data indicated that the “Valjeans” were the only group to display any sign of strong ontological security [refer Chapter 2] and had an understanding of people development that aligned with Greenleaf’s concept of faith as trust and empowering others by giving them freedom of choice to accept decisions intuitively and so make their own decisions and choices based on what they believed to be right for themselves (Greenleaf 1977).

The “Valjeans” served their people by allowing them the freedom to work autonomously, while at the same time giving guidance, support and encouragement and this understanding of leadership aligned with Greenleaf’s writing on role modelling and spending time with people to develop them (Greenleaf 1977). So while these two groups [“Valjeans” and “Cosettes”] recognised a need for leadership training, leadership to the “Valjeans” simply meant *“practice what you preach”* (Greenleaf 1977, p. 144).

While the “Cosettes” showed immense interest in developing servant-leadership, there was little understanding of how it might happen other than through the role modelling process. Training in something like servant-leadership would need to be of a different type than that currently available [see later].

An Interesting Diversion

This data produced an interesting avenue to pursue in that the “Cosettes” were sub-divided into two groups: those who spoke of giving their own people freedom to make choices [4 of 6], *“I try to free my people to be creative by giving your direct employees the skills to be innovative, to make decisions, to carry out and do the work”*, and a minority group, the “alienated” [2 of 6], who spoke of getting people to think and act as they do, *“You’ve got to get people on side to do it [servant-leadership]. You’ve got to weed out the ones that won’t change.”*

Thus the “alienated” aligned with the “Javerts” [see next Section] because there was a need to weed out those who would “*frustrate the efforts of those trying to effect change*”. Therefore by eliminating them you “*get a neat little area where you’ve got the performers and it [servant-leadership] can develop naturally*”. This is the belief of the “Javerts” who believe organisational and individual values are aligned. “*I prefer to carry out a verbal setting of direction that if I can get people to have the same philosophy and approach as if I wasn’t there, they will carry out the same decision whether I’m there or not.*”

This was an interesting data finding because this minority group seemed to be at “loggerheads” with everyone and so emerged as the “alienated”. “*I’ve been told, ‘you’ve got to stop telling the boss to get stuffed or you won’t have a job’.*” And another responded to the question of what kind of leadership is expected of you in this organisation, “*Well I’m being made redundant*”.

The “alienated” were without hope. They had had lost trust in the structure but at the same time believed they had to compromise their own personal values and align with that structure [refer Chapter 5]. They had not identified with a group of people whom they were prepared to trust and were cynical of management training for the incongruent behaviours it promoted.

The motivation for management training courses is for you to be a better person. You’re trying to improve your status and your role in the organisation and you learn that if you act like that people will follow you. All leadership styles believe in developing people, so that I develop you, so you can serve me.

Therefore “*once you start adopting the behaviours without the change of person then you’re putting on a façade and becoming hypocritical. All the changes you make will be temporary and under pressure and emotion those changes will break down and will be seen to be a façade.*” These pressures included image pressures with management, as well as pressure to perform.

The “alienated” criticised traditional management training “*because it becomes artificial*” and promotes incongruent and hypocritical behaviour. Therefore it could not produce sustainable results in effecting leadership because an individual did not have “*the power within himself*” to make those changes. “*You can attempt to teach it and you might change some behaviours, and you might use*

selfishness to change some behaviours". Therefore "you will achieve some of the way of it, but you won't achieve what you really want to achieve."

It was the lack of power within the self to be able to make the changes that resulted in incongruent behaviour. "What I believe and what I do are not necessarily concurrent. I believe certain things, I'm unable to follow them out exactly as I would like to."

This hypocritical behaviour resulted from the dominant focus [refer Chapter 1] of adopting new principles and behaviours to change attitude and echoed Greenleaf's criticism of that people development motivated primarily by organisational survival would produce short term results only (Greenleaf 1977). But Greenleaf believed changes in mindset could come about through a religious experience, psychotherapy or the self-reflective process. However the "alienated" did not see that power within the self. "There's no authority and power [within the individual] to actually create the changes that they say you should have". Therefore, "if you want the real servant type leadership, I don't think you can do it."

This lack of faith in the self was also backed up by a lack of faith in others. This too echoed the belief of the "Javerts" [see next section]. "Not everybody is good. And you have potential to be good, but most people are not good. There is a humanistic belief that says that everybody is good and all we've got to do is get rid of their external side and inside you'll find that everybody is good. I don't believe that." The lack of confidence in people's ability to change was because of a belief in inherent self-interested behaviour. "Human nature dictates that it won't work because someone will always want to be better than the other one." Therefore training was fruitless because "unless they can see the benefits in a short period of time, you'll lose them. It can't be something you're going to foster so that in ten years you're going to see the benefit. People say tell someone who cares." And so the "alienated" felt good leadership should be rewarded "Unless the hierarchy is very switched on to servant-leadership there's no chance that you will be recognised. You cannot do it as a person down the hierarchy and expect to get promotion and recognition that you might achieve by it."

The "alienated" align with the "Cosettes" in that they are disempowered and alienated. However the "Cosettes" are an example of Giddens' discursive reflexivity

and have aligned with servant-leadership as a way of being, which they think, is achievable, but do not know how to do it. On the contrary, the “alienated” also aspire to servant-leadership but believe it is not within their reach because of a belief in inherent self-interest and so no power within the self to make those changes.

The Merits of Training and Role Modelling

The “Valjeans” and “Cosettes” echoed Greenleaf that servant-leaders were born with inherent servant-leadership qualities, but through the role modelling process, others could learn from them: *“I don’t think any of them are incapable of change.”* Greenleaf believed servant-leaders were both born and made because the greatness of servant-leadership was not in the person as leader, but in the principles of servant-leadership and he had faith in people’s ability to develop these principles. The “Javerts” did not contribute to this discussion because they believed servant-leadership could flourish in the new systems they were creating.

All participants identified servant-leadership as an inherent quality. *“And I’ve seen it when people are put under pressure, how people can perform and how certain people can’t. It’s one’s makeup. So it’s the person, what you are as a person in servant-leadership that’s very important.”* As discussed earlier, developing servant-leadership was seen in terms of role modelling. *“It’s in your nature really. It’s not something that you develop overnight. It’s something that takes time and you bring people with you over time through example.”* So while role modelling was an avenue for development, both groups felt that individuals should have inherent qualities that were brought out through the role modelling process. *“The trick is how you make a leopard change its spots. If you’ve got people of that persuasion, a little bit of extra guidance may bring them on and they may turn into servant-leaders much more readily than others who are fire and brimstone types.”* However, there was little understanding of how servant-leadership could develop if it was not there in the first place as an inherent attitude. Nonetheless the “Valjeans” and “Cosettes” indicated trust in people’s ability to change.

Training to change mindset

As discussed previously, the benefit of leadership training had never been identified in Railcorp and any training was understood in terms of teaching technical skills. More recently training was of a financial focus. *“Any leadership training*

has always been pretty basic financial and accountability training. It hasn't been leadership training."

Moving into leadership training, participants identified that traditional management training did not cover something like servant-leadership. *"Supervisory management techniques don't necessarily embrace a lot of those concepts. They embrace productivity and those sorts of things, but they don't necessarily value people in the true sense."* Moving even further along to servant-leadership training, participants recognised that it was not something that could be developed simply by *"reading a book and one could suddenly become a servant-leader. You basically need a specific program to do it. You need different training."* This was identified as training to change a mindset. *"I think you get it through training, but it's got to be training of a mindset rather than training of a method."* However, change would be slow because *"there's a lot of mindsets to change."*

At this point there is diversity of opinion as to how training might aid the development of servant-leadership. Three views emerged. Firstly the "Valjeans" felt that *"training can certainly take you a few levels up, but you've got to have a base. I've seen it with people in business that have had no university qualifications, that don't even write very well, but manage people very well and succeed in business."* The "Cosettes" felt that *"you've got to get people past the point of thinking what's in it for me to the point of thinking what's in it for everyone that's under their control,"* while the "alienated" felt *"it's certainly a possibility, it's not easy, and I believe it can only change through spirituality, not through desire, or wish or training"*. Traditional training did not address this understanding of spiritual development. *"What I'm saying is not generally accepted in institutions and management at all."* So these views believe that there must be some inherent quality before training can be of any benefit, there is a need to overcome self-interested behaviour and change comes about through spiritual change. Greenleaf would have agreed with all of these.

However for the participants in this study training for change of mindset was something for the "too hard basket", perhaps because this type of training is a long way from the type of training previously experience in Railcorp. Therefore participants felt it was far easier to recruit mindset than train for mindset because this type of training was not covered in traditional training courses.

It's easier to import practical skills than it is to get the right people with the right attitude. It's much easier to technically up skill people who are prepared to change, are enthusiastic, who show initiative. We can fix their skills deficit on the technical side a lot easier than the reverse case where you've got a highly skilled person who can't talk, can't relate, can't lead.

Rather than training to change mindset, role modelling again emerged as an avenue for doing this. It was felt to be a time related approach where people can learn through freedom to make decisions, mistakes, accept the consequences and learn from that. The only frustration was the lack of time available to spend with people [refer Chapter 5.]

It's a question of time and spending enough time with them. The only way that you get it is by demonstration, by either directly working with them or talking to them on a regular basis and taking a particular issue and working it through. One of the things that you have to make sure is that when mistakes happen, you let them happen and you work through why they happen.

Unlike the “alienated” [and “Javerts”], the “Valjeans” and “Cosettes” display faith in the inherent qualities of people and their ability to learn [see also Chapter 7]. However, there was little understanding as to how formal training could address changing the mindset. Therefore the better option was either to recruit people with the “right” attitude who would more easily respond to this type of training, or through role modelling. This need to recruit attitude is a carry over from the classical idea of shared values and slotting people into structures to maintain organisational survival.

Section 3: Defensive Leadership

Morgan (1997) describes the defensive routines as those practices emanating from top-down leadership, where visions, goals and direction are set at the top; control measures, shared norms and thinking patterns, risk averse behaviour are the defensive behaviour of leaders who first act to maintain the status quo. Behaviours stem from a need to preserve the mechanical system, rather than from an understanding of the core values that direct the company. Therefore if the company has a service orientation, service-centred behaviour will flow through all levels of management (Morgan 1997, pp. 89-95). Greenleaf also criticised leadership that

acted first to defend the system. *“Perhaps this is the current problem: too many who presume to lead do not see more clearly, and in defence of their inadequacy, they all the more strongly argue that the “system” must be preserved – a fatal error in this day of candor”* (Greenleaf 1977, p. 15).

Personality Traits in Transformational Leadership

The “Javerts” were genuinely interested in the concept of servant-leadership and believed they were creating an environment within their stream of the organisation in which it could further develop. *“I think there are some qualities about servant-leadership that certainly pertains to what we as organisation, or particularly myself, have tried to adopt. I unashamedly see myself as a servant-leader.”*

It was argued in Chapter 1 that in transformational leadership good character is understood as personality traits. And so this is why leadership becomes difficult to measure when loyalty and personality traits are used as a determining factor. *“In his case, personalities are very important and if he clicks it’s OK. If he doesn’t, it doesn’t matter how good the person is, it won’t go anywhere.”* The “Javert’s” understanding of leadership was inspire followership. *“Leadership is a concept people believe in and people want to follow leaders, Alexander the Great being a great example of a person who was able to inspire leadership in a true sense and people followed him all over Asia because they believed in him.”* Critics claim this leadership is disempowering because it gives rise to hero worship where leaders are elevated to power by those who seek in leaders what they lack in themselves, rather than looking to develop those qualities in themselves (Greenleaf 1977; Greenleaf 1982; Morrigan 1997; Giampetro-Meyer et al. 1998; Steele 2000).

Despite the apparent confidence in the structures they are creating [see also Chapter 7], the “Javerts” expressed concerns for the sustainability of this new direction they were forging. They felt that the success of the new systems was reliant upon the continued efforts of people directing the changes [or people like them] and if these people changed they could revert to the old systems *“and sometimes that’s what we expect to happen.”* And so preserving something like servant-leadership was seen as the saving grace. *“I think that’s where we could just flop because if we*

don't teach it, or bring in people, if we don't think about that, all you're doing is get another generation and we'll go the other way."

As discussed in previous chapters the "Javerts" support the recent organisational changes and believe they play a key role in their implementation. As discussed in Chapter 3 this is an example of transformational leadership. However they echo Greenleaf's concern for risk averse behaviour where they express a lack of faith in their own capabilities (Greenleaf 1982). Giddens explains this as rational doubt characteristic of ontological insecurity (Giddens 1971).

People Development to Serve the Organisation

The "Javerts" aligned with other groups in that they spoke of their leadership role in values terms of trust, honesty, integrity, openness and *"being seen to be credible"*. After that, however they did not speak the same language. The "Javerts" understanding of leadership was in transformational leadership language of setting direction and vision and aligning people to follow those directions. *"I've got a very definite view on the provision of a good leader, that is, the provision of guidelines, direction, goals, and vision."* Therefore with the setting of goals and direction, leadership was about *"coaching, empowering, enabling others to attain their optimum level and using others to obtain the level of direction that organisation requires, a direct contrast to the down, authoritative, top down type of style that certainly we were familiar with."* Goal direction and achievement was achieved through workshops, developing a team spirit and giving support, feedback and encouragement and *"providing a vision as to what I see they need to achieve."*

This type of leadership was seen to be a vast improvement on what the organisation had experienced in the past because managers did not now need to go through those lengthy consultative and participative practices that proved to be a *"waste of time"*. Some managers were now empowered to *"make certain decisions based on their analysis and their interpretation of what should be done"*. This language was characteristic of classical management that seeks goal achievement through a system of shared visions and values [refer Chapter 1]. *"You're working for me, you have certain talents. I've got to make best use of that and try and get you to think like and share the same goals that I do."*

The “Javerts” believed they were a part of the strategic planning process that sets organisational values. *“We say ‘what are our values’? We value our people, and therefore I support it because I’m part of the process of coming up with those things. So the values that the corporation sets and my values are similar.”* Therefore this group believed that within their leadership role they valued people. *“I value other people’s involvement and I like to think that I get the best out of people. I’m a believer that you’ve got to make use of the people that you have.”*

According to Greenleaf, *“Some institutions achieve distinction for a short time by the intelligent use of people but it does not last long (Greenleaf 1977, p. 40).* This is because classical management assumes that the organisation shapes individual values, that is, organisational and personal values are the same (Morgan 1997; Morrigan 1997).

Developing Servant-Leadership

“I don’t think anyone would dispute they are bottom line driven and I don’t have a problem with it. I don’t know if that has to preclude people development. The best way to achieve those results is by promoting good people skills and even leadership skills” [Javert].

A matter of necessity

The motivation for developing servant-leadership comes from the reaction that increased workloads are making it impossible to do it all yourself in the timeframes required. Therefore structures might crumble if staff levels are not maintained. However, with smaller work groups the “Javerts” were now closer to the decision making and setting of organisational direction. Therefore it was now possible for this group to be a positive influence in effecting something like servant-leadership in their area of the organisation. *“Because we are much closer now, a very small group, there’s a better chance.”* This would develop by empowering others, consensus and by succession planning, *“So we’ve got to shore up the management succession planning and if we do that we’re becoming more servant-leaders anyway, we’re creating that environment where it can flourish.”* Because of the flatter structures some of the previous “fad management” programs had not

been completely vain. *“And some of those traits like consensus are now coming through because there’s no alternative.”*

An issue of trust

As discussed in Chapter 3 this group spoke little of trusting people and this has consequences for training and empowerment, as well as for the development of servant-leadership [see also Chapter 7].

Coming out of this consultative process that we went through many years ago, some people seem to think you can train anything out of anybody, teach them to be a leader. I’m convinced you can’t. One might detect a flurry of exuberance in a certain area but give it three months, the person’s nature and traits are there and that translates to the way they treat people.

There appears to be a lack of trust in people’s ability to learn and change. This has implications for developing servant-leadership because, as discussed throughout this work, the basic requirement for servant-leadership is the ability to trust people and have faith in their capabilities, including their ability to change. However there was little evidence of this faith in people:

Servant-leadership cannot be adopted by western culture because people are motivated by self greed, recognition, selfish reasons and the leaders that we have been offered are leaders who recognise this trait in people and [politician name] is a classic example, by appealing to people’s greed and prejudice, that’s seen as being successful and one thinks that if that’s the educational basis of the Australian psyche, one shudders as to what future we have.

This reflects the classical understanding that inherent self-interest controls behaviour.

Nonetheless, the “Javerts” believed that empowerment would start the process of developing servant-leadership. However, empowering others was difficult for because of the time needed to spend with people *“by the time I go through the processes of getting people up to speed, I might as well have done it myself.”* And for another senior manager, *“I don’t necessarily delegate but the opportunity has been given and it hasn’t been taken up after several days, so then it becomes urgent and I’ve got to do something.”*

Therefore leadership that required spending time with people was more difficult and required more energy than the traditional autocratic style. *“Servant-*

leadership requires a lot of effort and energy in contrast to the autocratic type of leadership.” Because of this “it’s far easier for the champions of servant type leadership to walk away. It becomes too hard, they become exhausted, or they see the risks as too high in terms of their own health or their own family and they’ll give up. Therefore servant-leadership needed recognition by management as an incentive for it to survive. “Unless those pockets have some acknowledgement or see that they are having some positive influence, they’ll crumble too.”

Therefore the “Javerts” did not know how to empower others, other than for the benefit it might bring to them in maintaining the system, or in making their own job easier.

It fits in very nicely with the ‘now’ thinking of what better way to develop this person than to pass on those responsibilities and educate and the more I thought the positive spin off that gets back to me is that I’m developing somebody, as well as perhaps making life easier for myself.

This is a transactional and reciprocal understanding of trust [see Chapter 7] characteristic of transformational leadership wherein people are developed to serve the leader and there is little understanding of the difference between personality traits as effective leadership and leadership character in the Greenleaf sense. Therefore there is little understanding of the difference between servant-leadership and self-promotional leadership. *“Self-promotional and servant-leadership are not mutually exclusive and can and should benefit the person whose promoting it.”* Thus the “Javerts” believed that if good leadership is taking the organisation in a certain direction then it should be rewarded.

I can see examples of people who have seen where the company is going, who actually espouse where it’s going, and it maybe that it will benefit them that it gets there. It has to be successful for the individual and provided that there are rewards from behaving that way, I think that has to exist.

Referring back to Section 2, the “Cosettes” felt disempowered by managers who say *“if you can’t deliver we’ll find someone else who’ll deliver.”* It is the same when managers direct the results they want and *“say do it this way and this is the sort of result I expect and if I don’t get that result I would like you to document why and they basically direct you in a certain manner.”* It was particularly

disheartening for the “Cosettes” when you “*really tried hard and put your heart and soul into a project and got kicked in the bum and didn’t get any recognition for what you did achieve*”. The timeframes for getting results meant that the “Cosettes” “*sometimes feel uncomfortable if I have to be too commanding or controlling.*”

Greenleaf claimed servant-leadership would not be easy, but it would not be any harder than other difficult things that large businesses have to do (Greenleaf 1977, p. 145). There is a fundamental issue of incongruence. The “Javerts” set the directions and guidelines, assume shared values, but trusting people to follow those directions is “*the hardest thing*”. In other words, there is little understanding for Greenleaf’s concept of trust [see Chapter 7]. According to Giddens this is because there is no requirement for trust in people when a technical system is more or less completely known to an individual (Giddens 1991). Nonetheless the “Javerts” were genuinely interested in how servant-leadership could develop and be preserved for future generations. “*The worst thing would be if they lost it. I just hope we don’t discourage them.*” But their training in “*logic and straight thinking*” meant they had little understanding of how to do it.

Section 4: Barriers to Servant-Leadership

Some institutions have risen to eminence because they accidentally evolved at least one able conceptualiser into a key spot. But then they lost eminence when they failed to maintain this talent at a high enough quality and in good balance in their top leadership. They probably lost their conceptual leadership because they were not guided by an organisational principle that required it. Therefore not knowing when they accidentally had it, they were not aware when they lost it (Greenleaf 1977, p. 69).

Referring back to Chapter 1, Lad & Luechauer (1998) identified five barriers to servant-leadership all of which were identified in Railcorp and focus on meeting the demands of performance driven management before genuine people development. Of particular relevance to this study is the “battle cry of the alienated”. These are the people who have lost faith in the organisation and yet feel powerless in challenging their circumstances. As discussed in Section 2 servant-leadership offers these people a glimmer of hope and explained the circumstances in which they might

change. *“It’s sort of a comfort issue for most people and some people have picked it up and run and others are still not there yet, so you see different outcomes.”* This section therefore deals with the frustrations of servant-leaders in overcoming this barrier.

Participants recognised that because this organisation has been run very much in a military style people had been trained to do things in a certain way, and in accordance with laid down rules, regulations and procedures. *“The system itself stops you. The railway industry in particular has been very autocratic in its approach of managing. They set laws and procedures and discipline to that. There’s no room for growth for the individual. He has to follow this procedure. He has to do it this way.”* Therefore it was felt that some individuals do not look for another way, they are not ready for empowerment, but prefer direction and control and this was a difficult mindset to change. According to the “alienated”, *“There are a lot out there that will never change. We’ve bred the culture. I guarantee there are some people who you will never teach this to and it would give them more ammunition to completely stuff up the system.”*

While the “Cosettes” embrace the autonomy of servant-leadership they still look for top down support and management policy to endorse something like servant-leadership. *“You must start at the top. Unless you go with a completely different management outlook and say this is what we’re going to do, you can’t expect people to do that [servant-leadership].”* As discussed throughout this work time constraints prevent leaders from spending time with their people and so *“a middle manager has a lot of difficulty in organisations that are not committed to such processes.”* He does not have the time to do it. *“The whole organisation needs to be committed. The middle manager on his own would be faced with greater difficulty, accused of weak leadership or failure to lead.”*

There is a fundamental issue of self-identity for the “Cosettes” where they lacked the faith of the “Valjeans” in their own abilities to forge ahead anyway. They recognised the autonomy of servant-leadership, *“There are companies that people would kill to work for and you find that these probably haven’t been driven from the top.”* However, they still looked to top management to provide a supportive environment wherein they did not feel threatened with dismissal for taking a risk and making a mistake. However the support was not there and they

were hesitant to accept the responsibility offered them by the “Valjeans” because of fear of repercussions for making a mistake. *“If things go wrong you’re going to get disciplined, if you don’t do the job right you need to account for it.”* So individuals in the present culture were not predisposed to being creative and experimental. While enthusiastically embracing the autonomy of servant-leadership, the “Cosettes” looked for management support and to have their direction changed from the top.

The “Valjeans” recognised that Railcorp still had *“all the hallmarks of the government bureaucracy”* and there are people who want to stay constrained within the model, rather than be empowered. *“There is still some resistance because they don’t understand, or they see it as a much higher risk proposition. If they did something wrong, they got crucified.”* So there is nervousness about taking on responsibility. *“People say ‘shouldn’t we check with...no, this is our job, we’ll go and do it’.”* So these leaders are challenged with teaching people that they can make mistakes and learn from them, *“rather than make a mistake and we’ll shoot you.”* However, this fear of making mistakes has been difficult to overcome. *“There are groups of people who still stay constrained inside the model, so empowering people has been a difficulty. We’re quite happy to empower them, it’s getting them to accept the empowerment and part of it is the past.”* This is not only part of the past, but also relates to the current policies that are creating a culture of fear, mistrust and uncertainty for many [see Chapter 5 and 7]. Organisational policies have created barriers that restrict what people perceive they can do and leaders who are trying to enact servant-leadership principles are met with resistance in the work they are trying to do. This indicates an internal conflict within the organisation at a senior management level.³⁴

Interestingly the “Javerts” felt financial matters always got in the way of previous leadership change. Likewise they still felt servant-leadership was constrained by top down support, and in particular financial matters. *“A lot of people who adopt this role [servant-leadership] can see ways of improving things for everyone but can’t. You haven’t got the money to do it. Someone’s got to dictate from the top what your policy is, but they all relate in the long term to money.”* The “Javerts” felt that the financial focus is fuelled by the corporate takeover mentality wherein corporate owners have an allegiance first of all to the banks. One

participants felt that perhaps when the banks have been repaid their debt, and corporations are in control of their financial destiny, maybe then there could be a shift to servant-leadership. Greenleaf however claimed that to expect to change behaviour after first becoming successful, was to be hypocritical because service is the journey not the destination (Greenleaf 1996a).

Summary

This chapter has argued that effective leadership, let alone servant-leadership, has not been recognised in Railcorp. Despite this, the organisation has implemented huge restructuring changes over the past two decades. Poor leadership drove these change and continues to dominate. As the organisation now enters a new phase of ownership, the value of good leadership is still not recognised. This is because of the financial focus on performance driven management wherein good performance outcomes equate to good leadership.

Individual servant-leaders were identified as operating in the organisation and they echoed Greenleaf's leader who finds a place in the organisation from where they can be influential and others can learn from them (Greenleaf 1977). This is understood as the leader with strong self-identity and ontological security who trusts in people (Giddens 1991). The trust that the "Valjeans" extend to others has a strong influence on the personal development of the disempowered and alienated. They are an example of Giddens' discursive reflexivity and have aligned with the "Valjeans" as a way of being they would like to adopt. Those who do not believe they have the power within themselves to change are still "alienated". Reflecting Greenleaf, servant-leadership develops from the role modelling process, change of mindset and from spiritual development.

The "Javerts" had a defensive and transformational understanding of leadership. This assumes personality traits constitute leadership character, which in turn determines the effectiveness of leadership. Transformational leadership sets goals and directions and aligns others to support those goals. It assumes individual and organisational values alignment and people are therefore developed to serve the

³⁴ It is interesting that a March/April 2003 issue of a business magazine reported "management instability" in the rail industry as one of the reasons for falling share prices in corporate owners.

organisation. Leadership development is a matter of necessity to maintain organisational survival. This trust in the organisation is at the expense of trust in people and this inhibits the development of those qualities necessary to nurture people.

Railcorp has bred a culture that works against the development of servant-leadership because of its reliance on top down directional leadership. Breaking down this barrier is a challenge for servant-leaders who are met with opposition by those who are still not predisposed to risk taking and being creative in this environment.

This chapter has made the following contributions to understanding the leadership crisis in Railcorp:

1. The servant-leaders offer a glimmer of hope to the disempowered and alienated. However they are frustrated by the policies of performance driven management.
2. The classical understanding of leadership that drove the implementation of recent change programs still exists today. Those directing change programs have little understanding of Greenleaf's concept of trust.

Conclusion

The “Javerts” and the “alienated” find trusting people difficult because of a belief in the inherent self-interested behaviour of individuals and their inability to change and learn. They are constrained by their own mindset and so they lack faith in themselves to engage in the risk taking behaviour identified by Greenleaf and others as necessary for effective leadership (Greenleaf 1977; Mendez-Morse 2003). The “Valjeans” trust people and want to share the risk and responsibility because of their faith in the inherent qualities of people and their ability to learn [see also Chapter 7]. This chapter has made a contribution to the way forward for developing servant-leadership that hinges on encouraging these leaders because only they have the ability to develop people to take responsibility for themselves, rather than looking for top down direction.

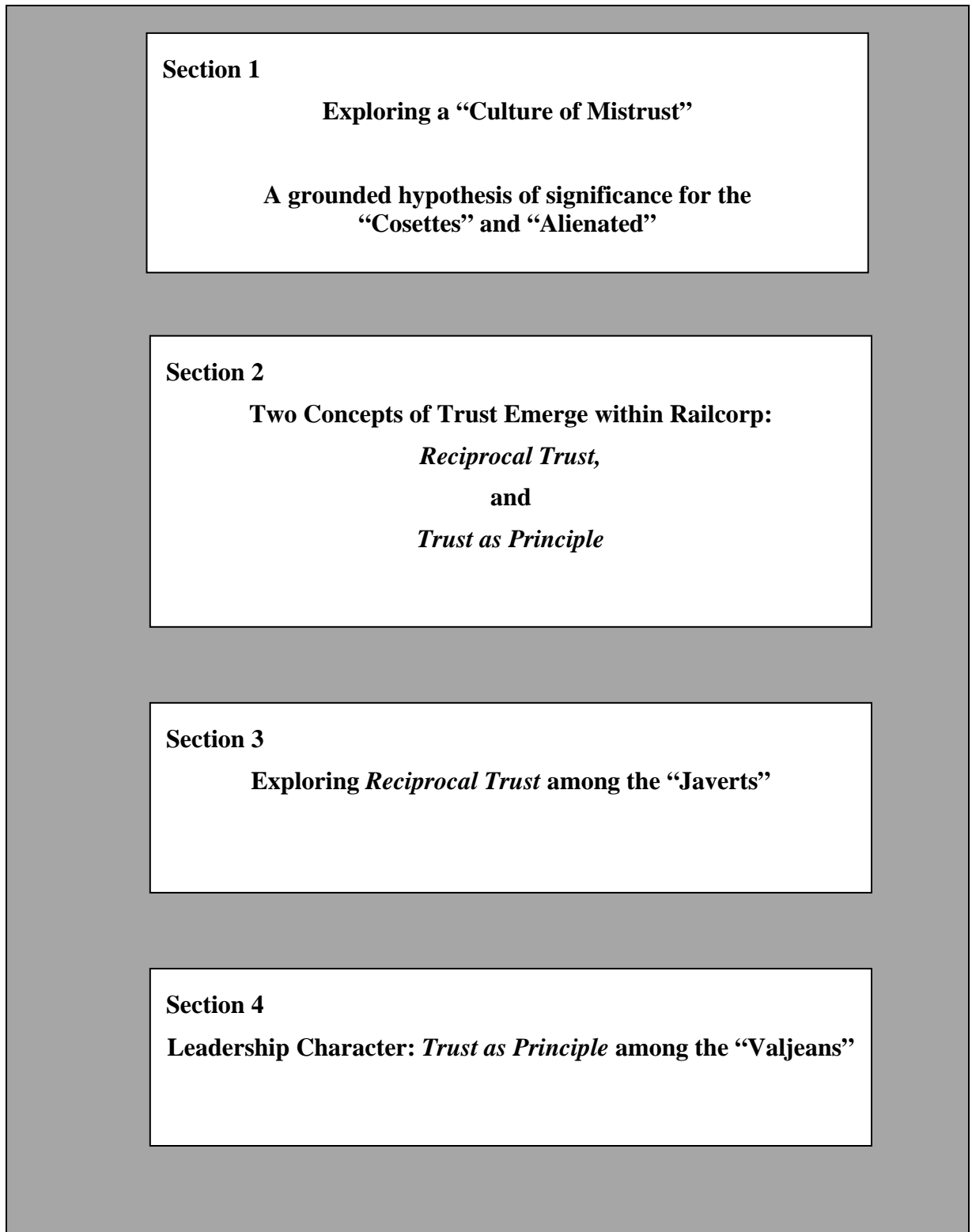
It makes a further contribution in discovering how servant-leadership might develop through changing attitude. The “Javerts” reflect the classical view of the

modern writers that adopting servant-leadership principles [in Railcorp this was seen as empowerment and consensus] will result in changed behaviour. The “alienated” recognise the hypocrisy of enacting changed behaviour without the change of “being”, but believe they are powerless to make this change. The “Cosettes” also recognise the incongruence of their own behaviour but they look for a starting point to change their way of being, believing changed behaviours will flow from this change.

Chapter 7 explains the relevance of self-interested behaviour and its application to understanding trust. It compares and contrasts the two understandings of trust: *Reciprocal Trust* and the servant-leader’s understanding of *Trust as Principle*.

CHAPTER 7
EXPLORING THE CONCEPT OF TRUST

Diagram 7.1: Understanding Trust



CHAPTER 7: EXPLORING THE CONCEPT OF TRUST

Introduction

Chapter 6 discussed the different understandings of leadership that arise from people's ability to either trust in people or trust in systems. This chapter argues that the lack of understanding for the importance of trust among people constrains the development of any leadership in particular the development of servant-leadership.

This research has attempted to isolate a key attribute of servant-leaders that distinguishes them from all other types of leaders and this has been in the servant-leader's understanding of trust. In this chapter two different understandings of trust are discovered within Railcorp. Revisiting Chapter 2, the two forms of trust are:

- *Reciprocal Trust*. This type of trust forms the basis of transactional relationships and is linked to the contemporary understandings of transformational relationships. Trust is conditional upon needs first being met.
- *Trust as Principle*. This is Greenleaf's trust as faith and Giddens' ontological security in action (Giddens 1991). It has been argued in Chapter 2 that *Trust as Principle* represents a new paradigm within management studies because it departs from the dominant concept of *Reciprocal Trust*. *Trust as Principle* is a fundamental aspect of character, an act of generosity, shared leadership, sharing of the self, not a delegation of responsibility. This is a state of character development unique to servant-leaders where trust comes from faith in one's principles. Leadership is sustained by this faith in one's own values and principles and the confidence one has to live by and be judged in accordance with those principles. This understanding of character development is not understood by many of the modern writers (Anderson et al. 2000).

The chapter is presented in the following sections:

1. An exploration of “a culture of mistrust” at Railcorp and the significance of this culture in the working life of the “Cosettes”.
2. Discovery of the two forms of trust within Railcorp.
3. An examination of the new contractual relationships, which now form the basis of interaction at Railcorp. *Reciprocal Trust* is explored in this new set of relationships.
4. A discussion of “character” in terms of *Trust as Principle* among the “Valjeans”.

Section 1: Exploration of a “Culture of Mistrust”

Change Process Undermines Leadership Legitimacy

This mistrust has developed as a result of the way in which change processes have been carried out. *“There is a fair bit of scepticism and lack of trust as a result of the last ten years and more. People within this organisation have been very distrustful of their leaders as a result of the rapid change and downsizing and outsourcing.”* This lack of trust results not so much from the redundancies themselves, but from the way in which they were carried out. Two downsizing exercises in particular reduced staffing levels from 3300 to less than 2000 people and *“were done with clandestine approaches, in a clandestine environment then announcements were made. People knew that something was happening but they had no idea what was happening until the day that it was announced.”*

Because of the way in which past change programs [and resultant redundancies] have been carried out, people now question whether their trust in leaders is justified. *“I’m inclined to trust my leader, prepared to trust but uncertain. There is trust on this side of the fence, not at all levels, it has to do with the change.”* Trust in leadership has been undermined by leadership behaviour and the way in which leaders have implemented the change process. This experience represents a break in the psychological contract [refer Chapter 1] and has had major repercussions for relations of trust and self-identity.

It appears that nothing has changed, *“I was told a few untruths recently which I didn’t like about this restructuring and what I was going to be doing from a guy I’ve known for a long time. Disappointing. I must admit I was very negative.”*

It appears that secrecy continues to surround the redundancy process. *“One thing we don’t do well is when we make those hard decisions - and we’ve had to make redundancies for the business - we do that very poorly, and we’ve had a lot of that over the last five years.”* A recent example was given of a decision to centralise a particular function and people were told to report to a new manager, only to be told by their new manager they had been made redundant. *“How bloody ridiculous.”* This was thought to be a corporate decision and the result of a procedure gone astray, a procedure designed to bring consistency to management policies. *“If that had happened to me I’d have been most disappointed because it’s well and good to have everything in a nice procedure, but at the end of the day we’re talking about people.”*

Once trust in leadership is lost, leaders are no longer seen as legitimate. When this happens the *“organisation becomes dysfunctional and unable to cope with continuous change”* (Benson and Murrigan 2000, p. 11). This is because mistrust develops the negativity in people, rather than their best qualities. Referring back to Chapter 1, when people do not feel they are acknowledged they really pull back, the extreme of this distrust being sabotage (Seglin 2003, p. 42). This was echoed in Railcorp. *“We do have legacies of people who would go out of their way to sabotage you and there are people who would do that.”* This is because people *“have been dealt a bad blow”* and *“they’ve been screwed too many times.”* Needless to say this works against the development of servant-leadership, which endeavours to develop the best qualities in people.

The logical consequence of this behaviour was that people could not be trusted. *“One would like to see it [trust] as a wholeness, but it is not how people act. People will only trust you in the areas that they believe they can trust you on...I don’t think there are many opportunities to really demonstrate it within our current work area. You can’t just say we trust everybody and it’s a nice happy place.”*

Railcorp has a strong engineering culture and engineers were criticised for not being able to empower and trust others who were not experienced in their field [refer Chapter 6 Section 3]. *“There is a reluctance to trust someone to make*

judgements who is not skilled in your area.” Consequently it was claimed that some “*can’t communicate and won’t communicate and nobody knows what they’re really thinking*”. While it was recognised that they have excellent technical skills, they were criticised for their poor communication and leadership skills. As Giddens explains that there is no requirement for trust when a technical system is known (Giddens 1991). Therefore this inability to trust people is ingrained in a culture that has developed a reliance on control measures to “assure” that the job is being done properly and this takes away the requirement for trust. As discussed in Chapter 5 the excessive use of control measures and reporting procedures had a disempowering effect on the “Cosettes” because it implied they were not trusted. “*Because whenever you bring a procedure in it implies that you don’t trust a person. When they’re continually on my back about all this [reports], you’re not displaying trust in your staff. I don’t have the opportunity to say trust me. I have to show that I’ve done it.*”

It appears that “*the mistrust in this organisation is colossal*” and has been unresolved for so long, that the lack of trust has become “*traditional in this place.*”

Section 2: Discovering Two Forms of Trust at Railcorp

Reciprocal Trust

Recapping the data, Railcorp’s leadership operates from the traditional paradigm; it operates in an economically rational environment where organisational values dominate and these are centred on preserving the bottom line. Classical management believes employee welfare is dependent on the success of the organisation and this legitimises the belief that organisations have a responsibility to be profitable. This is transactional and at best transformational leadership where reward is linked to goal achievement and goal achievement assumes self-interested behaviour. This is characterised by reciprocal reward systems where trust develops from first having one’s needs met and these are the traditional values set by institutions [refer Chapter 1 Psychological Contract, Chapter 2 Giddens].

In Railcorp the reciprocal understanding of trust is set at a corporate level. “*They have to achieve a certain return on capital so it is a little bit more in your*

face. If they get a return, then they'll put the efforts into it. They're in it for the long term if it provides that return.” The data is very clear that returns on capital and achieving certain performance outcomes are a priority and service to customers is conditional upon those returns first being met. If not, then the corporate owners would probably sell off the unprofitable parts of the organisation [refer Handy's federalism, Chapter 1].

[Name], has a very strong financial view. There's a return on capital of X. That's what's being drummed into us. If the business doesn't meet that standard, they're quite happy to let someone else take that. They don't want to be in it. I could see easily, if we don't achieve that sort of return they could move on.

The “Javerts” supported this logic. *“There's a return on capital which is reasonable. Why keep spending money if it's not returning?”*

The data demonstrates that corporate owners need to be served before serving, and service and development is conditional upon first being served by the customer. This is done in an environment that the “Javerts” claim is customer focused. *“Corporately, we are customer focused even if it is being driven because of the open competition.”* While this commercial element was acceptable to the “Javerts” it was the “alienated” who believed that at a *“hierarchical level”* customer service was hypocritical and based on “serving” the customer only so that the customer would then employ you. Customer focus meant doing what was necessary to avoid upsetting the customer. *“You are there to contribute to the customer, only because the customer will then employ you, not for the customer's own good, but because the customer won't employ you if you don't tread softly softly around the customer.”* Therefore customer focus meant that you were there to *“serve the profit driven motivation”* only. Customer focus is appears to be reactionary to customer demands, rather than proactively creating a service and developing an industry.

There is minimal evidence of commitment to industry development and employees were *“certainly not there to contribute to society”*. As discussed in Chapter 4 this understanding of reciprocity is bottom line focused and has serious consequences for community development because *“if you're not making money, you can't spend money.”*

Classical theory has shaped Railcorp's values that it is now in business to make profits only and corporate policy suggests this is the sole motivator for its existence. Referring back to Chapter 2, Giddens challenges the traditional beliefs that developed in an economic context and were the basis for trust in relationships (Giddens 1991). In this context people are trusted only in as much as they first serve our needs and reciprocity [or being trusted] is conditional upon those needs first being met.

This reciprocal understanding of trust is interesting in Railcorp. It exists in external relationships only [see also next Section]. As discussed previously, Railcorp's internal relationships are breaking down and there is little evidence of people within the organisation being served [trusted] even reciprocally. So there is no basis for trust in leadership. Therefore the reciprocal understanding of trust appears to exist in external relationships only.

Trust as Principle

Recapping Giddens' pure relationships, these have their basis in mutual trust between parties; they are reliant on the mutual commitment of one party to another and this requires the opening up, and disclosure of parties to one another. This implies sharing and disclosure of the self. It implies being trustworthy and trusting others. Commitment to others includes support necessary to sustain the relationship. Commitment implies risk and trust is acceptance of responsibility but the rewards from the relationship are worth the risk. It does not seek to neutralise risk or to suppose that someone else will take care of the problem.

The data indicated that the "Valjeans" had this understanding of commitment, sharing risk and responsibility and this has been discussed throughout this work [refer Chapters 3 and 6].

The thing you get in servant-leadership is a sense of ownership and responsibility and commitment in those people. If we have a problem here, it's ours; It's not my problem, or your problem or his problem. One or two might have contributed to the problem but it becomes an organisational problem. A servant style takes ownership of a problem even if they haven't directly contributed to it.

Greenleaf believed that "The servant views any problem in the world as in here, inside oneself, not out there. And if a flaw in the world is to be remedied, to the

servant the process of change starts in here, in the servant, not out there” (Greenleaf 1977, p. 28).

Reward comes therefore from commitment to others [not commitment from others]. Commitment assumes mutual alignment within the relationship and the pure relationship is sustained by reciprocity. That is, it will last as long as the mutual needs of each party are met. Reciprocity in this sense however means that the committed person accepts risk, which may mean compromise of other options (Giddens 1991). Risk taking behaviour first extends itself and acts before it is rewarded.

Giddens echoes Greenleaf in that trust implies being trustworthy and trusting others and develops from nurturing an atmosphere of caring. Trust is the opening up and disclosure of one party to another. It is continually being renegotiated and the more the relationship depends on itself for survival the more the reflexivity process is engaged, encouraging constant questioning of one’s beliefs and initiatives (Giddens 1991; Greenleaf 1977).

Section 3: Reciprocal Trust in the New Contractual Relationship

Given this understanding of *Trust as Principle*, this section looked for evidence of this existing in one contract in particular [refer Chapter 4] because it represents the new direction in which Railcorp is going. It is addressed because it represented twenty percent of the data collected from discussions initiated by the “Javerts”, so is a significant issue. They spoke of how well the new contractual arrangement was working, while at the same time expressing some doubt as to its sustainability if the people in this relationship were to change [refer Chapter 6].

It was claimed that this relationship is the best example of a contractual relationship in the Australian railway industry and is said to have its basis in servant-leadership. This was partly attributable to a close relationship between senior management in both organisations. It raised an interesting question as to how servant-leadership could develop in an external relationship while, as the data indicates, it is struggling to overcome the mistrust within the organisation. This analysis therefore investigated whether this relationship has a different basis of trust.

The relationship with outside contractors is an interesting one in view of the traditional ethos in which contractors were considered the enemy.

We were taught that the relationship between the client and the contractor would always be one based upon adversity, always one based upon trying to outdo the other, always one where you focus all your energy ensuring that you've got the best inside run rather than the opposition, so it was a 'them and us' mentality.

Hence this relationship has its basis in the need for controlling contractors, while at the same time overcoming an animosity and distrust of contractors, both of which were steeped in tradition.

The new contractual arrangement was however designed to be a partnering arrangement [refer Chapter 4] and to overcome the idea that *"I'm the principal, you're the contractor, you'll do as I say"* Such was the level of distrust towards contractors that right from the onset of outsourcing work, *"it became a them and us siege, battle lines were put on the ground as to how we were going to fight off these bloody contractors."*

So it is interesting that this issue of mistrust is evidenced again, even in external relationships. Despite attempts to overcome this, the mistrust is ingrained: *"...even with the contractor, unless you've been sold it's secret, you have to tell them what's going on. You can hold information from external organisations, but within the organisation there should be a level of trust where you can say, look we're working on this together."* So trusting a contractor was still a problem for some, particularly in the absence of trust in internal relationships.

In an endeavour to turn this situation around the people responsible for leading these changes got together and formed a close relationship with the contractor and they saw the common interest of both sides being paramount. *"It had become unassailable. It was just too difficult. It required a turnaround by the leadership of both companies"*. One particular senior manager expended considerable effort in making this relationship work and realised that to do this, there had to be a change in attitude towards contractors. In order for the contract to be successful, they had to

overcome the problem of mistrust. *“I had grown to believe, this is where I want to go but a lot of my energies were channelled into changing the psyche of these people who I wanted to empower and hence that couldn’t occur while they had that particular view.”*

Therefore over the years a very close working relationship has developed at a senior management level between Railcorp and the contractor, one in which they *“behaved like friends”* and so demonstrated that they had a common interest. *“We behaved like people working for a common company and in doing so we were able to show that people from both sides could work together.”* Senior management believed that the two organisations *“feed off each other”* and both are growing together as companies because *“we were reliant upon them just as much as they were reliant upon us.”* On the surface this relationship appears to an example of pure relationships in the Giddens sense. *“We have strategies about what we can do to minimise the difficulty that might be facing both the contractor and ourselves and how we proactively are going to work our way through that situation to leave both parties in an optimised position. It mightn’t be the best position, but at least it will be the least damage.”* Others were a little more sceptical about the authenticity of this relationship. *“It seems there is a form of sharing of all and everything and an invitation to participate on both our organisation and the organisation that does the work. They [the contractor] certainly appear empowered and conceptually I like the idea. It’s having myself satisfied that it’s as good as it appears superficially.”* At the same time *“Its quite softly softly, it may be that there’s a conscious intent not to offend either party and that’s fine if it is honest and if you’re getting value for your dollar.”*

It was said that at a senior level this is a very close working relationship, but not so close as you came down the ranks. Therefore concern was expressed that if the senior people in this relationship changed, then its sustainability could be threatened. In this regard it was conceded that only pockets of servant-leadership existed within this contractual relationship. However, this was acceptable because *“there are companies out there that don’t have any of it”*. Therefore a little was better than none at all. But for this pocket of servant-leadership to survive there needed to be recognition at a corporate level. If this example of servant-leadership was not recognised corporately, then it could all collapse.

Are You Being Served?

This is a performance driven environment and financial publications indicate that both the contractor and corporate owners strive for, and are achieving, returns on capital in excess of eighteen to twenty percent. And the contractor was reported to be getting in excess of their 20 percent target from this industry.³⁵ Publicly, successful performance appears to be measured in monetary terms.

Greenleaf's assessment of servant-leadership was by one simple measure; measuring service was more important than measuring performance. This was because if people in the organisation were being served, then they would ensure that performance levels were adequate to maintain the service (Greenleaf 1977). So in Greenleaf logic if the people are not being served, then who is monitoring the service? *"...if there is any party out there making any judgement on value for money, historically in relation to our previous contractor and our current single contractor, then I don't know about it."*

The single contractor arrangement limits the opportunity for performance measurement because of an absence of comparative statistics. Therefore in a Giddens sense, the relationship itself must sustain the contract and so performance is heavily reliant on the success of this relationship. However, doubts have been expressed that if the people in the relationship were to change, then it could all collapse. As with the classical understanding, it appears that personalities sustain this relationship. Greenleaf believed that when conceptual leadership is lost it is because it is not guided by a principle that required conceptual leadership throughout the structure (Greenleaf 1977).

Referring back to Chapter 6, it was an absence of "language" in the data that did not reveal evidence of servant-leadership from this sector of the organisation. This data was defensively based language, motivated by the need to make a vision work, while at the same time expressing doubts as to its sustainability [refer Chapter 6]. The "Javerts" were a part of creating this vision in the mid-1990s. *"So it was up to us to make the contract work – our contract – and we've got to make it work."* So the "Javerts" were committed to making the contract work because they had been

³⁵ This was reported in 2002 editions of financial newspapers and magazines. However, these are not referenced to protect the anonymity of both companies.

part of the process in which it had developed. *“We’re responsible for how the contract works. If it doesn’t work we can’t go and say the contractor failed. It’s us that’s failed because we haven’t got the contractor involved.”*

As discussed throughout this work, performance management is associated with control measures and the data indicated that in the contractual relationships the organisation needed to maintain control. *“We control expenditure and, because we understand the business far more than they do, we dictate to them how many resources they have.”* This was said to be because of the contractor’s inexperience and the need for Railcorp to give them the benefit of their experience in a coaching environment. Therefore, the data revealed that Railcorp estimated the work, programmed it, timed it, and then gave the work to the contractor to carry it out. Participants claimed that Railcorp set some fairly strong ground rules and retained an internal management structure to oversee this contract. This is because the government regulator of this industry sees Railcorp [and not the contractor] as the owner, so participants interpret this to mean they cannot abdicate their accountability and responsibility for this work. Therefore as more responsibility is given to the contractor and the organisation lets go of some of the controls, they need to *“remain an informed client”*. Because of government controls, it is not possible to outsource all the responsibility and work to the contractor and rely on others to *“undertake the complete gambit of works and responsibilities.”*

There appears to be a fundamental understanding for pure relationships in the Giddens sense. However sustainability is undermined by a misunderstanding of the guiding principle of trust underpinning the relationship because the reciprocity of classical management and reliance on personality traits is embedded in the psyche.

Section 4: Character and Trust Among the “Valjeans”

The recognition of character in a leader is an extension of transformational [charismatic and entrepreneurial] leadership that is associated in the literature with personality traits of leaders whose good “character” can also inspire others to support goals. This reliance on personality traits is criticised for its inadequacy in capturing the integrity of character in the Greenleaf sense (Greenleaf 1982; Giampetro-Meyer et al. 1998). Nonetheless researchers believe that transformational leadership is the

basis from which stems transcendental leadership and the difference is that transcendental leadership recognises the spirituality of the leader (Larkin 1995; Beazley 2002). However the data indicated little understanding of how to make the leap to transcendental leadership. This research argues that this is because the understanding of trust, as proposed by servant-leadership, belongs to a new paradigm representing a state of being that is not understood by the majority of people [refer Chapter 1] (Anderson et al. 2000).

Previous chapters have discussed that the “Valjeans” enacted Greenleaf’s interpretation of integrity; that is, integrity comes from taking action when there is freedom of choice to act and those actions are therefore guided by one’s own values and principles, not in reaction to events. This is Giddens’ concept of strong ontological security and self-identity. However the most descriptive contribution to understanding character came from the “alienated”, a group who neither trusted the organisation nor displayed trust in people.

Discovering Character

Recapping the data from Chapter 6, the “Valjeans” had a positive effect on dislodging the “Cosettes” from their disempowered and alienated state and they believed trust was an important ingredient in this exercise because a person’s character is firstly evaluated by how much they trust people and how this trust is returned. The “Valjeans” recognise that *“people have to believe in you and have to trust your judgment and your opinion, not only in my role as a manager and a technical person, but also as a person. It’s certainly character, but it’s not the organisation. It’s the individual’s character.”*

The “Cosettes” expressed the positive effect of being trusted. *“...it just gives you that ability to be your own person and you get a sense of satisfaction when they say you’ve done well here or you haven’t....and then you want solutions or guidance as to how it can be improved in the future without being slammed.”*

The “alienated” made a valuable contribution to this knowledge in identifying how congruent behaviour earned trust. *“You can’t demand it”* because *“it really is consistent character behaviour that earns trust.”* This is determined by demonstrating *“that your decision making and your values and your sense of who*

you promote and who you don't promote is consistent.” This is determined by “whether you will make the same decisions, if the organisation is aware of it and your management is aware of it, and whether you will fight for what you believe is right, whether the CEO is in the room or whether it's [a workman] in the room.”

The “alienated’ thus understood *Trust as Principle*. Trust was reflected in one’s willingness to have the principles they live by open to evaluation and scrutiny:

The idea that you can get trust without your character, your decision making, and so on being revealed, is just nonsense. It's only as you make decisions, and as you work with people, that people begin either to trust you or not trust you and every decision you make is one that people assess on their 'trust meter scale' and decide whether they will trust you or not.

It is interesting that this understanding of trust and character development comes from the “alienated” who had not identified with any evidence of servant-leadership in the organisation. They had not aligned with a group of people in whom they could trust. However, they had a deep understanding of the importance of congruent behaviour in establishing relationships based on trust. *“You're probably identifying that you don't want behaviour reflecting values, you want character and belief to reflect values so that it's not my behaviour that reflects my values, but I behave that way because of my values and there's a difference.”* However, the data revealed that while the “alienated” have this understanding of character, they lacked the confidence in themselves to live by their principles. *“What I believe and what I do are not necessarily concurrent. I believe certain things, I'm unable to follow them out exactly as I would like to.”* This was because of a lack of power within the self to make the necessary changes.

The “alienated” also recognised that changing behaviour first required character change. To enact the behaviours without first the change in character was to be hypocritical. *“Some of the things you will be successful at. People can put on a façade and achieve success, but people break down, particularly in the long-term relationship. You can maintain those short term relationships, but eventually people are very perceptive.”* Therefore enacting the principles alone did not necessarily bring about character change. *“I believe it can only change through spirituality”*. Spirituality offered an understanding of what guided those principles, but the “alienated” lacked faith in themselves to be able to make those spiritual changes.

Summary

This chapter has identified a culture of mistrust in Railcorp that is an issue of gross significance for the “Cosettes”. This mistrust stemmed not only from the change programs that have occurred over the past two decades, but from the way in which they were carried out; this has left people in the organisation cynical and distrustful of leadership. It has undermined their self-worth and self-identity. This has serious implications for the development of any leadership, not only servant-leadership.

This chapter has given an understanding of the two forms of trust: *Reciprocal Trust* as understood in classical management and *Trust as Principle* as discussed in the work of both Greenleaf and Giddens. The classical understanding of *Reciprocal Trust* dominates this organisation and is set at a corporate level where the need to be served first takes priority over serving others. This is supported by the “Javerts”. Giddens’ understanding of pure relationships with their basis in the mutual trust and commitment of one party to another is offered as a comparison. *Trust as Principle* is associated with acceptance of risk and responsibility. Reward therefore comes from the commitment one makes to others, rather than the reverse of first seeking their commitment. This is reflected in the behaviour of the “Valjeans”.

With internal relationships breaking down, Railcorp is now forging ahead in a new direction and forming relationships with external partners. This chapter looked for evidence of *Trust as Principle* in this relationship, but found that the “Javerts” adherence to the classical paradigm restricted their understanding of pure relationships and *Trust as Principle*. Evidence of *Reciprocal Trust* dominated this relationship:

1. Its success is heavily reliant on personality traits of leaders.
2. As discussed in Chapter 3 the process of choosing contractors first sought commitment to Railcorp from the contractor.
3. It is based on the classical priority of organisational survival and the need to make a vision work.

Recapping Giddens, in the absence of external sources to define the rules for contractual relationships, such as performance comparatives, together with the

inability to measure effective leadership, then there is an even stronger need for this relationship to sustain itself in order to make the contract successful. However, it appears that only the “Valjeans” have the understanding of *Trust as Principle* that guides pure relationships and would form the basis for contractual relationships. So again the “Valjeans” have a valuable role in effecting leadership change.

In the search for leadership character, two understandings of character emerge; the classical understanding of character as personality traits, and the Greenleaf principles that were thought to be an inherent quality. The “Valjeans” displayed evidence of this character and this research has revealed the importance of nurturing this character. It has the potential to effect leadership change by:

1. Dislodging the “Cosettes” from their disempowerment through the role modelling process.
2. Introducing the “Javerts” to *Trust as Principle* as a starting point in reversing their classical understanding of people management and contractual relationships.

Interestingly it was the “alienated” who had lost trust in everything and everyone who believed *Trust as Principle* could develop through spiritual change. However they did not believe they had the power within themselves to make the changes and so were constrained by their own lack of self-identity.

Conclusion

This chapter makes a contribution to knowledge by offering an understanding of the two types of trust: *Reciprocal Trust* as understood in classical management that seeks first to be served before serving others, and *Trust as Principle* which is trust based on sharing of the self with others. It is characterised by mutual commitment to others in sharing risk and responsibility. Reward is therefore in what one gets from making a commitment to others. Understanding *Trust as Principle* offers an explanation for understanding new paradigm thought. However, it is the classical adherence to *Reciprocal Trust* that prevents *Trust as Principle* from emerging. In the search for character, servant-leadership may be able to dislodge the disempowered and alienated from their lack of self-identity. However, they must be

encouraged by the organisation to do so and the alienated must believe that they have the power within themselves to change.

Chapter 8 discusses the grounded hypotheses to emerge from the research data and their application in Railcorp.

CHAPTER 8
IN SEARCH OF CHARACTER

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Introduction

This study began with an exploration of servant-leadership and through a study of the work of Robert Greenleaf came to an understanding of leadership character. Grounded Theory was chosen to explore leadership character because it generates hypotheses from the data, possibly for testing by other researchers and so is a platform for initiating future research. This study is offered as a contribution to research by giving a comprehensive understanding of servant-leadership from within the literature and exploring the character of servant-leaders. It is a contribution to discussion in the modern literature that calls for leaders of good character. Servant-leadership is said to represent a new paradigm within the literature. In this study's search for character it makes a contribution to academic knowledge by offering an understanding of new paradigm thought in terms of leadership character and offering a definition of character as: "character is integrity that comes from giving unconditionally to others".

In this chapter the contributions of this research are brought together:

1. The literature review is revisited and the two contributions it makes to this research study in giving a comprehensive analysis of Greenleaf's understanding of character as connected to spirituality and how this has not been captured in the modern literature.
2. Two further contributions are made by this study because it is qualitative research into servant-leadership character that has not previously been carried out in an Australian organisation. This is a unique contribution to servant-leadership research because it allows for the explanation of character to come from the participants' own words. The introduction of Greenleaf to Giddens is also a unique contribution giving this work a modern sociological framework wherein the historical context of Railcorp influences the way in which participants view their circumstances.

3. Applying structuration theory to the data provided three further contributions [seven in total] to knowledge by the generation of grounded hypotheses. These relate to the way in which historical circumstances at Railcorp have led to major dysfunctions that are inhibiting the business progress of the company. Railcorp has both a crisis of culture and a crisis in leadership and servant-leadership can provide a new direction for leadership. This is based on understanding *Trust as Principle* as new paradigm thought.

Revisiting the Literature

The need for recognising leadership in Australia arose from the Industry Task Force on Leadership and Management Skills, which criticised the poor leadership existing in Australian organisations and its inadequacy for competing in a globalised environment (Karpin 1995). Australia's answer to this problem, however, was a barrage of cost cutting exercises, downsizing and redundancies. The literature has shown this behaviour to stem from the traditional paradigm of mechanical systems, reductionism, analysis and control: the way forward is to first identify, analyse and eliminate what is wrong. The call for leadership character has largely been ignored in Australian research. However, in the popular and influential literature from the U.S. character is understood as a display of integrity, that is, people are inspired to follow leaders whom they perceive will have their best interests at heart and serve their needs.

Servant-leadership offers a new approach to the way in which management is perceived and practiced and the literature review has made two contributions to understanding servant-leadership as a new paradigm for management thinking.

Firstly it gave a comprehensive review of the work of Robert Greenleaf and captured his understanding of trust as faith [*Trust as Principle*] in the self and others and how this is linked to character and spirituality. This is the central element for understanding the character of servant-leaders because this is the state of character guiding the principles of servant-leadership. Greenleaf's servant-leadership character is a spiritual state wherein trust is understood as commitment to others, giving of oneself to others and sharing risk and responsibility. It is this behaviour that justifies

trust in leadership. This understanding of trust is linked to integrity. Integrity is freedom; freedom to act intuitively and with foresight when there is freedom of choice to act according to one's own moral principles and values. Integrity extends this same freedom to others. This understanding of integrity guides the core ethics of conceptual leadership, empowering others, and foresight and intuition. Trust and integrity is earned and comes from what one gives. Importantly, giving is not conditional upon what one first expects to receive. Therefore trust is two-way, both in giving and receiving; trust in leadership comes from first extending trust to others. Reward comes from trusting others; by giving unconditionally to others; serving others. This *Trust as Principle* is the key to understanding serving others ahead of the self and is the key to understanding new paradigm thought. Servant-leadership requires a different understanding of trust. It is not reciprocal and does not look for evidence of first being served. It is best described as “A generous heart is self-initiating – it waits for nothing, and just extends itself” (Williams 2000, p. 103). However it is the adherence to classical thought that has prevented Greenleaf's understanding of trust from emerging.

An important discussion for this work is Greenleaf's belief that leaders enacting servant-leadership principles should find a place within organisations from where they could be influential and others could learn from them. To this end servant-leadership was not taught through formal training; Greenleaf had a simplistic view that the role modelling process only would automatically set in motion the process for developing more servant-leaders. The data findings challenge the simplicity of this thought and are discussed later. However, Greenleaf's point is taken that servant-leaders should enact their own principles and values, regardless of the structure. While Greenleaf and Giddens believe the structure enables or constrains human activity, they see that human actors have their own set of values and so can influence the structure. This is a strong argument for this work and was a data finding, that those guided by servant-leadership principles do enact their personal values and principles, regardless of the structure and without fear of the consequences for sticking to those principles. Following on from Greenleaf, if these principles are not sustainable then they are not supported by the guiding principle of servant-leadership, that is, *Trust as Principle*. The servant-leader is focused on what is being done for others, rather than on the rewards for the self. And so character is

bound together by integrity that acts on, and justifies one's own ethical principles, and confidence that those principles are strong enough to inspire others to follow. This confidence underpins the strength of character that unconditionally trusts in others to make their own choice as to when and whether they are ready to learn these principles. This understanding of character would not be evidenced in those acting from the reciprocal understanding of trust that seeks recognition.

The comparison of Greenleaf's writing with the modern literature offered a second contribution to management knowledge by identifying three gaps where this understanding of servant-leadership character was adequately explained. Firstly, there is little qualitative research that adequately explains the character of servant-leaders as applying to a business environment. There is no qualitative research in Australia into servant-leadership and interest in it as a research topic is only just commencing. Secondly, the connection between trust as faith and character has not been made in the modern literature because character is understood as personality traits. This leads to the third gap, which is an inadequate explanation of new paradigm thought; the way forward is seen as identifying and teaching the qualities of servant-leadership. This research however has argued that understanding the difference between *Reciprocal Trust* and *Trust as Principle* is the missing link that prevents the emergence of new paradigm thought. It is from first understanding *Trust as Principle* that servant-centred behaviour will flow.

Most of the modern literature appeals to the business community and is represented by popular authors whose purpose is to "sell" the principles of servant-leadership rather than offer an understanding of the paradigm guiding the principles. And so there is a natural consequence to offer servant-leadership as an appropriate leadership model to meet current needs and so adapt the principles to appeal to modern thought. Modern writers have not captured the authenticity and stability of servant-leadership that is timeless and does not need to change to keep up with modern trends because it is not a leadership model but a guiding principle. Not all modern writers have understood how leading with spirit is to transform, transformation coming from focusing on what we want to create, rather than eliminating what we do not want.

Understanding servant-leadership also requires an ability to see the difference between fear based management and love based principles. Defensive systems are

based on the belief that the more you have, the happier you will be. This is the belief that we find happiness from external factors, rather than from within the self. While this defensive management is criticised in the literature, words like love and spirituality are only just finding their way into management literature. Writers promoting new paradigm thought use language such as trust, caring leadership, credible leadership, showing compassion, principled leadership, but without spelling out that these emotions come from the emotion of love and so leadership stemming from the two emotions has not been contrasted in the literature. Therefore writers promote new systems, new mindsets, asking for a change in thinking without recognising that this “new” thinking requires emotional change. Therefore new paradigm thought is asking for love based behaviour while our conditioning is from one of fear to maintain self-interest. It is this need to defend the self and our existing state that limits our learning. Table 8.1 below explains this paradigmatic change.

Table 8.1: Paradigmatic Change

Traditional Paradigm Mechanistic Structures Quantitative Research	Emerging Paradigm Contemporary Writers Qualitative Research	New Paradigm Servant-Leadership Undeveloped Research
Fear Based	Fear Based	Love Based
Objective	Subjective	Subjective
Value free	Value in system Assumes goal alignment	Value in people Individuals shape own values
Social Attachment Attached to outcome	Social Attachment Attached to outcome	Detached Non attachment
	Social action characterised by immediate reciprocal orientation	Not reciprocal or social but creating a better way
Belief in mechanics of system, structure	Trust in systems Shared Values	Trust in people Unity in Diversity
Ontological insecurity	Ontological insecurity	Ontological security

The gaps in the literature have been addressed in the two contributions made by the literature review, that is, the comprehensive review of Greenleaf's work and its comparison to the modern writing. This review offers three support strategies for developing servant-leadership. Firstly, it endeavours to give encouragement to servant-leaders to stick by their principles in an environment that does not support servant-leadership. Secondly, it offers people an understanding of how to identify Greenleaf's true and trusted servant-leader from transformational leadership and how the two are easily confused. Thirdly, it offers a different understanding of performance management by recognising the character of leaders who have the potential to influence results through genuinely serving and valuing people.

Developing an Explanatory Framework

Making this connection between spirituality and the ontology and epistemology of modern social theory allows this study to make a unique contribution to knowledge. This framework allowed for a revised classical Grounded Theory approach wherein the data could be explained within a social, structural and historical context appropriate for this study.

Introducing Greenleaf to Giddens

Greenleaf and Giddens have not previously been introduced in the literature; this introduction provides a theoretical link between Greenleaf's trust as spirituality and Giddens' state of "being" that is determined by a person's understanding of trust in terms of their ontological security and self-identity. This link between Greenleaf and Giddens has been interwoven throughout the thesis and provided guiding connections to understanding the difference between traditional and new paradigm thought.

Giddens' work on faith, trust, risk, ontological security and self-identity proved to be a highly relevant link to understanding Greenleaf's trust as faith in the self and others. This alignment meant they shared the same base element for understanding how institutions should instigate relationships based on trust. Table 8.2 below summaries the alignment between the two authors.

Table 8.2: Greenleaf and Giddens

Greenleaf	Giddens
Trust is faith in the self and others. Faith in one's own principles	Trust is strong ontological security and self-identity.
Conceptual leadership, risk taking trust in people to share risk and responsibility.	Relationships based on mutual trust, disclosure of the self to others, assumes awareness of risk,
People are the institution; if people are the institution they are to be loved and nurtured.	Institutions are a set of social activities among actors who have their own values and so can have a structural influence. It is their knowledge and values that make the institution.
Servant-leaders must find a place in institutions from where they can influence others.	People have agency so can intervene in the world and make a difference.
Integrity is to act with foresight and intuition when there is to freedom of choice to act	Detraditionalisation of society, traditional values no longer form the basis for relationships
Credibility is established through one's own actions and proven integrity	Relationships based on one party opening up to the other, revealing of the self to others
Give people freedom of choice to act in accordance with their own values. Recognises the spirituality in others.	Strong ontological security recognises the identify of others and the contribution they make.
Self-development through self-reflection.	Discursive reflexivity as a way of changing behaviours.
Power by persuasion – a challenge to to top down leadership.	Power is in the relationship, not with the hierarchy.

Giddens' structuration theory proved highly useful in creating the groups from the natural group in terms of how the historical, social and structural context influenced the way in which they perceived their circumstances. Further research could investigate whether these same groupings exist in other organisations with a similar historical background. It could also compare whether the same findings would be replicated in a younger groups of people whose historical circumstances differed from those in this study.

Applying Structuration Theory

The data revealed that Railcorp's historical circumstances have led to major dysfunctions, which are inhibiting its business progress. Therefore there is a need to address the past and servant-leadership can help. Two problems were identified as major contributors from the past that are hindering the way forward.

Firstly, huge restructuring, including massive downsizing and redundancies have been a consequence of the change programs over the past two decades. The negative consequences of downsizing have been the subject of extensive research indicating that trust in leadership legitimacy is severely undermined, not so much by the downsizing process itself, but by the way in which the redundancy programs have been carried out. This finding was also strongly confirmed in Railcorp. This research therefore adds to the existing research on the effects of downsizing by explaining how trusting relationships can be re-established. It does not seek to re-establish the old patterns of *Reciprocal Trust* [which have broken down] but to give an explanation of a new form of trust upon which relationships can be based, that is, *Trust as Principle*.

Secondly there has been a move from government to private ownership and this change represents a change in culture and values. In government times organisational values centred on a place in the community and how Railcorp might best serve that community. Railcorp is now a performance driven organisation and organisational practices are focused on how to maximise profits for shareholders. It is this focus that logically prioritises values. This has repercussions for direction, sense of purpose and self-identity. Combine with this with the loss of self-worth caused by the downsizing process [refer Chapter 1] and there is a serious problem of self-identity in Railcorp. Performance driven management undermines self-worth because there is no requirement for purpose. Purpose is blinded by vision. Servant-leadership offers a way to heal this loss and restore the sense of purpose and self-identity. Thus the significant finding for this research is that servant-leadership can help address the dysfunctions caused by past management policies and leadership practices.

Analysing the Interview Data

Railcorp has a crisis of culture because of high levels of mistrust. However, it appears that the seriousness of mistrust is not realised by leaders and so the consequence of this problem is neither recognised nor addressed. Relationships within the organisation have broken down and forming external relationships is seen as the solution for the way forward. However, the data indicates that these relationships are already starting “behind the eight ball” because of a need to overcome the distrust for external service providers that has been steeped in tradition. The data indicates that the reciprocal understanding of trust still guides these relationships. This would suggest that there is little reason to expect these relationships will take a different course from that experienced in the past. Therefore there is definitely a need to consider *Trust as Principle* as a way forward.

Perhaps a failing of servant-leadership is that in recognising the worth in others it does not see problems. Servant-leadership does not look for problems to solve, it looks for creating and developing the new. This perhaps explains why the “Valjeans” did not raise serious problems for the “Cosettes”, such as the issues of mistrust and secrecy. Some of the “Valjeans” discarded the secrecy issue as irrelevant, because you had to keep people informed. Therefore because they did not play the secrecy game they were totally unaware of its consequences for the “Cosettes”. Likewise they appeared unaware that the culture of mistrust was inhibiting the way forward for those they wished to empower with more responsibility. They saw this barrier as a consequence of the past wherein making a mistake almost meant facing the firing squad. They saw the present circumstances as an inhibiting factor only in as much as Railcorp still has the hallmarks of a hierarchical government bureaucracy where people look for the security of procedures as a support strategy. Their solution was simply teaching people that they could now make mistakes and they would not be shot. However, the “Cosettes” were not so confident and therefore hesitant to take a step that could still mean risking the firing squad.

Railcorp has a crisis in leadership. This crisis is not unique to Railcorp and these findings could be replicated in many organisations that have “survived” the downsizing and performance driven management of the 1990s [refer Chapter 1]. This

is the argument of previous research that leadership legitimacy has been undermined by the way in which downsizing has been carried out. This was certainly a data finding in this study. Thus there is a definite need to consider a new direction for leadership. Servant-leadership offers a solution to restoring legitimacy in leadership with its focus on service first. However, the adherence to classical management inhibits the understanding of this servant-centred focus.

The cost cutting exercises of the 1990s are steeped in the classical management paradigm of reductionism and elimination and with a focus on meeting the fearful bottom line. This is the basis for questioning leadership legitimacy. Chapter 5 dealt with the issues relative to the bottom line focus and how these had repercussions for devaluing of people, disempowerment and alienation, self-worth and mistrust. “Leadership” is valued in as much as people can be aligned to support the organisational goals articulated by leaders and people are developed to serve the organisation. Thus arise the popular motivational management policies espousing that “people are our most valued resource” while leaders enact management practices to the contrary. Nonetheless it is easy to rationalise leadership behaviour to believe it is serving others and leaders are blinded to the incongruence of their own behaviour.

The role of the created groups

The “Javerts” adherence to classical performance driven management blinds them to understand how behaviour can be proactively service-centred. In a performance driven environment, performance has been translated to mean profit; service is conditional upon performance indicators being met and if performance suffers, then costs and ultimately services are cut. Trust in this mechanistic system is always reciprocal because it looks to have one’s needs met; therefore it maintains a transformational understanding of leadership that seeks first to be served before serving. It is reactionary to circumstances. Servant-leadership has the reverse philosophy where the proactive focus on service means that if service is suffering, performance must be improved to maintain that service, while remaining cost effect. But if necessary, profit will be sacrificed to maintain service. This is a little understood concept of servant-leadership, both in the literature and in a practical understanding. Therefore there is a need to move from this classical understanding before servant-leadership can develop.

In searching for leadership character this research found evidence of servant-leadership in Railcorp. This supported Greenleaf's challenge that servant-leaders can exist in organisations, even those based on top-down forms of leadership and without support for the concept from top management. This was because their leadership was sustained by their guiding principles, and not determined by the structure. The data has indicated that the "Valjeans" provide direction for the new leadership required to take Railcorp forward. They have an extremely valuable role in dislodging the disempowered from their alienation because they have the ability to heal the rifts in the culture. Their understanding of *Trust as Principle* is the way forward for creating new relationships. This research has therefore highlighted the importance of nurturing this leadership because of its potential to restore self-identity and allow character to flourish.

A Way Forward

This leads to a discussion on how to develop servant-leadership. This work has argued that servant-leadership is not a leadership model or practice that can be taught, such as for example, total quality management. Servant-leaders already know how to be servant-leaders; they live the principles. It is reaching the non-servant-leaders that is the problem because it requires a change of mindset. This is the argument of this work confirmed in the data. The "Valjeans" and "Cosettes" do not know how to change mindset, while the "Javerts" do not recognise that it needs to be changed.

Logically servant-leaders would be identified to teach the concept. However, "teaching" is not the way of servant-leaders; they inspire "learning". Even Greenleaf did not teach servant-leadership as the one best way. In living their own principles and values servant-leaders allow others to observe servant-leadership in action and give people the freedom to choose this path when they are ready. People thus observe and learn from them. This learning process is initiated by the servant-leader but starts with the individual; change can only come from individuals who want to change. The principles of servant-leadership cannot be forced upon them as the new way to be adopted. Therefore not everyone is ready for servant-leadership and they come to accept [or reject] it in their own time.

This work has argued that it is the reliance on traditional thinking that stops the principles of servant-leadership emerging. Therefore nurturing its development first requires the unlocking of blockages that prevent new paradigm thought from being understood. This work has also argued that the key to understanding new paradigm thought is in understanding *Trust as Principle*. Because servant-leadership gives freedom to choose one's own values, a starting point is to first look within the self and question those values: does the individual understand *Trust as Principle*, and does the individual act from the creative emotion of love or the defensive emotion of fear and need for control?

Figure 8.1 below offers a strategy for starting the self-reflective process:

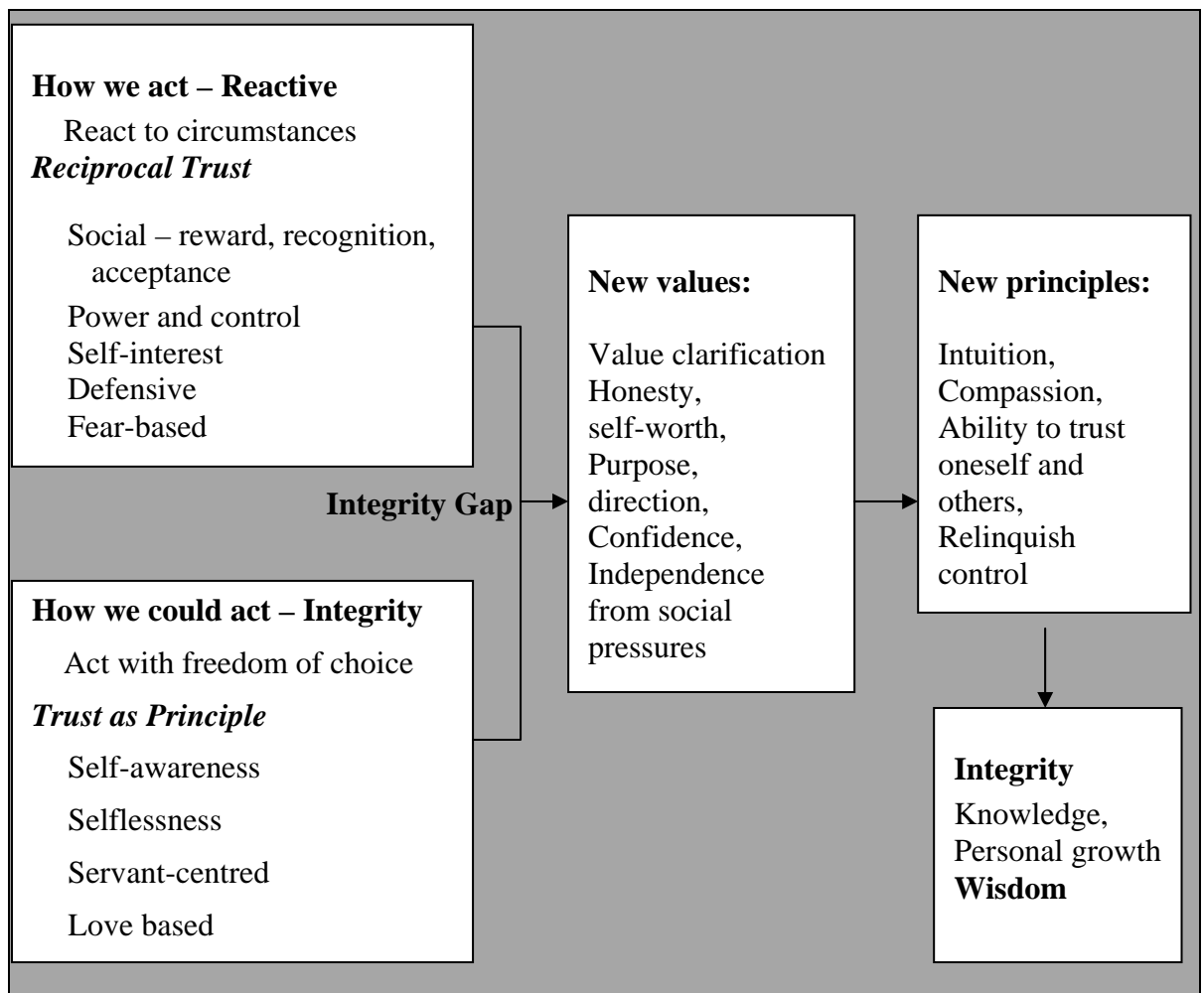


Figure 8.1 The Integrity Gap Adapted from Quinn , Spreitzer and Brown (2000)

This explains how teaching the principles will not automatically ensure changed behaviour when people do not understand the principles underpinning the strong self-identity needed to enact and justify one's own values. Developing this is an individual and personal journey that takes time. The key to understanding new paradigm thought and recognising servant-leadership comes from trust in one's own self-worth and recognising the self-worth of others. Servant-leadership does not seek to dominate and control, to inflict one's values and view on others as the one best way. This takes our understanding away from unity in a system of shared values to understanding that there is unity in diversity.

Conclusion

Traditional thinking says the leadership change will only come about through workplace reform and legislation and with top-down support. However, without an understanding of a new paradigm, "new" policies introduced into the traditional defensive paradigm will result in a recreation of past practices. Only revolutionary change can break this cycle, and this must come from a new paradigm. The starting point must be in recognising that creating a better society is not necessarily achieved by fulfilling monetary dreams only but by fulfilling one's own spiritual development. We all owe it to ourselves to explore the depths of knowledge available, to take that journey of self-discovery and development in pursuit of the authenticity of our own characters. This is a push that must come from individuals because as long as people are used for profit and organisations achieve their performance results, leaders will not see the need to find another way that genuinely values people for their own worth.

The last major paradigmatic change to influence society started with the Enlightenment Era of the 17th and 18th Centuries. Then, just as today, political forces, economic changes and growth in scientific knowledge drove the change. But the real forces driving change were the rising middle class, and their need to break away from the ruling classes and what had been accepted as the norm. Enlightenment was a small group of people who believed in a certain set of ideals and whose ideals still influence us today. Likewise Greenleaf shared that same faith in servant-leaders to find a place in society wherein they could be influential and effect change. Servant-

leadership has universal application. It is non-political and not aligned with any particular religion, and so has the potential to effect social change.

My hope for the future rests in part on my belief that among the legions of deprived and unsophisticated people are many true servants who will lead, and that most of them can learn to discriminate among those who presume to serve them and identify the true servants whom they will follow (Greenleaf 1977, p. 14).

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