Surveying the Influence of Servant Leadership on Employees’ Commitment  
(Case Study of Iran Mellat Bank)

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ABSTRACT

The current paper discusses about the role of servant leadership on employees commitment. For measuring servant leadership 7 dimensions (containing agapao love, empowerment, vision, service, humility, trust and altruism) and to measure organizational commitment 3 dimensions were applied includes affective commitment, normative commitment and continuance commitment.

The results of using Spearman test show that there are positive and meaningful relationship between servant leadership and its dimensions with employees’ commitment apart from empowerment and vision. Also Friedman test show that among servant leadership dimensions “agapao love”, “humility” and “service” were chosen as the top indices; meanwhile “empowerment” was posed in the last place.

Results of applying Average test explained that all variables statistic were more than 1.645, so they were placed in favorable levels.

Finally, by utilizing Chi-square test the relationships between demographic characteristics with employees’ organizational commitment were surveyed in which positive relationships were gotten.

KEYWORDS: Servant leadership, organizational commitment, stewardship.

1. INTRODUCTION AND PROBLEM STATEMENT

In 1977, Robert Greenleaf introduced the concept of servant leadership, in which service to employees is the leaders’ primary responsibility. Although developments of servant leadership models (Parolini, 2004; Patterson, 2003; Russell & Stone, 2002; Winston, 2003; Wong & Page, 2003) and questionnaires (Dennis & Bocarnea, 2005; Dennis & Winston, 2003; Liden et al, 2008) have encouraged recent research, little is known about the conditions that facilitate servant leadership. While conceptual models posit that certain values (like humility, altruism, agapao love and etc) are causal criteria which lead to servant leadership, these models do not postulate the source of those values (Yukl, 2010).

The work surrounding servant leadership from the early 1990s through 2003 focused on identifying factors that could help to conceptualize the concept of servant leadership. Graham (1991) introduced the inspirational and moral dimensions for servant leadership. Buchen (1998) found that self-identity, capacity for reciprocity, relationship building, and preoccupation with the future were essential characteristics of servant leaders (Buchen, 1998). Servant leadership dimensions of listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment, and community building are considered as servant leadership themes. Importance of vision, influence credibility, trust, and service are surveyed from Farling’s view (Farling et al, 1999). Laub (1999) put forward valuing people, developing people, building community, displaying authenticity, providing leadership, and sharing leadership. Russell (2001) argued for vision, credibility, trust, service, modeling, pioneering, appreciating others, and empowerment. Patterson (2003) presented the dimensions of agapao love, humility, altruism, vision, trust, empowerment, and service as the essential dimensions of servant leadership.

In Mellat Bank (one of the most active Iranian Banks), leaders still utilize traditional leadership styles and employees’ are not satisfied of their job which affect on their commitment. The job leaving rate in recent years, shows this claim. In this study, we are trying to survey the role of servant leadership on employees’ commitment. So the main question of the current research is:

Is there any relationship between servant leadership style and employees’ commitment in Mallat Bank?

2. LITERATURE REVIEW

2.1. Servant leadership

Transformational leadership style in particular has been identified as a key component in promoting people development. Servant leadership is a unique approach, and based on the leader being at the down of the organization

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which called reverted pyramid. It needs that the servant leader be able to bear pain inflicted by conflict, be a steward of resources, be an effective listener, and be the developer of skills of those within the organization (DePree, 1989; Gholi pour & Hazrati, 2008).

Servant leadership can be defined as a leadership style which is primarily focused on the growth and well-being of people. A Servant leader has the moral character, the wisdom to foresee what is wanted, the ability to meet the needs of people, and the courage to act on that (Nuijten, 2009).

Servant leadership is characterized by the interest to serve and empower employees and the belief that the best way to achieve organizational goals is through developing the people potential. The critical aim of servant leadership is service to others (Greenleaf, 1977). The idea of leaders and servants has gained enhancing acceptance in the leadership and organizational literature (Russell & Stone, 2002; Wheatley, 1994). When applied to public education, it can be claimed that for no other reasons, organizations are founded to serve the basic wants of the human race (Covey, 2006).

Servant leadership is being practiced in the corporate world and the priority of service to people has enabled many outstanding for-profit organizations to thrive in very competitive markets (Ruschman, 2001). Also it can be said servant leadership is more appropriate for nonprofit organizations (Giampetro-Meyer et al, 1998). Servant leadership has been criticized for negative association with the term servant and for seeming like a rather unrealistic form of organizational leadership; however, the reality is that it is becoming more accepted and publicly discussed (Whetstone, 2002). Servant leadership is a certain model of leadership which needs trust, risk-taking, and tenacity to create and maintain servant-led organizations (Ruschman, 2001).

2.2. Characteristics of Servant Leadership

Greenleaf after his retirement, founded the Center for Applied Ethics and served as a consultant to organizations such as the Ford Foundation, Lilly Endowment, the American Foundation for Management Research, and the Mead Corporation. He also wrote extensively on the topic of servant leadership.

Greenleaf (1977), who is father of servant leadership, described servant leadership in the manner below:

It begins with the natural feeling which one first of all wants to serve others. Then conscious choice brings one to aspire to lead. The differences manifest itself in the care taken by the servant and to make sure that others highest priority requires being served. The best test, and difficult to administer, is:

Do those served grow as people?
Do they grow while being served, become healthier, wider, freer, more autonomous, more likely themselves to become servants (Kasun, 2009)?

2.3. Organizational Commitment

Organizational commitment can be defined in various ways (Mowday et al, 1982; Reichers, 1985). In the current study, organizational commitment refers to congruence between the goals of the individuals and the organizations whereby the individual identifies with and extends effort on behalf of the general goals of the organizations. Most previous researches have suggested that organizational commitment is more strongly related to turnover than is job satisfaction (Koch & Steers, 1978; Parasuraman, 1982; Porter et al, 1974; Steers, 1977).

Meyer and Allen (1991) tried to broaden the perspective on organizational commitment through the componential model, but it has been shown that the three components are distinct and have different antecedents (Dunham et al, 1994).

Meyer and Allen (1997) believed that commitment should be conceptualized as a psychological state concerned with how employees feel about their organizational engagements. It has also been presented that it is the affective characteristics which lead to negative outcomes such as absenteeism, turnover (Dunham et al, 1994; McFarlane-Shore & Wayne, 1993; Somers 1995).

Organizations are able to acquire competitive advantage through improving human resources and research on organizational commitment (Colbert and Kwon, 2000). Determining criteria which are related to organizational commitment may be useful on several levels and its importance has enhanced dramatically when the correct and suitable criteria determined. As it mentioned organizational commitment is strongly related to the intention to leave one’s job and to the intention to search for job alternatives (Mathieu and Zajac, 1990). It is also positive related lateness. Thus, with a better understanding of the behavior and a better knowledge of the antecedents of organizational commitment will enable organizations to manage these withdrawal behaviors (Loong, 2011).

2.4. Servant Leadership and organizational commitment

A lot of theoretical and empirical studies show that servant leadership has positive and meaningful impact on organizational commitment. Agarwal et al (1999) found that one of the strong components of servant leadership
characteristic attributes like “consideration” behavior to be positively correlated with organizational commitment. Consideration behaviors of servant leaders allow them to see rank or leadership position in organization as nothing but responsibilities. Therefore holding a position should not mean an authority or command but carrying out ones responsibilities. Drucker (1999) believes that organizations are now evolving toward structures in which rank entails responsibility but not authority, and where the supervisor’s job is not to command, but to persuade. So, for organizations to be productive it is critical for leaders to affect on their followers. Leaders should assist and support people’s growth, needs, wanted and desires and motivate them to carry out their duties to the fullest expectation of the organizations (Blickle, 2003).

The results of researches show that employees have different expectations of the workplace and their managers/leader. Here, the employees were asked to think about the best team manager/leader they had worked for, and what has made them such effective managers. What made them the best team leaders or managers is the ability to listen to people which is one of the potential characteristics of servant leaders. This was closely followed by managers who treat all employees with respect and as equals, and do not regard themselves as “superior” to the employees in the organization who they were responsible to manage.

Thus, these characteristic of servant leaders will extensively associate with employees’ commitments to their organizations. In addition, the perceived support of the leaders was found to relate positively with employee’s affective commitment to the organization (Eisenberger et al, 1986). There is also strong positive relationship between organizational commitment of employees and work outcomes such as performance, adaptability, and job satisfaction (Mowday et al, 1974; Porter et al., 1974).

Personal attributes or traits of servant leaders and group-leader relations increase organizational commitment of people. As leaders are like agents of change, so their acts profoundly affect their followers more than how the followers’ acts affect them (Mathieu and Zajac, 1990). “Leadership plays an important role in understanding group behavior, for it’s the leader who usually provides the direction toward goal achievement” by demonstrating some excellent characters to employees. Hence servant leaders should “adapt their style to fit the organizational and cultural context in which they act”. “Organizational effectiveness and success are broadly affected by the quality of its leadership today’s leadership should be able to mobilize ideas and values that energize other staff” (Buchanan and Huczynski 2004). Servant leadership makes organizational commitment because it builds or creates a trusting, supportive community which fosters creativity and innovation. This conceptualization suggests that when a leader displays such characteristic traits, the people form bonds with him/her as well as the organization to a certain degree where the employees self conceptions are engaged in the jobs they operate and the organization at large (Greenleaf, 1977).

2.5. Conceptual framework and hypotheses

Figure 1 is the conceptual framework of research and has been derived Patterson (2003) and Jamaludin (2008) models. It presents the influence of servant leadership and its indices on employees’ commitment in Mellat Bank. Servant leadership has 7 main criteria include agapao love, humility, altruism, trust, vision, service and empowerment.
In the model, servant leadership and its indices (agapao love, humility, altruism, trust, vision, service and empowerment) are independent variables and organizational commitment will be considered as dependent variable.

1. Servant leadership has positive and meaningful influence on organizational commitment.
   1.1. Agapao love has positive and meaningful influence on organizational commitment.
   1.2. Humility has positive and meaningful influence on organizational commitment.
   1.3. Altruism has positive and meaningful influence on organizational commitment.
   1.4. Trust has positive and meaningful influence on organizational commitment.
   1.5. Vision has positive and meaningful influence on organizational commitment.
   1.6. Service has positive and meaningful influence on organizational commitment.
   1.7. Altruism has positive and meaningful influence on organizational commitment.

3. RESEARCH METHODOLOGY

The study was done in a society involving 315 employees of central branch of Mellat Bank. Whereas this number seems to be too much, the sampling was done through an integral counting method.

\[
n = \frac{NZ^2 \cdot \frac{pq}{\pi}}{(N-1)e^2 + Z^2 \cdot \frac{pq}{\pi}} \implies \frac{315 \times (1.96)^2 \times (0.5)^2}{315 \times (0.05)^2 + (1.96)^2(0.5)^2} \approx 174
\]

So the sample is 174 employees. Also the sampling strategy is simple sampling. Current study can be considered as a descriptive survey if to view from data collection aspect and as an applied research if to investigate the goals of the study. To collect the data library method (to refer to books, articles, libraries, etc...) and fieldworks (questionnaire) was being used. For gathering data, 2 questionnaires were designed. The first one was about servant leadership includes 39 questions with 5 point likert scale. Distribution of each dimension is presented in table 1:

<table>
<thead>
<tr>
<th>Servant Leadership</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agapao love</td>
<td>1-5</td>
</tr>
<tr>
<td>Empowerment</td>
<td>6-10</td>
</tr>
<tr>
<td>Vision</td>
<td>11-15</td>
</tr>
<tr>
<td>Service</td>
<td>16-21</td>
</tr>
<tr>
<td>Humility</td>
<td>22-28</td>
</tr>
<tr>
<td>Trust</td>
<td>29-34</td>
</tr>
<tr>
<td>Altruism</td>
<td>35-39</td>
</tr>
</tbody>
</table>

To measure organizational commitment, 3 main dimensions were considered: affective commitment, normative commitment and continuance commitment.

So the other questionnaire includes 24 questions with 5 point likert scale too. Distribution of each commitment dimension is presented in table 2:

<table>
<thead>
<tr>
<th>Organizational commitment</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective commitment</td>
<td>1-8</td>
</tr>
<tr>
<td>Continuance commitment</td>
<td>9-16</td>
</tr>
<tr>
<td>Normative commitment</td>
<td>17-24</td>
</tr>
</tbody>
</table>

To analyze the data SPSS 17 and Spearman, Friedman, Chi-square and binomial tests were utilized. The management experts were being asked to evaluate the validity of questionnaires. For this mean, the questionnaires were given to some professors and experts in management, and after their modifications were being applied and they confirmed it, the questionnaires were given to the participants.
To determine the questionnaires’ reliability, the ‘Cronbach Alpha technique’ was applied. For this purpose, 30 people were chosen by random (from the statistical samples) and the questionnaires were given to them. The ‘Cronbach Alpha’ values for all variables were calculated:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servant leadership</td>
<td>0.94</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>0.92</td>
</tr>
</tbody>
</table>

These values support the reliability of questionnaires, because the calculated results for Cronbach’s alpha are more than (0.7) (Nunnally and Bernstein, 1994).

4. DATA ANALYSIS

4.1. Spearman test

To investigate the relationship between servant leadership and its indices with organizational commitment, this test was used. The results are shown in table 4:

<table>
<thead>
<tr>
<th>Path</th>
<th>Spearman r</th>
<th>Sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servant leadership</td>
<td>0.881</td>
<td>0.000</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>Agapao love</td>
<td>0.925</td>
<td>0.000</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>Empowerment</td>
<td>0.023</td>
<td>0.763</td>
<td>No relationship</td>
</tr>
<tr>
<td>Vision</td>
<td>0.026</td>
<td>0.729</td>
<td>No relationship</td>
</tr>
<tr>
<td>Service</td>
<td>0.744</td>
<td>0.000</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>Humility</td>
<td>0.689</td>
<td>0.000</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>Trust</td>
<td>0.584</td>
<td>0.000</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>Altruism</td>
<td>0.659</td>
<td>0.000</td>
<td>Positive relationship</td>
</tr>
</tbody>
</table>

As table 4 shows, there are positive and meaningful between servant leadership, agapao love, service, humility, trust and altruism with employees’ commitment (sig<0.05). As sig amount for empowerment and vision are more than accepted error (0.05), so there is no relationship between empowerment and vision with employees’ commitment.

4.2. Friedman test

To prioritize servant leadership dimensions, Friedman test was applied. The results are presented in table 5:

<table>
<thead>
<tr>
<th>variables</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Love</td>
<td>5.69</td>
</tr>
<tr>
<td>Empowerment</td>
<td>2.19</td>
</tr>
<tr>
<td>Vision</td>
<td>2.25</td>
</tr>
<tr>
<td>Service</td>
<td>4.70</td>
</tr>
<tr>
<td>Humility</td>
<td>5.01</td>
</tr>
<tr>
<td>Trust</td>
<td>3.84</td>
</tr>
<tr>
<td>Altruism</td>
<td>4.31</td>
</tr>
</tbody>
</table>

As table 5 shows, agapao love is the most important dimension of servant leadership and humility and service were chosen in second and third places. Meanwhile empowerment and vision were the last ones.

4.3. Chi-square

To survey the relationship between employees’ demographic characteristics and their commitment, Chi-square test was utilized as:
Moghaddam and Ansari, 2013

<table>
<thead>
<tr>
<th>Demographic characteristics</th>
<th>Standard error</th>
<th>Sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>0.05</td>
<td>0.000</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>Gender</td>
<td>0.05</td>
<td>0.015</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>Educational level</td>
<td>0.05</td>
<td>0.000</td>
<td>Positive relationship</td>
</tr>
<tr>
<td>Job experience</td>
<td>0.05</td>
<td>0.001</td>
<td>Positive relationship</td>
</tr>
</tbody>
</table>

Table 6: the results of using Chi-square test

Table 6 shows that there are positive and meaningful relationships between demographic characteristics – includes age, gender, educational level and job experience - with employees’ commitment.

4.4. Average test

Average test has been applied to measure the “organizational commitment”, “servant leadership” and its dimensions in statistical society. The results are shown in table 7:

<table>
<thead>
<tr>
<th>Variables</th>
<th>$Z_{stat}$</th>
<th>$Z$ value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servant leadership</td>
<td>1.645</td>
<td>2.012</td>
<td>Favorable level</td>
</tr>
<tr>
<td>Agapao love</td>
<td>1.645</td>
<td>1.945</td>
<td>Favorable level</td>
</tr>
<tr>
<td>Empowerment</td>
<td>1.645</td>
<td>3.129</td>
<td>Favorable level</td>
</tr>
<tr>
<td>Vision</td>
<td>1.645</td>
<td>2.425</td>
<td>Favorable level</td>
</tr>
<tr>
<td>Service</td>
<td>1.645</td>
<td>1.892</td>
<td>Favorable level</td>
</tr>
<tr>
<td>Humility</td>
<td>1.645</td>
<td>2.324</td>
<td>Favorable level</td>
</tr>
<tr>
<td>Trust</td>
<td>1.645</td>
<td>2.741</td>
<td>Favorable level</td>
</tr>
<tr>
<td>Altruism</td>
<td>1.645</td>
<td>2.919</td>
<td>Favorable level</td>
</tr>
<tr>
<td>Commitment</td>
<td>1.645</td>
<td>2.381</td>
<td>Favorable level</td>
</tr>
</tbody>
</table>

As table 7 shows, all variables are more than $Z$-value (1.645) which means Mellat Bank is placed in favorable levels of organizational commitment, servant leadership and its dimensions.

5. CONCLUSION AND SUGGESTIONS

The purpose of writing the current paper is to survey the influence of servant leadership on employees’ commitment which accomplished in a society including 174 employees of Mellat Bank (Tehran, Iran).

Servant leadership was measured in 7 dimensions containing agapao love, empowerment, vision, service, humility, trust and altruism; meanwhile employees’ commitment was measured in 3 dimensions of affective commitment, normative commitment and continuance commitment.

After designing two questionnaires about servant leadership and organizational commitment and proving their validity and reliability, some tests were utilized for data analyzing.

5.1. Spearman test

The results of using Spearman test show that there are positive and meaningful relationship between servant leadership and its dimensions with employees’ commitment.

The positive relationship between servant leadership and organizational commitment in the current paper is consistent with Inbarasu (2008) research.

5.2. Friedman test

Also Friedman test was utilized to prioritize servant leadership dimensions. The results show that among servant leadership dimensions “agapao love”, “humility” and “service” were chosen as the top indices; meanwhile “empowerment” was posed in the last place.

5.3. Binomial test

Also results of applying Average test show that all variables statistic were more than 1.645, so they were placed in favorable levels.

5.4. Chi-square test

Finally by utilizing Chi-square test the relationships between demographic characteristics with employees’ commitment were surveyed in which positive relationships were gotten.

5.5. Applicable suggestions

The results show that there are positive and meaningful correlations between servant leadership indices and organizational commitment.
As Friedman test showed, agapao love has the most influence on organizational commitment, so the leaders are advised to be more kind and merciful to their people and show their attention and protection to them. Improving ethical standards by creating a new organizational culture is another suggestion for leaders to present their merci to the employees which leads to more commitment.

Humility was placed in the second place, so delegation, stewardship and respectful behavior to the employees are some suggestions for leaders to show their humility which leads to more commitment.

Service was the third most important driving affecting factor on organizational commitment. Therefore we can claim that servicing employees without reward expectation is an applicable suggestion for leaders to be servant ones. Because if the leaders be a template for servicing, so they are able to encourage their followers to service to each other.

Further suggestions
- Creating an attractive, interesting, accurate and useful job for employees.
- Paying fairly payment and rewards to all employees.
- Creating promotion opportunities for employees and making fairly promotion rules.
- Respecting and behaving politely with all employees.

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