



The New Case for Servant Leadership

Stakeholder expectations have never been higher. The best way to get out in front of them? Lead from behind.

Successfully navigating roiling markets, broken supply chains, and chronic labor shortages to earn shareholders a profit isn't enough. As a new wave of pulse data affirms,¹ stakeholders today expect more from business leaders. **Much more.**

Customers demand that companies not only provide quality products and services, but also take a stand on societal issues—even help bridge societal divisions. Employees expect employers to commit to pay equity and a living wage for all, and also to compensate them for rising inflation and help them achieve a healthy work-life balance. Americans expect industry leaders to conduct business in a socially responsible and environmentally sustainable manner while protecting democracy and promoting prosperity and stability in the world.

In short: a mighty tall order. What kind of leader can possibly fulfill it? The servant kind.

Disruptive idea, disrupted landscape

Servant leadership isn't new. Based on Nelson Mandela's depiction of leaders as shepherds who guide their flocks from behind,² the theory was promoted in 2010 by Harvard Business School professor Linda Hill as the best way to unleash innovation.³


But organizations were slow to embrace the structural changes likewise crucial to agility. The org. chart continued to reign supreme, ensuring everyone knew his or her place and didn't stray from it. Decisions trickled down from the top. Workers performed their jobs on site, on demand, on terms set by their employer. Absent the soil it needed to germinate, servant leadership didn't take root.

Now it can, as little of that former landscape remains. The pandemic has radically altered how, when, and where work gets done, decentralizing decision-making along with the workplace and reshuffling the workforce across not just jobs, but industries.⁴ Social unrest outside the workplace—catalyzed by the murder of George Floyd in 2020—has since redefined managerial priorities within it. Disgruntled employees, customers, and shareholders—prospective as well as current—have seized public bull-horns to hold leadership accountable for progress on their environmental, social, and governance commitments. And amidst the clamor and heightened scrutiny, boundaries between stakeholders have blurred, such that activism from one group now impacts success with all the others.



The New Deal

Employee Experience data⁵ we collected in 2021 captures the magnitude of these seismic shifts, as indicated by what employees now seek from work—and from their leaders.



For starters, what employees most value in a job has changed.

Having a positive work environment; being appreciated for their work; and feeling motivated and energized to do their best work are now the TOP THREE DRIVERS—out of a possible 79 factors—of employee satisfaction. Fair compensation ranks 23rd. Job security comes in at a lowly 55.

Nor does satisfaction derive from working less.

Employees seek, of course, reasonable workloads. But what they prize is work that gives them a sense of accomplishment—(#6) among the 79 factors affecting satisfaction. Understandably, they want the information needed to do their job well (#9), opportunities to grow their skills (#10), and feedback to keep improving (#11). And not surprisingly, they want leaders who will inspire and motivate them to do their best work (#12)—because they want to be able to contribute to their full potential (#13). Hardly a slacker mentality.

Interestingly, for all the media clamor about remote work as a retention tool, we find that its correlation to satisfaction is among the weakest of all the drivers we examined.

For starters, the vast majority of employees—84 percent⁶—acknowledge that their job simply can't be performed from home. Among the rest, 60 percent would opt for a flexible/hybrid working arrangement over purely remote, and one in five would rather work on site.

What *does* correlate strongly to satisfaction, our global benchmark data shows, is having the ability to balance work priorities and personal life. Indeed, among 19 factors we asked employees to rank in order of importance, work/life balance comes in at (#2), second only to a competitive salary and benefits. Hence a more promising retention strategy would empower employees to structure work so that it affords them the balance they crave.

A serviceable template

These findings make clear what leaders must do, not only to retain valued employees but also out-compete other organizations in the global war for diverse talent.



- Articulate a purpose that inspires ongoing action and devotion
- Entrust teams to decide how best to pursue and achieve that purpose
- Empower managers to provide team members with the emotional support and tactical resources they need to succeed
- Empower individuals to forge the arrangements to maintain the work/life balance that enables their best work
- Incentivize collaboration and innovation by acknowledging and rewarding team success
- Nurture psychological safety by eliciting and honoring individual input regardless of the individual's role or background.

This isn't divesting leaders of power. Arguably the most important power they exercise is articulating the organization's purpose, as purpose is what attracts and retains the talent crucial to achieving it. But as Linda Hill grasped, innovation cannot be commanded; it must be nurtured. Only by empowering employees can servant leaders harness what Hill termed the "collective genius" of their workforce.

What's at stake

Empathetic leadership. Transformational leadership. Horizontal leadership.

Any and all of these terms describe, in part, what servant leaders do.

What collectively these terms describe, however, is service: Service to the organization's mission, vision, values, and purpose. And service to the employees upon whose efforts organizational success increasingly depends.

Servant leadership is a solution that ample data suggests we're overdue to embrace. Because with nearly 6 out of 10 employees thinking now is a good time to look for a job,⁷ and with 4 out of 10 planning to leave within the next three to six months?⁸ Time is running out on leadership as usual.



References

1. United Minds enlisted KRC Research to conduct a national survey among 1,004 U.S. adults between June 3 and 6, 2022 using a sample randomly drawn from a large national opt-in panel by ENGINE Insights. Survey data is weighted on key demographic variables to reflect the adult population based on U.S. Census data. 2. <https://www.inc.com/ilan-mochari/mandela-lead-from-behind.html> 3. <https://www.collectivegeniusbook.com> 4. <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/the-great-attribution-is-making-hiring-harder-are-you-searching-the-right-talent-pools?cid=other-eml-nsi-mip-mck&hlkid=e39e71fa7d994c0b9f78263039c83eee&hctky=11546706&hdpid=9afa449b-329f-4fbe-9f62-7e8a50d1889a> 5. United Minds partnered with KRC Research to survey 2,719 employees ages 18 to 64 across seven countries: Canada, the United States, the United Kingdom, Mexico, Germany, China, and Japan. The survey was conducted online from March 25 to April 29, 2021. Survey samples were randomly drawn from large national panels in each nation. Respondents were employed 30 hours or more weekly by organizations of 500 or more employees and worked in one of eight industries: biopharma/biotechnology; consumer goods or retail/wholesale trade; energy/utilities/mining/petrochemicals; financial services or insurance; government/public administration/social services; hospitality/tourism/travel; information/IT/broadcasting/telecommunications/wireless communications; professional/management/scientific and technical services. The sample in each country was stratified by industry type, job type, management role, and age, then weighted based on national reference data to be demographically representative of the working population (age, sex, education, race/ethnicity where recorded). In the combined total, all countries have equal weight. 6. KRC Pulse Poll 11 data 7. KRC 2022 Pulse survey data 8. <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/the-great-attribution-is-making-hiring-harder-are-you-searching-the-right-talent-pools?cid=other-eml-nsi-mip-mck&hlkid=e39e71fa7d994c0b9f78263039c83eee&hctky=11546706&hdpid=9afa449b-329f-4fbe-9f62-7e8a50d1889a>