

**SERVANT LEADERSHIP PRINCIPLES AS PART OF THE CORPORATE
PHILOSOPHIES OF COMPANIES**

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DECLARATION

I, Francine du Plessis, declare that this dissertation entitled “Servant leadership principles as part of the corporate philosophies of companies” is my own work, that all sources used or quoted have been indicated and acknowledged by means of complete references, and that this dissertation has not been previously submitted by me for a degree at any other university.

.....

Signature

FRANCINE DU PLESSIS

.....

Date

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EXECUTIVE SUMMARY

This research provides insight into the servant leadership principles that are found in the mission, vision and values statements of companies. The primary purpose of this study is to investigate the corporate philosophies of companies to ascertain whether it contains servant leadership principles and thus to what extent these companies may utilise these principles.

Mayer, Bardes and Piccolo (2008) state that servant leaders are lead by a moral orientation, which results in the likelihood of them engaging in ethical practices and being unbiased in the decision-making process. The lack of moral and ethical behaviour by leaders indicates that there is a need for a leadership method that is based on ethical practices and moral behaviour. Trompenaars and Voerman (2009) noted that companies who have implemented servant leadership are successful as a result. Spears (2004) indicated that the corporate philosophy of a company should reflect its leadership. This study will therefore aim to identify whether servant leadership principles are evident in the corporate philosophies of companies by using a framework developed to investigate servant leadership.

A mixed method empirical research design was applied, using published financial statements to analyse the corporate philosophies of companies. Convenience sampling was used to identify a sample of 100 companies. Fifty companies from the top 200 listed companies at the Johannesburg Stock Exchange in South Africa (JSE) and another fifty companies from the top 100 listed companies at the New York Stock Exchange (NYSE) were included in the sample. The values statements, missions and visions of each company were qualitatively analysed and coded. This resulted in a set of data that could be quantitatively analysed.

The results show that the majority of the sample as a whole displayed at least *five* out of the ten servant leadership principles. The JSE sample only displayed *five* out of the ten

servant leadership principles compared to the NYSE sample that displayed *seven* out of the ten. There was also no statistical significant difference between the results of the respondent companies of the two stock exchanges. The JSE sample referred mostly to the servant leadership principle of Integrity, while the NYSE sample referred mostly to Employee empowerment and development. It can be concluded that servant leadership principles are indeed present in the corporate philosophies of companies listed on both the JSE and the NYSE. However, these principles are present in varying degrees.

This study provides research on servant leadership principles by providing an international comparison of the missions, visions and values statements of companies in two countries. The framework developed to investigate servant leadership principles can thus be further extended and used to investigate whether businesses in general are employing these principles.

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

McCrimmon (2004) expresses the opinion that “*leadership theory is out of step with the knowledge driven world where power has shifted from the top down force of personality and the quest for dominance to the power of innovation and widely dispersed knowledge*”. Globalisation, E-business, virtual teams and outsourcing are only a few of the rapid changes that are occurring in the business environment. In addition, the economic recession, wide-spread ethical scandals and the insecurity associated with war and terrorism have impacted the ability of leaders to motivate and encourage employees to achieve organisational goals. Furthermore, the people working in organisations are also changing. Employees are no longer satisfied with control and command leadership, and are looking for flexibility, the freedom to be creative, innovative, and to experiment with new ideas (Havenga 2006).

Dambe and Moorad (2008) acknowledge that there has been a clear shift in leadership approaches from those where the leader is in control and commanding as in power-based leadership, to one promoting employee empowerment. Traditional leadership theories are therefore not compatible with the changes that have occurred in the internal and external environments of organisations, as their narrow focus on ‘bosses’ and ‘subordinates’ is limiting.

Du Brin (2004:3) defines leadership as “*the ability to inspire confidence and support among the people who are needed to achieve organisational goals*”. Therefore in order for those in authority to be good leaders, they need to respond accordingly to these changes in leadership approaches. Both Havenga (2006) and Spears (2004) claim that the best way forward is to adopt the principles of servant leadership.

Servant leadership is an employee-based form of leadership which empowers followers to make decisions while maintaining a sense of control over their jobs (Van Wyk 2007). Servant leadership requires a leadership technique which transcends self-interest, in order to serve the needs of others, by helping them grow professionally

and emotionally. Servant leadership focuses on empowering followers to exercise leadership in accomplishing organisational goals. In contrast traditional leadership theories emphasise the leader-follower structure, in which the follower accepts responsibility from the leader, and is therefore accountable to the leader. However, the non-traditional view of leadership is less about direction and controlling, and more about focusing on empowering employees to make decisions regarding their jobs.

According to Spears (2004), an increasing number of companies have adopted servant leadership as part of their corporate philosophy or as a foundation for their vision, mission and values statements. This research study investigates the extent to which servant leadership principles are included in the corporate philosophies of a selected group of companies. The outcome of the study may identify whether the characteristics associated with servant leadership are present in the corporate philosophies of these companies, which in turn could provide some indication of whether the concept of servant leadership is actively employed in these companies. Once this has been investigated, appropriate conclusions and recommendations can be made.

This chapter commences with a discussion of the problem statement and the objectives of the study, and is followed by an overview of the research design and methodology which will be used during the study, and concludes with a chapter outline.

1.2 PROBLEM STATEMENT

Patrick (2008) claims that the Financial Crisis of 2008 was caused by a number of factors, the main reason being a significant change in the ability to create new lines of credit. This in turn led to a slow down in new economic growth, as the flow of money began to dry up. This left individuals, organisations, and financial institutions holding mortgage backed assets that had dropped significantly in value and were not bringing in enough income to make the mortgage payments. As a result, cash reserves were depleted and their ability to make new loans was limited. Patrick (2008) also highlights cheap credit as an additional reason inducing the financial crisis. To sustain such cheap credit was impossible as more people wanted properties. As a result

property prices rose unnaturally, stimulating a new wave of property sales. As this cycle could not be sustained, the property finance institutions became bankrupt.

According to DeRusha (2008), greedy people were the main cause of the crisis. Mortgage brokers, who were acting only as middle men, determined who got loans, then passed on the responsibility for those loans onto others in the form of mortgage backed assets (after taking a fee for themselves for originating the loan). Mortgage brokers began to market and approve unusual and risky mortgages, packaging these bad mortgages with other mortgages and reselling them as investments, thereby absolving themselves of any responsibility. In addition, DeRusha (2008) states that as a result of risky and imprudent mortgage lending practices, many people lost their homes, and because there was so much money involved, it spread to the entire economy, causing an economic meltdown.

This lack of moral and ethical behaviour by financial institutions indicates that there is a need for leadership that is based on ethical practices and moral behaviour. According to Trompenaars and Voerman (2009), traditional leadership is primarily based on the power model, which focuses on the attainment and retention of power. Ethics and morals are not critical components, with power being the main goal. The ambition for power is addictive and as a result can have a corrupting effect. This has led to the need for a leadership model with a more productive, people-centred approach, which promotes good ethics and high moral standards. Servant leadership meets these requirements, as it integrates both serving and leading: serving by leading or leading by serving, unlike the power model which tilts heavily in favour of leading only, and leading by controlling in particular.

Trompenaars and Voerman (2009), further note that most companies who have implemented servant leadership are successful as a result. This could be due to the fact that servant leadership requires a relationship between leaders and followers in which leaders lead without controlling or dominating their followers. Furthermore, servant leadership encourages and empowers staff to become leaders themselves and creates a mutually supportive environment in which leaders and followers work together to achieve organisational goals (Van Wyk 2007).

A study by Sarros, Gray and Densten (2002) concludes that strong positive relationships exist between leadership and organisational culture. In addition, strong organisational cultures are associated with strong and capable leaders, and that within a transformational culture (of which servant leadership is an extension) there exists a sense of purpose and a feeling of family. Leaders in these cultures are role models who promote and support organisational goals and encourage employee commitment to the organisation's purpose and vision. Moreover, these leaders change their culture by realigning the organisation's culture with a new vision (Sarros *et al* 2002).

This link between organisational culture and leadership is echoed in a study by Spears (2004) who concludes that the corporate philosophy of a company should reflect its method of leadership. As mentioned previously, this research study aims to identify whether servant leadership principles are evident in the corporate philosophies of companies.

1.3 LITERATURE OVERVIEW

1.3.1 Definition of servant leadership and the corporate philosophies of companies

Page and Wong (2001) describe servant leadership as a leadership method which *“incorporates the ideals of empowerment, total quality, team building, and participatory management, and the service ethic into a leadership philosophy”*. Page and Wong (2001) also identify certain characteristics associated with servant leaders. Firstly, servant leaders are focused on identifying and meeting other's needs and developing people to their full potential. Secondly, they seek and welcome honest feedback. Thirdly, servant leaders, by nature, provide superior customer service, and lastly, they prepare for the future through succession planning (Page & Wong 2001). Waddell (2006) also notes that a servant leader has a natural desire to serve and to inspire others to lead.

The corporate philosophies of most companies include vision, mission and values statements. Avery (2004:99-100) notes that a vision statement reflects the long-term future goal of the organisation. From this 'dream for the future', the mission statement

is derived. Daft (2005:524) explains that a mission statement reflects “*the organisation’s core broad purpose and reason for existence*”. Gill (2006:118) also regards a mission statement as “*a matter of group or organisational identity which comprises its purpose, distinctiveness, intended products or services and markets*”. The values statement reflects the values that form the core of the management team. For any mission or vision statement to be acknowledged and acted upon, it must reflect these core values as described in the values statement (Birnbaum 2007).

1.3.2 The history of servant leadership

The term ‘servant leadership’ was coined by Robert Greenleaf in 1970. Over time, Greenleaf’s theory of servant leadership has grown in popularity and has left an impression on individuals who are concerned with leadership, service, management and personal growth. Standard practices are rapidly starting to reflect the concepts associated with servant leadership, as proposed by Greenleaf (Spears 2004).

Spears (2004), identifies that there is indeed a superior way to lead and manage organisations in the 21st century. Waddell (2006) defines the concepts underlying the practice of servant leadership, and describes servant leadership theory as an extension of transformational leadership theory. In addition, Waddell (2006) refers to the Servant Leadership Assessment Instrument which assesses the presence of servant leadership in organisational leaders. Further studies (see, for example, Page & Wong 2001; Mayer, Bardes & Piccolo 2008; Jaramillo, Grisaffe, Chonko & Roberts 2009), have built upon these models, which describe the characteristics of servant leadership as well as explain the roles of leader and follower in a servant leadership relationship.

1.3.3 The importance of servant leadership

According to Page and Wong (2001), among the numerous leadership methods, such as authoritarian, benevolent dictatorship and participatory leadership, it is servant leadership which best represents the principles which reflect the human factor. The term ‘human factor’ refers to “*a spectrum of personality characteristics and other dimensions of human performance that enable social, economic, and political institutions to function, and remain functional overtime*”. It is the human factor which

sustains the existence and sustainability of the law, political harmony, a disciplined labour force, just legal systems and respect for human dignity.

Page and Wong (2001) also see the world as “*crying out for ethical and effective leadership that serves others, invests in their development and fulfils a shared vision*”. This highlights the importance of servant leadership as it encompasses the ideals of empowerment, total quality, team building, and participatory management.

1.3.4 Factors influencing the implementation of servant leadership

Whetstone (2002) contends that the implementation of servant leadership requires a paradigm shift by both leaders and followers and regards servant leadership as not being congruent with egocentric natures and the desire for power. Because of this, Whetstone (2002) explains that servant leadership is often dismissed as being unrealistic or weak. However, the change to servant leadership involves recognising and embracing the power of responsible relationships, with oneself and others, and within teams, areas, departments, and divisions within organisations.

1.3.5 Principles included in servant leadership

Spears (2004) has developed a set of ten characteristics which are central to the development of servant leaders. These characteristics include:

- Listening- Servant leaders listen intently to others and seek to identify and clarify the will of a group of employees.
- Empathy- Servant leaders recognise and respect employees as unique individuals and attempt to understand and empathise with them.
- Healing- This is a great strength of servant leaders, as they have the ability to heal themselves and others.
- Awareness- Servant leaders possess both general as well as self-awareness, which help them to deal with moral and ethical issues.

- Persuasion- Servant leaders use persuasion rather than authority when making organisational decisions. Employees are persuaded to comply, rather than ordered to comply.
- Conceptualisation- Servant leaders are able to find a balance between day-to-day thinking and conceptual thinking.
- Foresight- This characteristic allows servant leaders to learn from past mistakes and use their experiences to improve future performance.
- Stewardship- This means that servant leaders are committed to serving the needs of others, and reiterates the use of persuasion rather than control.
- Commitment to the growth of people- Servant leaders place significant value on people and are committed to helping every individual reach their full potential.
- Building community- Servant leaders focus on developing and reuniting the organisation, individuals and the community.

Mayer *et al* (2008) notes that servant leadership not only focuses on the needs of employees, but is also concerned with serving the needs of all stakeholders, which could also include owners, shareholders, customers, the community, as well as the environment. Servant leaders are sensitive to the needs of all stakeholders. With regard to employees in particular, Mayer *et al* (2008) points out that servant leaders treat all employees in an interpersonally sensitive manner which can help improve employees' sense of justice. In addition, Mayer *et al* (2008) contend that servant leaders have a moral orientation, which invariably results in them engaging in ethical practices and being unbiased in the decision-making process. Page and Wong (2001) also note that servant leadership incorporates total quality and teamwork, as well as a sense of participatory management through employee empowerment.

Therefore, a company strategy which incorporates the above-mentioned principles may indicate that servant leadership is present in that company. Additional principles of servant leadership could include a focus on:

- meeting the needs of all stakeholders, not only employees;
- integrity and ethical business practices;
- teamwork;

- participatory management through employee participation;
- customer satisfaction; and
- quality management.

The mission, vision and values statements of organisations form the foundation upon which a company develops its corporate strategy and communicate the organisation's goals and visions for the future not only to employees, but to all stakeholders. The values expressed in these statements also communicate the intentions and moral standing of an organisation, and convey what values are important to management, and consequently how the leaders of the organisation expect their employees to behave (Velcoff & Ferrari 2006). As a result, these statements can, theoretically, reveal the type of leadership employed or upheld in an organisation, and as such is used as the principal source of data for this study.

1.3.6 Previous research on servant leadership

Waddell (2006) refers to the theory of servant leadership as an extension of transformational leadership theory and defines and develops the constructs underlying the practice of servant leadership. In addition, the Servant Leadership Assessment Instrument is discussed which assesses the presence of servant leadership qualities in organisational leaders.

Page and Wong (2006) discuss a conceptual framework which measures servant leadership. This framework integrates servant leadership characteristics and the broad categories of effective leadership.

A study by Mayer *et al* (2008), aims to test a central principle of servant-leadership theory—that servant leaders help to satisfy follower needs. The results of this study provide general support for the hypotheses, noting that the effect of servant leadership on job satisfaction is mediated by justice perceptions and need satisfaction.

1.4 OBJECTIVES OF THE STUDY

1.4.1 Primary objective

The primary objective of this study is to investigate the corporate philosophies of companies to ascertain whether they contain servant leadership principles and to what extent these companies utilise these principles.

1.4.2 Secondary objectives

The following secondary objectives are identified in order to achieve the primary objective:

- (a) to identify the concepts associated with servant leadership and to describe the components of the corporate philosophies of companies;
- (b) to develop a set of servant leadership principles to use as a framework to evaluate the corporate philosophies of companies;
- (c) to apply a mixed-method approach to analyse the corporate philosophies of companies in order to evaluate whether these include the principles of servant leadership; and
- (d) to summarise, draw conclusions and provide recommendations based on the results.

1.4.3 Research questions

Given the stated objectives of this research study, the following questions are addressed:

- What is servant leadership?
- What are the corporate philosophies of companies?
- What are the principles of servant leadership?
- Is there a link between corporate philosophies, organisational culture, strategy, and leadership?

- Are the principles of servant leadership present in the corporate philosophies of companies, and to what extent?

1.5 RESEARCH DESIGN AND METHODOLOGY

1.5.1 Secondary research

A comprehensive literature search has been conducted in order to identify the various concepts associated with servant leadership and the corporate philosophies of companies. International and national data searches have been done by the library of the Nelson Mandela Metropolitan University, and to date this includes: Sabinet databases; ISAP (National library of South Africa); and SAe Publications; EBSCO: MasterFile premier, Business Source premier, Academic Source premier, FS Articles First; Kovsidex; SA Cat and FS Worldcat; ScienceDirect; UPECAT; Google searches; Dialog; and the Dissertation Abstracts database. Furthermore, sources such as textbooks, Internet, magazines and newspapers were used to complete the literature section of this report.

Data has been accessed from other international and national libraries by means of the inter-library loans facilities at the Nelson Mandela Metropolitan University. As far as can be ascertained, no similar research study has been previously conducted in South Africa.

1.5.2 Primary research

The main source of data for this study is the corporate philosophies of companies listed on the top 200 and top 100 companies of the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE) respectively. Subsequently, 50 companies have been chosen from each stock exchange on the basis of whether a values statement and either a vision statement or mission statement are available on the companies' websites. The values statements provide the basis on which the servant leadership principles are evaluated and also from which additional key values are identified. The vision and mission statements have not been subjected to the framework of servant leadership principles, and therefore have not undergone

statistical analysis. However, the mission and vision statements have been analysed qualitatively, in order to establish whether servant leadership principles are reflected in these statements. This has resulted in two sets of 50 companies similar in terms of being rated as top performing companies in their respective countries. The data has therefore, provides the opportunity to not only identify whether servant leadership principles are present in the corporate philosophies of these companies exists, but also the opportunity to compare the results of the two countries.

1.5.2.1 Sampling Frame

The sample used in this study consists of 50 companies chosen from the top 200 companies listed on the JSE in terms of performance for the year of 2009, and a further 50 companies selected from the top 100 companies listed on the NYSE, also in terms of performance for 2009. The corporate philosophies of the sample companies have been sourced and analysed.

1.5.2.2 Data gathering and analysis

A framework of the principles of servant leadership has been developed and forms the basis upon which the corporate philosophies of the chosen companies are examined. The vision, mission and value statements of the companies are analysed to identify whether and to what extent servant leadership principles are present.

Given the nature of this research, the use of the *mixed-method* approach is the most appropriate, as it allows the researcher to develop a framework of servant leadership principles, using various literature sources and a qualitative *content analysis* of the corporate philosophies of companies in order to identify whether these principles are evident. Subsequently, codes have been allocated to the principles, so that this quantitative data can be described using descriptive and inferential statistics. Additionally, with the use of a qualitative approach, the relationships emerging from the statistical results are further explored through a supplementary examination of the corporate philosophies.

A mixed-methodology such as the following has been used:

- A copy of the annual financial statements of each of the companies was sourced. When reading the corporate philosophy section of each company, information relevant to this research study was noted in the margin together with a number code referring to the nature of the information. This is described as content analysis and refers to the conversion of *written text* or *audio communication* into numerical values in order to conduct quantitative analysis (Collis & Hussey 2003:255).
- The margin notes were then studied and a list of the different types of information found compiled.
- This list of data items were then categorised in as many categories as needed (the number of categories were reduced at a later stage).
- The list of categories from the transcript (annual financial statements) could then identify links between categories. A final list of categories was established when no new categories emerged, and all relevant items had been accommodated in the existing categories. At this stage the different categories were colour-coded using a coloured highlighter pen for each category to show items of data in the transcripts (annual financial statements).
- A final check was performed, to ensure that the information that was not highlighted (because it did not appear relevant at the time), was indeed not relevant.
- The finalised categories were then given to another researcher to ascertain whether the same categories were identified and a similar list produced.

Trustworthiness of the research is therefore enhanced by triangulation of researchers. This involves the use of more than one researcher to analyse the data (Struwig & Stead 2001). As Struwig and Stead (2001) explain, triangulation is not a destination but a *process* whereby the researcher warrants the confidence of the reader because the reader believes that the researcher has produced results which are valid. In this way, trustworthiness represents truth.

For the purpose of this study, various types of triangulation have been utilised. As Lee and Lings (2008:225) note, qualitative data not only refers to data obtained from interviews, but also to data obtained from documents and other written text. This study comprises the analysis of the corporate philosophies of companies sourced from the companies' websites which requires that the researcher imposes her own reasoning in the analysis, therefore this study also reports on the inter-rater reliability of the data. Inter-rater reliability refers to a process whereby qualitative data is assessed by several 'raters' or assessors. The data is referred to as reliable when all the raters have agreed on the meaning of the data. This also indicates the possibility that the results could be replicated (Hair, Babin, Money & Samouel 2003:74-76). In this study, inter-rater reliability has been performed and another researcher has verified the categories and agreed with the meaning of the data.

1.6 SCOPE OF THE STUDY AND OUTLINE OF EACH CHAPTER

As previously explained, this study is limited to the companies listed on the JSE and NYSE.

The study is divided into the following chapters:

- **Chapter 1** presents an introduction to the study, identifies the problem statement, and describes the primary and secondary objectives of the study.
- **Chapter 2** provides a literature overview of servant leadership and contains a proposed framework of the principles of servant leadership.
- **Chapter 3** discusses the elements of corporate philosophies and establishes the link between corporate philosophies, strategy, organisational culture and leadership.
- **Chapter 4** consists of a detailed discussion of the research design and methodology and incorporates servant leadership and corporate philosophies in companies.
- **Chapter 5** presents the findings of the study, and the analysis and interpretation thereof.

- **Chapter 6** provides a summary and conclusion of the investigation into servant leadership and the corporate philosophies of companies. Recommendations, based on both the literature and empirical findings, conclude this chapter.

CHAPTER 2

A LITERATURE OVERVIEW OF LEADERSHIP AND SERVANT LEADERSHIP

2.1 INTRODUCTION

The primary objective of the study is to investigate the corporate philosophies of companies to ascertain whether they contain servant leadership principles and to what extent these companies utilise these principles. In order to perform research which is meaningful and to derive appropriate outcomes, it is necessary to present a definition of leadership and of servant leadership in particular. It is also necessary to clarify various other relevant concepts that are used throughout the study. Through the consultation of previously collected or secondary data, and additional pertinent literature, these concepts are systematically presented.

Chapter Two presents the definition of leadership, followed by a discussion surrounding the importance of leadership in a general sense. A historical overview of leadership theories follow, after which the focal point of the chapter is on servant leadership and the potential shift toward this type of leadership. The chapter concludes with a proposed framework containing the principles of servant leadership which have been developed.

2.2 DEFINITION OF LEADERSHIP

Sarros, *et al* (2002); House, Hanges, Javidan, Dorfman and Gupta (2004); Du Brin (2004) and Daft (2005), refer to and define leadership in various ways. Several of these definitions are identified before forming a definition for the purpose of this research.

Sarros *et al* (2002) notes that leadership is a proactive process involving the establishment of organisational direction through a corporate vision which produces constructive and adaptive change, by motivating and inspiring others. In addition, Sarros *et al* (2002), states that good leaders are expected to anticipate what the future

holds, or at least have the ability to determine what that future may hold for their organisation.

House *et al* (2004:56) define organisational leadership as “*the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organisations of which they are members*”.

Du Brin (2004:3) notes that leadership involves inspiration, motivation, and influence. Furthermore, Du Brin (2004:3) states that leadership involves the development of a vision of what the organisation wants to become in the future, as well as the empowerment and motivation of employees to accomplish this vision; requiring cooperation and teamwork.

Daft (2005:5) defines leadership as “*an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes*”. Therefore leadership involves three concepts, it involves influence; it occurs among people; and these people desire significant changes, which reflect purposes shared by leaders and followers.

From the above-mentioned definitions, it is clear that leadership in general, involves directing and guiding employees to achieve organisational goals. In addition, a leader needs to establish a clear vision for the future and must possess the capabilities required to motivate and inspire employees to achieve it.

2.3 THE IMPORTANCE OF LEADERSHIP

Du Brin (2004:3) states that leaders are an essential requirement in all organisations, and further expresses that the ability to be an effective leader is a rare quality.

Research has shown that successful leaders have the ability to obtain follower’s willingness to exert extraordinary effort to achieve goals and reduce employee resignation and absenteeism intentions (Arnolds 2008:5). Daft (2005:22) suggests that leadership creates change in an organisation, and does so within a culture of integrity.

This culture assists in the development of positive, supportive relationships between leaders and employees and contributes to the long-term success of the organisation.

Leadership can thus be an effective tool to rid an organisation of outdated management styles and techniques. It can promote the implementation of creative change through the establishment of an innovative vision, for which the leader can rally employee support. This highlights the importance of good leadership.

2.4 HISTORICAL OVERVIEW OF MAJOR LEADERSHIP APPROACHES

According to Daft (2005:23-24), the various theories of leadership can be classified into six fundamental approaches. These approaches are discussed briefly below.

2.4.1 Great man theories

Great man theories are the earliest of leadership concepts. These early studies of leadership adopted the belief that leaders were born with specific heroic leadership traits and the natural capability to motivate, inspire and influence others. In essence it was believed that leaders were born and not made (Daft 2005:24). The great man theory was concerned with describing the lives of famous military, political and industrial leaders, with the purpose being to identify common personality traits which could be found in all leaders. However, as the personality traits differed substantially from leader to leader, this was unsuccessful (Dambe & Moorad 2008). The search for characteristics that are common to all leaders continued with the development of trait theories.

2.4.2 Trait theories

Trait theory first emerged in the early part of the 20th century and is also based on the belief that leaders are born and not made. The focal point of trait theory is on the leader and the characteristics, skills and abilities that make a leader. It does not consider the leader's followers or take into account the impact of situational aspects (Grout & Fisher 2007:197).

The first major study of leadership traits was undertaken in 1948 which identified numerous traits which were exclusive to leaders. These traits included: intelligence, initiative, responsibility, insight, sociability, persistence and self-confidence (Groun & Fisher 2007:197).

In a more recent example, Du Brin (2004:33) identifies ten general personality traits which contribute to successful leadership. These traits are self-confidence, humility, trustworthiness, extroversion, assertiveness, emotional stability, enthusiasm, sense of humour, warmth, and a high tolerance for frustration.

Gill (2006:38) identifies eight characteristics of successful leaders:

- Integrity, energy and maturity
- A deep understanding of the organisation and a strong profit orientation
- The ability to lead teams, coach and motivate people
- Curiosity and intellectual capacity
- Trustworthiness, listening, the ability to be decisive and incisive
- Superior judgment
- An appetite for accomplishment and results
- A powerful motivation to grow and convert learning into practice.

Du Brin (2004:56) identifies that there are certain strengths and limitations associated with the trait approach. A strong point firstly is the compelling evidence that leaders do in fact possess certain personality traits which differ from those of non-leaders. Therefore, an understanding of the traits associated with successful leaders can serve as a guide in leadership selection. Secondly, the trait approach to leadership can help people prepare for leadership responsibility and all the issues that accompany it, as it can cause people to seek out certain experiences and situations which could allow them to develop these vital characteristics. The trait approach has its limitations. It does not identify which traits are absolutely necessary in which leadership situations. It is also unknown how much of a specific trait or characteristic is the right amount (Du Brin 2004:57).

As such, a balanced perspective on the trait approach is that certain characteristics or traits increase the probability that a leader will be effective and successful. However, these traits do not guarantee effectiveness, as it is the leadership situation which often influences which traits will be the most important (Du Brin 2004:56).

2.4.3 Behaviour theories

The inability of researchers to define effective leadership based solely on personality traits led to increased research into the behaviour of leaders and how these behaviours might contribute to the success or failure of an organisation (Daft 2005:54). Wibbeke (2009:37) further notes, that in contrast to trait theories, behavioural leadership theories approach leadership from the perspective that leadership is a learned skill rather than an inherited skill set. However, behaviour theories, as similar to trait theory, approach leadership from the viewpoint that there are indeed particular behaviours shown by leaders which distinguish them from non-leaders.

Various behavioural leadership studies have been undertaken. Amongst others, the most well-known studies include the Ohio State University Study and the University of Michigan Study, which took place in the late 1940s 1950s respectively. These are discussed briefly.

Researchers from the Ohio State University conducted surveys to identify possible dimensions of leader behaviour. These researchers developed the Leader Behaviour Description Questionnaire (LBDQ) which was to be used in the study. The study resulted in the identification of two broad categories of leader behaviour types, namely consideration and initiating structure. Firstly, *consideration* describes the extent to which a leader is sensitive to subordinates and establishes mutual trust. Showing appreciation and seeking input from followers in decision making are examples of consideration behaviour. Secondly, *initiating structure* describes the extent to which a leader is task-oriented and the degree to which the leader guides the work of followers. This type of leader behaviour includes directing tasks, planning and providing explicit schedules for work activities. Although many leaders may find that their behaviour reflects both consideration and initiating structure behaviours, these behaviour categories are independent of one another, meaning that a leader

might demonstrate high consideration and low initiating structure, or low consideration and high initiating structure. With regard to the level of success of each of the leadership methods, research shows that all four combinations can be effective (Daft 2005:56-57).

Studies at the University of Michigan took a different approach by directly comparing the behaviour of effective and ineffective supervisors. The effectiveness of leaders was determined by the level of productivity of the subordinate group. Over time, the Michigan researchers established two types of leadership behaviour, each type consisting of two dimensions. The first leadership behaviour is *employee-centred*, where leaders display a focus on the human needs of their followers. *Leader support* and *interaction facilitation* are the two underlying dimensions of employee-centred behaviour. The second leadership behaviour is *job-centred*, where the leader directs activities toward efficiency, cost-cutting, and scheduling. *Goal emphasis* and *work facilitation* are dimensions of this leadership behaviour (Daft 2005:59). Wibbeke (2009:37) notes that the conclusion of the Michigan study was that an employee orientation and general supervision rather than close supervision yielded better results.

Blake and Mouton of the University of Texas proposed a two-dimensional leadership theory called 'The Leadership Grid' which built on the work of the Ohio State and Michigan studies. The leadership grid is a framework for simultaneously specifying concern for the *production* and *people* dimensions of leadership. Grid leadership methods are based on the extent of a person's concern for production and people. Concern for production is rated on the horizontal axis and includes aspects such as results, quality of results, the bottom-line, performance and profits. Concern for people is rated on the vertical axis and includes aspects such as support for team members and getting results based on trust and respect. The benchmark techniques identified by the grid include team management; country club management; middle-of-the-road management; impoverished management and authority-compliance management. Team management is often considered to be the most effective leadership method as it scores high in both criteria, meaning that organisation members work together to accomplish tasks (Daft 2005:60; Du Brin 2006:113).

2.4.4 Contingency theories

After extensive research, it was concluded that personal characteristics or the demonstration of specific behaviours alone could not determine leadership effectiveness. Research support points to the fact that the *situations* in which these leadership behaviours were displayed would determine the effectiveness of that leadership method (Arnolds 2008:6). Fiedler's contingency model and House's path-goal theory are two of the most well-known situational theory studies and are discussed briefly.

Fiedler's contingency theory proposes that there is no single best way for managers to lead. Situations will create different leadership requirements for a manager (Bolden, Gosling, Marturano & Dennison 2003).

Fiedler describes a leadership situation in terms of three factors:

- The relationship between leaders and followers;
- how structured the task is; and
- the leader's position power

The combination of these three elements describes the amount of control that the leader has over a particular situation. Central to Fiedler's contingency model is the match between the leader's approach and the situation. As the situation changes, so does the leader's effectiveness, because the leader finds themselves in and out of match with the leadership approach. Overall, the model predicts that task-motivated leaders will be more effective than relationship-oriented leaders where there is either high or low control over the situation, whereas relationship-motivated leaders will be effective under conditions of moderate situational control (Avery 2004:82).

House's path goal theory of leadership effectiveness specifies what the leader must do to achieve high productivity and morale in a given situation. A leader must attempt to clarify the path to a goal for a group member so that he or she receives personal pay-offs. At the same time, job satisfaction and performance increase (Du Brin 2004:140). Daft (2005:95) further acknowledges that according to path-goal theory, the leader's

responsibility is to increase subordinate's motivation to attain personal and organisational goals. The leader can increase follower motivation by either clarifying the follower's path to the rewards that are available or by increasing the rewards that the follower values and desires. Path clarification means that the leader works with subordinates to help them identify and learn the behaviours that will lead to the successful accomplishment of tasks and ultimately to organisational rewards.

Whereas Fiedler made the assumption that new leaders could take over as situations change, path-goal theory suggests that leaders can change their behaviour to match the situation (Daft 2005:96). As with the behaviourist theories, contingency theories also focus more on the leader than the followers. There is no mention of developing the followers. On the other hand, the leader has the power to choose a particular technique for a given situation but this approach may be inherent in the leader him or herself (Dambe & Moorad 2008).

2.4.5 Influence theories

Influence theories examine influence processes between leaders and followers. One primary topic of study is charismatic leadership (Daft 2005:24).

House *et al* (2004:675) define charismatic leadership as the ability of a leader *“to inspire, motivate, and to expect high performance outcomes from others on the basis of firmly held core values”*.

Daft (2005:149) agrees that charismatic leaders have the ability to inspire and motivate people to do more than they would normally do, despite obstacles and personal sacrifice. Charismatic leaders have an emotional impact on people because they appeal to both the heart and the mind, and that charismatic leaders often emerge in troubled times, because a strong, inspiring personality can help to reduce stress and anxiety amongst followers. Daft (2005:151) identifies certain characteristics that are associated with charismatic leaders. Firstly, with regard to likeableness, charismatic leaders have a shared perspective and an idealised vision which make them likeable and worthy of imitation. Secondly, with regard to trustworthiness, charismatic leaders passionately encourage others even though they might incur significant personal risk

and cost. Thirdly, regarding the status quo and future goals, charismatic leaders create an atmosphere of change and an idealised vision which is strongly articulated. Fourthly, they use unconventional and counter-normative behaviour in order to motivate employees. Their influence transcends position and they receive respect and admiration from followers.

2.4.6 Relational theories

Since the late 1970s many ideas of leadership have focused on the relational aspect, that is, how leaders and followers interact and influence one another. Two major relational theories have emerged, namely *transformational leadership* and *servant leadership* (Daft 2005:24). This subsection discusses these two relational theories.

Bolden *et al* (2003), define the goal of transformational leadership as “*to transform people and organisations in a literal sense – to change them in mind and heart; enlarge vision, insight, and understanding; clarify purposes; make behaviour congruent with beliefs, principles, or values; and bring about changes that are permanent, self-perpetuating, and momentum building*”. Furthermore, Grout and Fisher (2007:201), state that transformational leadership focuses on the ability of a leader to change their followers in ways that result in them being motivated to perform at a higher level than before. Transformational leaders are seen as visionary and inspirational with strong communication skills and a deep-rooted interest in people.

In addition Grout and Fisher (2007:201), identify the following as characteristics of transformational leaders:

- They recognise the need for change
- They have an ability to deal with complex situations and problems
- They adopt a values-driven approach and express strong ideals
- They are personally courageous
- They create coalitions of followers and a spirit of cooperation

In conclusion, transformational leaders cultivate followers' higher needs, and can be defined as a mutual leadership process which elevates both the leader and the follower alike (Wibbeke 2009:38).

Servant leadership is an extension of transformational leadership. It integrates both serving and leading and has a strong focus on ethical and moral behaviour. As it is the focal point of this study, the remainder of this chapter centres around servant leadership and the development of a framework of principles linked with this leadership theory.

2.5 SERVANT LEADERSHIP

2.5.1 Definition of servant leadership

Daft (2005:230) defines servant leadership as “*leadership in which the leader transcends self-interest to serve the needs of others, help others grow, and provide opportunities for others to gain materially and emotionally*”. Servant leaders serve others by helping them to achieve their personal goals as well as organisational goals, not the goals of the leader themselves. Servant leaders have a natural commitment towards serving others, including employees, the community and customers. As such, servant leaders are moral leaders (Du Brin 2004:106). Zohar (1997:146), states that servant leaders create significant changes in their organisation, and develop a revolutionary vision with which they possess the ability to motivate and encourage others to commit themselves to this vision.

2.5.2 The history and development of servant leadership

The term “Servant Leadership” was coined by Robert K. Greenleaf in an essay entitled *The Servant as Leader*, which was published in 1970. In that essay, he described a person to be a servant leader if they have the natural desire to serve first, and to lead second. The concept of servant leadership was further explored in his second major essay, titled *The Institution as Servant* (Greenleaf 1970).

Greenleaf acted as a consultant to large organisations, such as the Ford Foundation and AT&T as he had superior management knowledge. Greenleaf spent most of his professional career campaigning for the benefits associated with leading through serving. As organisations began to realise that autocratic leadership had become outdated, so Greenleaf's work began to rise in popularity (Pierce 2009).

“As still others grasp the concept of servant leadership, organisations are now evolving to where humanistic approaches are favoured over authoritative methods of leadership” (Pierce 2009). Furthermore, Spears (2004) indicates that there is indeed a superior way to lead and manage organisations in the 21st century- through servant leadership.

2.5.3 The importance of servant leadership

According to McCrimmon (2004), traditional leadership theory is not compatible with modern organisations because power and authority have shifted from the top down. Globalisation, along with numerous other changes occurring in the business environment, also renders traditional leadership theories unsuitable. Additionally, Trompenaars and Voerman (2009) propose that traditional leadership methods are primarily based on the power model, which focuses on the attainment and retention of power. Ethics and morals are not critical components. The ambition for power is addictive and as a result can have a corrupting effect. This has led to the need for a leadership model with a more productive, people-centred approach, which promotes good ethics and high moral standards. Servant leadership meets these requirements, as it integrates both serving and leading, unlike the power model which tilts heavily in favour of leading only.

2.5.4 Principles of servant leadership

In this section, the key characteristics and principles of servant leadership, as described by various authors (Page & Wong 2001; Spears 2004; Daft 2005; Waddell 2006; Van Wyk 2007; and Mayer, Bardes & Piccolo 2008), are presented in order to develop a framework containing the key principles of servant leadership.

Page and Wong (2001) highlight numerous characteristics and behaviours of servant leaders. The key points are:

- The primary objective of servant leaders is to serve others.
- Servant leaders seek to develop employees to their fullest potential by downplaying themselves and praising others. The organisation and all its members are praised and promoted before self.
- Responsibilities are of higher importance than the entitlement that comes with the leader position.
- Servant leaders treat all members of the organisation with respect. Information is shared freely, and all members work together to accomplish the objectives.
- Servant leaders are often seen interacting with other members of the organisation, and maintain an open door policy.
- An atmosphere, in which others recognise that their potential has been identified and is being developed, is established.
- Listening is a key aspect, as servant leaders consider all opinions before making decisions.
- Servant leaders first seek to understand others and then to be understood themselves.
- Servant leaders value individuals and learn from mistakes while offering praise to others.
- Input and feedback is encouraged, and credit for results is shared among all members.
- Servant leaders equip and invest in others with the purpose of advancing them.
- Followership is based on character.
- Support is gained through logic and persuasion.
- Servant leaders are accountable to the entire organisation, and welcome personal evaluations as a means to improve performance.

Spears (2004) developed a set of ten characteristics which are central to the development of servant leaders. These characteristics are:

- Listening- Servant leaders listen intently to others and seek to identify and clarify the will of a group of employees.
- Empathy- Servant leaders recognise and respect employees as unique individuals and attempt to understand and empathise with them.
- Healing- This is a great strength of servant leaders, as they have the ability to heal themselves and others.
- Awareness- Servant leaders possess both general as well as self- awareness, which helps them to deal with moral and ethical issues.
- Persuasion- Servant leaders use persuasion rather than authority when making organisational decisions. Employees are convinced to comply, rather than ordered to comply.
- Conceptualisation- Servant leaders are able to find a balance between day-to-day thinking and conceptual thinking.
- Foresight- This characteristic allows servant leaders to learn from past mistakes and use their experiences to improve future performance.
- Stewardship- This means that servant leaders are committed to serving the needs of others, and reiterates the use of persuasion rather than control.
- Commitment to the growth of people- Servant leaders place significant value on people and are committed to helping every individual reach their fullest potential.
- Building community- Servant leaders focus on developing and reuniting the organisation, individuals and the community.

Daft (2005:106-108) identifies six key attitudes of servant leaders:

- Place service before self-interest- The primary concern of servant leaders is not the acquisition of power, status, or rewards, but their natural desire to serve others. Servant leaders are driven by their yearning to satisfy the needs of others and will do what is morally correct even though it does not guarantee financial reward.

- Listen first to express confidence in others- In order for servant leaders to meet the needs of others, they first need to identify these needs. Servant leaders listen intently to others in order to identify their needs, wants and requirements. Once these needs have been identified, the servant leader can develop ways to ensure that these needs are met.
- Inspire trust by being trustworthy- Trust is the foundation of the relationship between servant leader and follower. In addition, servant leaders place significant bearing on honesty, as this forms an essential part of trust.
- Focus on what is feasible to accomplish- Although servant leaders are idealistic by nature, they do recognise that not all ideas or plans are feasible. Therefore, servant leaders identify the areas of concern that others might have and then proceed to focus on the most pressing of these issues.
- Lend a hand- Servant leaders actively search for opportunities where they can be of help to others.
- Provide tools- Servant leaders encourage others to voice their needs, and provide the tools necessary for them to perform their jobs.

Waddell (2006) proposes seven virtues which are believed to guide servant leaders. These include:

- Agapao love- Servant leaders have love for their employees, in the sense that they are willing to identify and nurture the unique talents and skills of each individual.
- Humility- Servant leaders are humble in behaviour and are willing to listen to the opinions of employees, even to those with opposing views.
- Altruism- Servant leaders help others selflessly, which often involves a degree of self-sacrifice.
- Vision- Servant leaders act as a visionary for the followers. They create a revolutionary vision for the organisation and have the ability to derive commitment from employees to this vision.
- Trust- Servant leaders engender trust in their relationships with employees. Trust promotes cooperation and team building in organisations.

- Empowerment- Servant leaders empower employees, as they encourage them to take on responsibilities and involve them in decision-making processes.
- Service- Service to others is the key aspect of servant leadership, and servant leaders recognise that their primary function is to serve others.

Van Wyk (2007) notes that servant leaders do not lead with control, but promote an environment in which everyone works together to accomplish the goals of the organisation. He identified the following four values upon which servant leadership is based:

- Strong team orientation- Servant leaders and employees work as a team in the development of strategies and organisational goals. Servant leaders play more of a supportive role than a dominant one.
- Decentralised decision-making and power- When decision-making is decentralised, employees are empowered to make decisions in order to achieve organisational goals.
- Equality assumption- Servant leaders promote a partnership relationship with followers, rather than a command and controlling relationship. Mutual trust and respect are key aspects of these partnerships.
- Reward assumption- Servant leaders encourage employees to be more energetic and creative in their jobs, and also empower and assist them to be leaders as well.

Mayer *et al* (2008) notes that servant leadership not only focuses on the needs of employees, but adds that servant leadership is also concerned with *serving the needs of all stakeholders*, which could also include owners, shareholders, customers, the community, as well as the environment. As stated, servant leaders are sensitive to the needs of all stakeholders. With regard to employees in particular, servant leaders treat them in an interpersonally sensitive manner which should improve their sense of justice. Servant leaders are lead by a moral orientation, which results in the likelihood of them engaging in ethical practices and being unbiased in the decision-making process.

2.6 SERVANT LEADERSHIP FRAMEWORK

From the theoretical overview of the characteristics and attributes of servant leadership, it is possible for the researcher to identify common principles of servant leadership. These principles can then be developed into a framework which can subsequently be used to analyse the corporate philosophies of companies in order to establish whether these companies have adopted the servant leadership principles. This framework is based on the review of literature as summarised in Table 2.1.

TABLE 2.1 A SUMMARY OF THE SERVANT LEADERSHIP TRAITS

		Author					
Characteristic		Page and Wong (2001)	Spears (2004)	Daft (2005)	Waddell (2006)	Van Wyk (2007)	Mayer, Bardes and Piccolo (2008)
1	Service to others	•	•	•	•		
2	Employee empowerment and development	•	•	•	•	•	•
3	Trust			•	•	•	
4	Listening	•	•	•	•		
5	Respect	•	•			•	
6	Ethical/moral behaviour		•	•			•
7	Teamwork	•	•		•	•	
8	Concern for all stakeholders	•	•				•
9	Input and feedback	•		•	•		
10	Decentralised decision-making				•	•	
11	Accountability	•		•			

		Author					
Characteristic		Page and Wong (2001)	Spears (2004)	Daft (2005)	Waddell (2006)	Van Wyk (2007)	Mayer, Bardes and Piccolo (2008)
12	Partnership control structure		•			•	
13	Integrity	•	•	•			•
14	Humility	•			•		

Table 2.1 presents the characteristics associated with servant leadership as identified from the literature overview, and whether or not the various authors agreed with these characteristics. The characteristics which are supported by three or more authors will be deemed important enough to include in the framework.

Table 2.2 presents the proposed framework of servant leadership principles. In Table 2.2 each servant leadership principle is presented with its corresponding rules of inclusion. The rules of inclusion refer to those aspects which need to be present for the specific servant leadership principle.

TABLE 2.2 PROPOSED FRAMEWORK OF SERVANT LEADERSHIP PRINCIPLES

CONSTRUCT		RULES FOR INCLUSION
1	Service to others	<ul style="list-style-type: none"> • Company is customer-centric and focuses on delivering quality products and service to customers. • The company encourages the development of productive and fruitful relationships with stakeholders. • The company endeavours to make a difference in the lives of the people in which it comes into contact with, and in the community in which it operates.
2	Employee empowerment and development	<ul style="list-style-type: none"> • Employees are valued, supported and cared for. • The company realises that the success of the organisation depends on the level of employee commitment and thus strives to empower employees in order to harness loyalty. • Employees are given opportunities to reach their full potential through training and development programmes.
3	Trust	<ul style="list-style-type: none"> • Trust forms the basis of the relationships between leaders and employees. • Leaders and employees can rely on one another.
4	Listening	<ul style="list-style-type: none"> • Open communication is encouraged in the workplace. • The different points of view of employees are considered. • Leader seeks to identify and to understand the opinions of others.
5	Respect	<ul style="list-style-type: none"> • Employees are treated with respect and dignity. • Employee diversity is respected.

CONSTRUCT		RULES FOR INCLUSION
6	Ethical/moral behaviour	<ul style="list-style-type: none"> • The company places significant value on ‘doing the right thing’. • Conflicts of interest are avoided. • Laws, rules and regulations are abided by. • The company conducts itself according to the highest ethical standards.
7	Teamwork	<ul style="list-style-type: none"> • Employees work together to achieve company goals and objectives. • Collaboration and cooperation are encouraged.
8	Concern for all stakeholders	<ul style="list-style-type: none"> • The company considers its impact on all stakeholders, i.e. shareholders, employees, the community and the environment. • The company values corporate social responsibility and sustainable development. • The company contributes positively to the improvement of the community and the environment.
9	Input and feedback	<ul style="list-style-type: none"> • Open discussion and debate is encouraged. • Ideas and knowledge are shared freely. • Feedback is given to improve performance and to develop people.
10	Integrity	<ul style="list-style-type: none"> • A high level of integrity in business practice is encouraged. • The importance of openness and transparency in stakeholder interactions is promoted. • The company promotes honesty, and keeps its promises.

From Table 2.2, it is clear that there are ten elements that can be used to determine whether servant leadership is evident in the corporate philosophies of companies.

2.7 CHAPTER SUMMARY AND CONCLUSION

Chapter Two presented a literature overview of leadership. Various definitions of leadership were considered. From these definitions, it was identified that leadership involves directing and guiding employees to achieve organisational goals. In addition, a leader needs to establish a clear vision for the future and must possess the capabilities required to motivate and inspire employees to achieve it. Following this was a discussion noting the importance of leadership in organisations.

Subsequently, a historical overview of leadership was presented which highlighted the major leadership approaches throughout history. From this historical overview, the origin and history of servant leadership theory could be established. The chapter progressed with the definition of servant leadership as well as the importance of servant leadership in organisations. Following this was a literature overview of the characteristics and key aspects of servant leadership. From this theoretical outline, a proposed framework containing the ten key principles of servant leadership was developed.

Chapter Three introduces the concept of organisational culture, and the connection between corporate philosophies and leadership is explored.

CHAPTER THREE

STRATEGIC LEADERSHIP AND ORGANISATIONAL CULTURE

3.1 INTRODUCTION

Chapter Two presented an overview of leadership. Specific reference was made to its definition and importance. Du Brin (2004:3) notes that leadership involves inspiration, motivation, and influence. Leadership also involves the development of a vision of what the organisation wants to become in the future, as well as the empowerment and motivation of employees to accomplish this vision. It was pointed out that leadership involves three concepts, namely influence, that it occurs among people, and that these people desire significant changes which will reflect purposes shared by leaders and followers.

Daft (2005:511) notes that strategy formulation, management and planning are key leadership roles, and subsequently defines strategic leadership. Therefore, this chapter presents the definition and importance of strategic leadership including the nature and components of strategic leadership. Subsequently, the domain of strategic leadership is discussed, which includes a detailed description of the corporate philosophies of companies. Concluding this chapter is a discussion of organisational culture, its history, including the levels, types and importance thereof, followed by a closing section establishing the relationship between corporate philosophies, organisational culture, strategy, and leadership.

3.2 DEFINITION OF STRATEGIC LEADERSHIP

In order to gauge a clear understanding of strategic leadership, the terms ‘strategy’, ‘strategic planning’ and ‘strategic management’ are defined.

Nicodim, Stanciu and Condrea (2008) define strategy as “*a pattern or plan that integrates an organisation’s major goals, policies, and action sequences into a cohesive whole*”. Nicodim *et al* (2008) further state that organisational strategies include three aspects, namely, (1) a list of goals that are to be achieved, (2) the policies that direct and restrict these goals, and (3) programs or actions to be

implemented in order to achieve these goals. Gill (2006:178) defines strategy as “*the determination of the long-term goals and objectives of an organisation, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals*”. Furthermore, Gill (2006:179) states that strategy is determined at three different levels within an organisation, namely corporate, business and functional level, as depicted in Figure 3.1.

FIGURE 3.1: LEVELS OF ORGANISATIONAL STRATEGIES



The three levels shown in Figure 3.1 are corporate strategy, business strategy and functional strategy.

- Corporate strategies focus on the scope of the organisation, on resource allocations and investments, and serves as the basis upon which the other two strategies are developed.
- Business strategy focuses on customers and markets.
- Functional strategies are strategies which are developed specifically for the various functional units of an organisation, such as the marketing, finance and human resources departments.

Freidig (2004) defines strategic planning as a process involving the following components:

- The development of the organisation’s mission, values and vision statements, as well as the formulation and development of consensus of strategies and objectives relating to the organisation’s products, services and markets;
- the identification of current and potential opportunities and threats which impact on the organisation’s viability; and

- the alignment of organisational resources with the organisation's primary intention.

Nicodim *et al* (2008) notes that for strategic planning to be effective, leading practices must ensure that all members of the organisation, including suppliers, are actively involved in the process of planning. Customer's needs and preferences should be the driving force behind the strategy, and systems need to be put in place to provide feedback on the planning process, so that it can be monitored, and adjusted where necessary.

Du Brin (2006:401) defines strategic management as "*the process of ensuring a competitive fit between the organisation and its environment*". Avery (2004:121), notes that strategic management refers to the management of a change within the organisational culture, and further argues that the strategy formulation process is in itself part of the organisational culture, or is at least affected by it.

From the above definitions and descriptions of strategy, strategic planning and strategic management, it is clear that the formulation of strategy and the planning and managing thereof are roles which are to be carried out by the leader, and that strategic leadership is the necessary leadership action to do so.

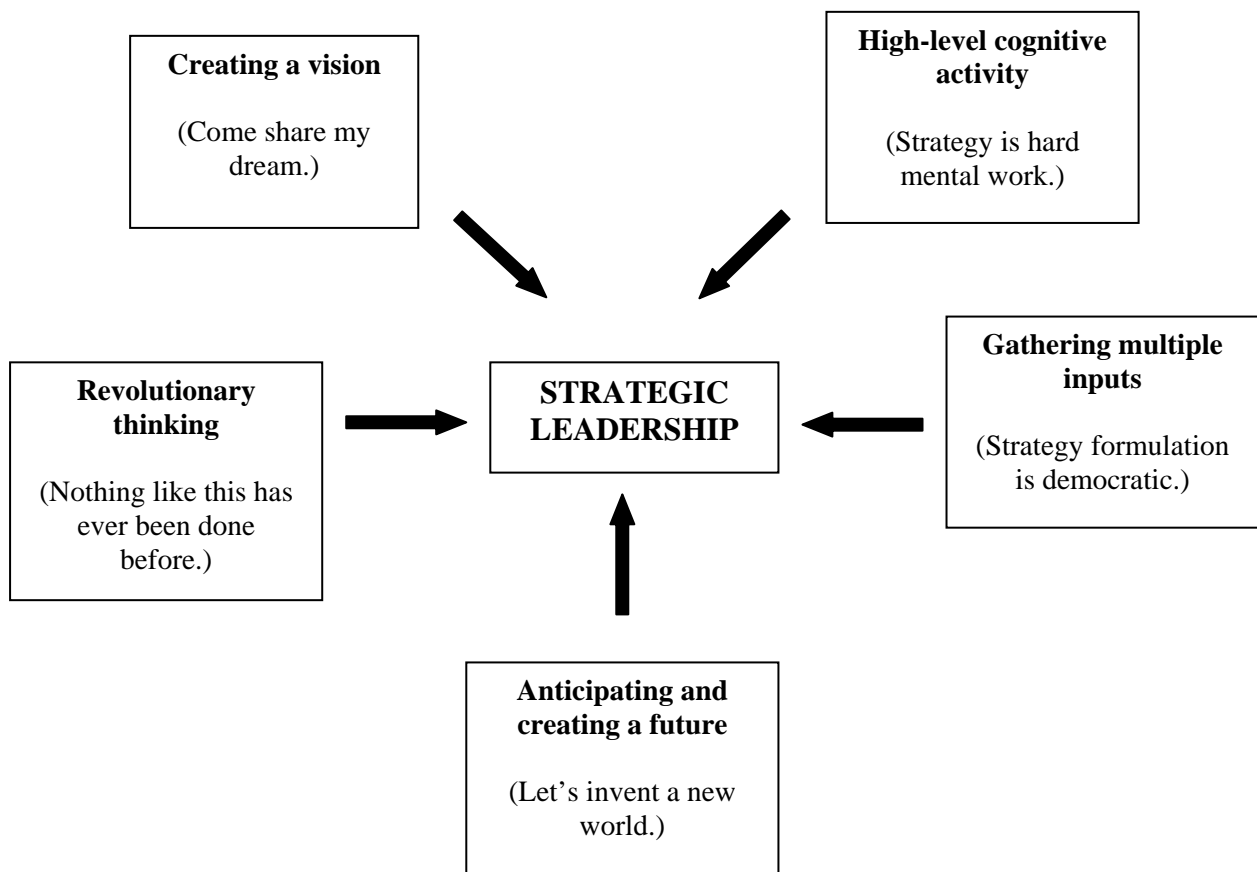
Daft (2005:511) defines strategic leadership as "*the ability to anticipate and envision the future, maintain flexibility, think strategically, and initiate changes that will create a competitive advantage for the organisation in the future*". Furthermore, Du Brin (2004:400-401) describes strategic leadership as a process which provides the direction and guidance which is a necessary component to the creation and sustainability of an organisation, and also notes that strategic leadership is the type of leadership which is necessary to carry out strategic management.

It is clear from the definitions of strategic leadership that it is a process involving strategy formulation, planning and implementation and the creation of a vision for the future of the organisation, in order to sustain its growth and to develop a competitive advantage.

3.3 **THE NATURE AND COMPONENTS OF STRATEGIC LEADERSHIP**

Du Brin (2004:401) points out that strategic leadership differs in the level that it is carried out rather than the type of leadership. He further identifies five components of strategic leadership. These components, as depicted in Figure 3.2 are: high-level cognitive ability; gathering multiple inputs; anticipating and creating a future; revolutionary thinking; and creating a vision.

FIGURE 3.2 COMPONENTS OF STRATEGIC LEADERSHIP



Source: Adapted from Du Brin (2004:403)

The components as outlined in Figure 3.2 are discussed in the following five subsections.

3.3.1 High-level of cognitive activity of the leader

Du Brin (2004:401) notes that high-level cognitive skills are required in strategic thinking. High-level cognitive skills incorporate the ability to think theoretically, to monitor and understand numerous trends, and the capability to develop this information into a clear-cut plan of action. *Systems thinking* is the term that refers to the ability to use this information and to understand how it affects the organisation and the environment. In accordance with the systems approach, the decisions that are required of lower-level managers are less demanding, in a cognitive sense, than those that are generally required of top-level management. Therefore, as one moves up the hierarchy from lower to higher-level management, additional imagination, creativity and problem solving techniques are a necessary requirement in order to effectively manage and control the organisation. Of these requirements, the ability to solve problems creatively is particularly important, as the strategic leader is responsible for the development of alternative types of action which will ultimately shape the future of the organisation (Du Brin 2004:401).

3.3.2 Gathering multiple inputs to formulate strategy

It is necessary for strategic leaders to consult a wide range of interested parties in order for them to decide on ideas that will affect the future of the organisation. Gary Hamel, a strategy theorist advises top-level management to include other members of the organisation in the process of creating a strategy, and proposes that an imaginative and creative way of thinking is in short supply when compared to other organisational resources (Du Brin 2004:404).

3.3.3 Anticipating and creating a future

Du Brin (2004:404) states that “*a major component of leadership is direction setting. Direction setting involves the creation of and anticipation of the future for an organisation or an organisational unit*”. Therefore, that future needs to be accurately

forecasted in order to set a meaningful direction for the organisation. This involves the research and the necessary skills to accurately forecast elements such as consumer preferences and demands, and the level and combination of skills which will be required by the future organisation. Nevertheless, creating a future is a more powerful technique than the mere anticipation thereof. Therefore, the leader, in conjunction with numerous team members, would be required to create situations and circumstances that do not exist. This would involve inquiring into how the industry could be shaped in the future and deciding on methods of how to make sure that the industry progresses in a way which is most beneficial for the organisation. In addition, the leader must identify the necessary resources, skills and abilities that would need to be obtained to ensure that the organisation is successful in the future (Du Brin 2004:404).

3.3.4 Revolutionary thinking

Du Brin (2004:405) states that “*organisations are reaching the limits of incrementalism*”. Lowering costs and improvements in quality are types of incremental improvements. These constant improvements increase organisational efficiency and effectiveness which make them fundamental to the success of an organisation, but are, however, not new ideas, from a strategic point of view. Therefore, in order for an organisation to be the leader in its industry, it is necessary for the leader to think in imaginative and creative ways and to “*literally reinvent the future*”.

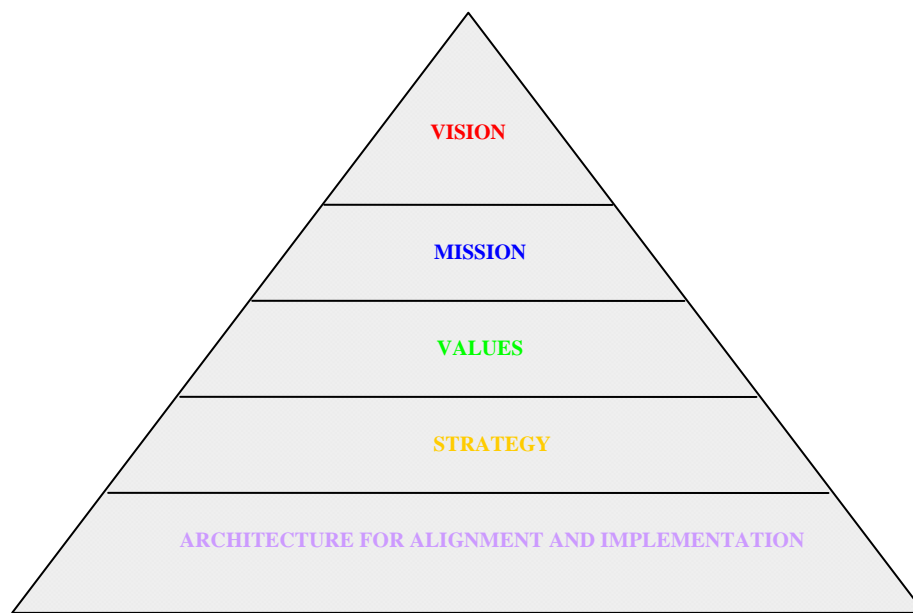
3.3.5 Creating a vision

A vision portrays the outlook of an organisation in the future. A well constructed vision allows the organisation and its members to know what the organisation stands for and identifies organisational ambitions. The vision of an organisation should highlight the strengths of the organisation and can indicate which opportunities should be taken and which actions should be avoided. The leader is responsible to point the organisation in a new direction that will extend the abilities of organisational members, as well as stretch the capabilities and capacity of the organisation (Du Brin 2004:406).

3.4 THE DOMAIN OF STRATEGIC LEADERSHIP

Decisions surrounding vision, mission and values and their relationship with the external environment are the responsibility of strategic leadership (Daft 2005:512). Figure 3.3 illustrates the levels that make up the domain of strategic leadership.

FIGURE 3.3 THE DOMAIN OF STRATEGIC LEADERSHIP



Source: Adapted from Daft (2005:512)

Each level represented in Figure 3.3 supports the level above. At the top of hierarchy is a clear, concise *vision* of where the organisation sees itself in the mid to long-term future. The vision is a reflection of the environment and is the basis from which the *mission statement* is designed. The mission statement reflects the reason for existence and the primary purpose of the organisation.

The domain of strategic leadership, as described by Daft (2005:512), incorporates *values* into the section relating to mission. However, for the purpose of this study, values have been placed into the hierarchy on a level below mission. This is due to the fact that values form the core of the management team, and in order for a vision and mission to be recognised and implemented, it needs to reflect the core values which are located in the values statement (Birnbaum 2007). Wibbeke (2009:121) notes that

values are the basic principles and beliefs that guide a person's actions and behaviour. Values are what motivate individuals to achieve their goals.

In order for the organisation to achieve its goals, it is *strategy* which provides the pathway for the translation of the vision into the development of plans of action (Daft 2005:512). Strategies are objectives and plans, whereas the *implementation* of these plans are through the *fundamental architecture of the organisation*, which is responsible for ensuring that plans are implemented and results are obtained. The fundamental architecture of an organisation includes elements such as organisational structure and incentives (Daft 2005:512). The levels of this hierarchy in Figure 3.3 include:

3.4.1 Vision

Daft (2005:513) defines organisational vision as “*an attractive, ideal future that is credible yet not readily attainable*”. However, Daft (2005:513) further notes that a vision is not only a dream but an ambitious yet realistic view for the future, in which all organisational members can believe in and strive towards. Rekate (2002) states that a vision has certain qualities. Notably, visions are clear, simple, concrete and easy to communicate. An additional quality includes the power to inspire and motivate a shift towards an attainable successful future.

Daft (2005:516-519) notes the importance of an effective vision, as it works in a number of important ways. Firstly, an effective vision serves as a link between the present and the future, as it connects current actions with future goals, thereby accentuating the importance and relevance of current events and actions. Secondly, an effective vision has the ability to energise and inspire people and to harness employee commitment toward the future of the organisation as it provides employees with a challenge which is worthy of their enthusiasm, commitment and best efforts. Thirdly, a vision gives meaning to work, as it encourages employees to have pride and dignity in their work, because they are aware of the larger purpose that they are working towards. Lastly, an effective vision establishes a standard of excellence and integrity. A vision presents a challenge, thereby encouraging employees to try new ways of doing things or to take more risks in order to achieve success. In addition, an effective

vision clarifies the core values of an organisation thus setting a standard of integrity and ethical practices for employees.

Gill (2006:110) states that in order for a vision to be effective it must be constructed by members across organisational levels, and must also be clearly communicated to and understood by all members of the organisation. It is also important for organisational members to be committed to the vision and subsequently proposes the following guidelines to ensure employee dedication and commitment to the vision:

- involve all stakeholders in the creation of the vision statement;
- establish a link between the vision and the shared values of the employees, as this will create alignment and will reinforce individual's behaviour that relates to it;
- use motivating and inspiring language to communicate it and constantly repeat it in meetings with team members, which should additionally be accompanied by brochures and booklets etc. thereby promoting the vision; and
- conduct surveys on the level of understanding that organisational members have of the vision. Additionally, employee attitudes towards the vision should be gauged. Thereafter, where necessary, action can be taken to increase employee knowledge and meaning of the vision, and positive attitudes towards the vision can be created.

3.4.2 Mission

Daft (2005:524) defines a mission as “*the organisation's core broad purpose and reason for existence*”. Unlike the vision, which changes continually, the mission statement remains unchanged and during times of change it steers strategic decisions with regard to the future. In addition, Gill (2006:118) agrees that a mission incorporates the organisation's key purpose, and also adds that it includes how an organisation distinguishes itself from other organisations, and includes the products or services it aims to provide, and the markets which the organisation intends to serve.

Panda and Gupta (2003), state that a mission statement comprises four elements, namely: purpose, strategy, values and standards of behaviour. Once purpose and

strategy have been defined, they need to be converted into policy in the form of behaviour guidelines that can assist organisational members on how to act on a daily basis. Panda and Gupta (2003) further note that values provide meaning to these standards of behaviour, and state that these would appeal mostly to those organisational members who find them meaningful.

Velcoff and Ferrari (2006) note that mission statements are important for the following reasons:

- A mission statement which is clear and concise can act as a preventative measure for employees to define their own missions and to use organisational resources in ways which contradict the organisational mission;
- a mission statement can inspire and motivate all members of the organisation, as well as significant stakeholders, including customers, suppliers, owners etc.;
- organisational members can be more successful in the fulfilment of their duties, as an effective mission statement can assist the members to understand the key objectives of the organisations, and how to operate in line with the organisation's interests;
- a community atmosphere is created, as all members of the organisation are integrated and incorporated through the mission statement.

Furthermore, a clear mission statement can assist in the maintenance of a clear focus on the goals and objectives of the organisation. As with a vision statement, the success of a mission statement is reliant on the extent to which it is implemented, in terms of communication to stakeholders, repetition, and continual monitoring of employee understanding and commitment (Velcoff & Ferrari 2006).

3.4.3 Values

Daft (2005:133) defines values as the set of basic principles and beliefs that individuals consider to be of great importance, and further note that values remain moderately stable over time and have an impact on an individual's attitudes, and the manner in which they behave. In addition, Gill (2006:135) provides a more technical

definition of values, and describes them as “*latent constructs involved in evaluating activities or outcomes*”.

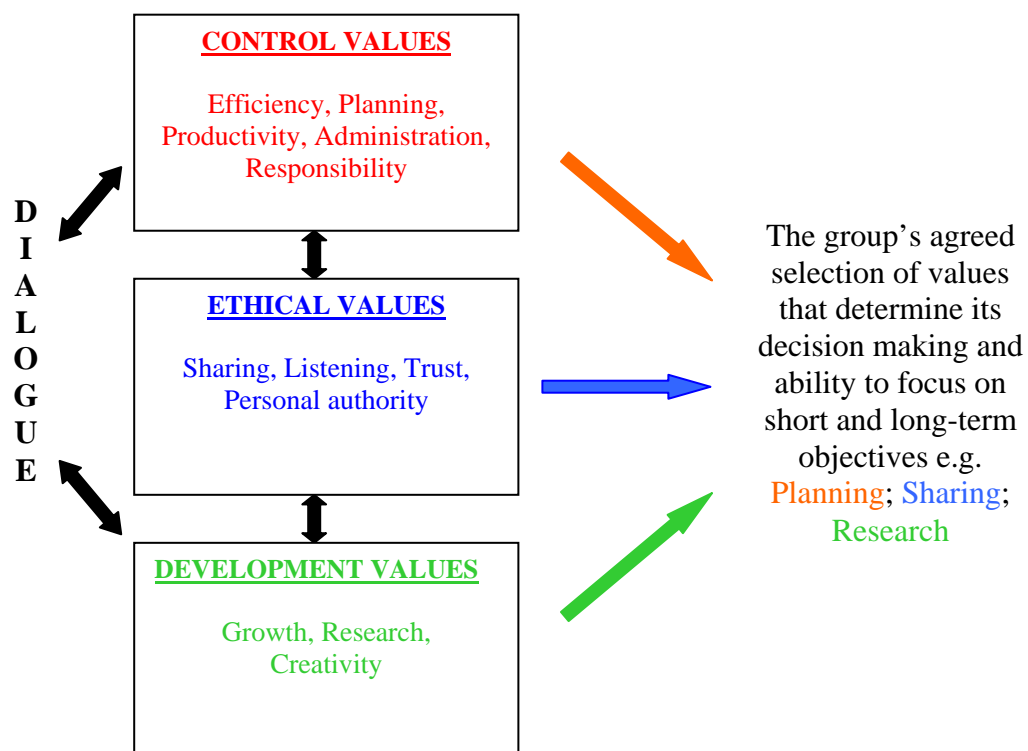
Birnbaum (2005) refers to values from an organisational perspective, and describes values as the principles that the leader believes should serve as a guide to the behaviour and actions of employees. Furthermore, Birnbaum (2005), states that values influence the entire organisation, and that in order for organisational members to embrace, and act accordingly to the organisation’s vision and mission statements, these statements need to reflect the core values of the organisation. Furthermore, Wibbeke (2009:122) notes that, with regard to organisations, values are generally demonstrated by the behaviour of the leader, and that when values are well known and pursued by organisational members, this forms the basis of trust among members. On this point, Du Brin (2004:105) reiterates the importance of the role of the leader in promoting and demonstrating organisational values, as values are not task-related, but rather refer to an individual’s attitudes and behaviour, and can therefore be classified as relationship-oriented. Aiman-Smith (2004) further explains that when new members enter an organisation, they are taught the values of the organisation, in terms of how to behave and think, and the expectations of how other organisational members should behave.

Avery (2004:102-103) notes that within an organisational context, three types of values can be identified, namely: personal values; values which are shared with other people; and organisational values. Every member of an organisation has personal values. Personal values can prove to be a challenge for leaders, as they try to direct these numerous individual values to achieving organisational objectives. However, a method to unite and combine personal values is through the development of shared values. Shared values result in an increase in employee performance and the development of positive attitudes of employees towards their work. The alignment of personal and shared values with organisational values can be beneficial for leadership, in the sense that in order for the leader’s vision and values to have an effect on employees, these values need to be compatible with the employees’ existing values.

According to Henderson and Thompson (2004), and illustrated in Figure 3.4, an individual's values can be grouped into the following three categories:

- *Control values*: refer to values that are associated with thoughts and perceptions of control.
- *Ethical values*: refer to the values that an individual believes should be abided by when in the company of others.
- *Development values*: are values that are linked with ideas regarding the development, discovery or invention of something new, for example, processes, systems etc.

FIGURE 3.4 THE RELATIONSHIP OF THE THREE VALUE SETS ON A GROUP'S CAPABILITY FOR DECISION MAKING AND ACHIEVING OBJECTIVES



Source: Henderson & Thompson (2004)

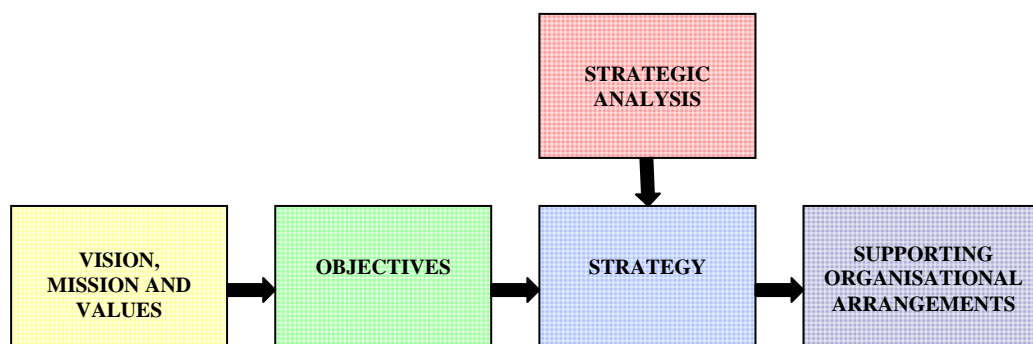
Henderson and Thompson (2004) note that most individuals have a blend of all three types of values as depicted in Figure 3.4, however, the element that can differ, is the priority that the individual places on each of the three types of values. This

prioritising impacts the individual's decision making, and thus affects the method which is used to deliver the desired results. As an example, the combination of *control* and *development* values signifies the potential for contradictory points of view in decision making styles, which would ultimately impact on organisational capability. Interestingly, this is where the *ethical* values begin to arise, as it is these values which provide individuals with the outline and direction of how to interact, communicate and work collaboratively with others. In conclusion, the ability of an organisation to achieve its short and long-term goals is reliant on the dialogue between the organisation's *control* values and *development values*, (as determined by the *ethical* values).

3.4.4 Strategy

Daft (2005:528) states that well-designed vision, mission and values statements that provide guidance and direction are of great importance, yet on their own are insufficient to build a strong organisation. Therefore, it is *strategy* that plays the role of interpreting and translating an organisation's vision, mission and values into action. This is where the terms *strategy*, *strategic management*, *formulation and planning*, as previously defined in paragraph 3.2, feature. This section concentrates on the place of strategy in an organisational context, as illustrated in Figure 3.5.

FIGURE 3.5 THE PLACE OF STRATEGY IN AN ORGANISATIONAL CONTEXT



Source: Adapted from Gill (2006:180)

From Figure 3.5, it is clear that strategy is driven by strategic objectives which are a reflection of the organisation's vision, mission and values, and also by strategic analysis. Furthermore, Figure 3.5 illustrates that organisational arrangements, such as policies, structure, composition, employees etc. form the support system for strategy (Gill 2006:180).

3.4.5 Architecture for alignment and implementation

Daft (2005:528) notes that the implementation of strategy is most often, the most significant as well as the most tricky part of strategic management, as it involves putting the strategic plan into action. Strategy implementation comprises the adjustment of a variety of elements of the organisation and the allocation of resources to ultimately achieve the organisational and strategic objectives. Grout and Fisher (2007:253) further recognise that the implementation of strategy involves copious amounts of communication. In order for the strategic plan to be put into action, all members of the organisation need to be aware of the strategy and what their specific role is in the implementation thereof. This involves communication.

Avery (2004:124) highlights the importance of alignment of the composition of an organisation and the environment in which it operates, as the author identifies a relationship between organisational alignment and performance. When there is a good match between the structure and composition of the organisation, and a variety of environmental variables, this has been found to increase organisational as well as financial performance. From a different perspective Gill (2006:189) proposes that in order for successful change to be implemented into an organisation, it is necessary for the leader to engage with and harness the commitment of the other members of the organisation, in order to achieve the desired vision -- this requires the alignment of the organisation with its environment. Gill (2006:189) states that “*alignment entails not a grudging acceptance or tolerance of personal sacrifice but a deep emotional commitment to change*”.

3.5 ORGANISATIONAL CULTURE

3.5.1 Definition of organisational culture

Daft (2005:557) defines organisational culture as “*the set of key values, assumptions, understandings, and norms that is shared by members of an organisation and taught to new members as correct*”. In addition, Hamilton and Bean (2005) draw a distinction between national culture and organisational culture, noting that national culture focuses on shared values, and organisational culture focuses on shared practices. These value systems have evolved from, and continue to evolve from outside influences, such as history, geography, economy and demography. Value systems affect the manner in which organisational members behave. Additionally, Tolmats (2004) states that national culture, which focuses on shared values, has a significant impact on the processes and activities of organisations. Wibbeke (2009:190) notes that “*culture reveals itself through the language, customs, and traditions of the individuals within the organisation*”. However, Wibbeke (2009:190) further notes that culture is also reflected through the principles and standards that the members of an organisation exhibit on a daily basis.

3.5.2 The history and formation of organisational culture

According to Baker (2002:2), the origin of organisational culture can be traced back to the 1940s when the initial view of organisations, in terms of human relations was developed. In comparison with rational system theorists, who believed that formal controls regarding cooperation and commitment were most important, human relations theorists viewed the informal and ethical bases as more important. However, following this, organisational and social science became progressively quantitative in nature. This meant organisational culture became focused on quantifiable features, specifically to measure employee perceptions and attitudes with regard to the organisation. This type of research was referred to as *organisational climate studies* and was popular in the 1960s and 1970s (Baker 2002:2). However, during the late 1970s, attention was once again directed toward organisational culture, which took a more anthropological approach to attempt to understand the undetectable elements of organisations and their culture. This research returned to the earlier literature but

added new methods of how organisational culture was perceived, in terms of its characteristics and importance. The primary distinction was that organisational culture came to be viewed as a “*manipulative and manageable competitive asset and less as a natural, organically emergent phenomenon*” (Baker 2002:2).

On the contrary, Aiman-Smith (2004) states that the research done by Geert Hofstede began the increased interest into organisational culture in the 1980s, with the initial release of a book in 1980 entitled *Culture's Consequence*. This book was based on research that Hofstede had done within IBM over a six year period from 1973 to 1978. This research identified five key dimensions whereupon the cultures of different countries varied. This research laid the foundation for other researchers to use his work to study organisations, as researchers in the field of management rapidly adapted his work to explore the cultures found in organisations. Seven dimensions that could be used to compare culture from different organisations were developed. These dimensions are:

- innovation and risk-taking
- attention to detail
- outcome orientation
- people orientation
- individual versus team orientation,
- aggressiveness
- stability

As the exact origin of organisational culture is debatable, the fact remains that during the 1980s organisational culture became exceptionally popular. Researchers during this period assisted managers with the identification of key aspects that affect organisational performance. In fact, it was these practices that drove researchers to document and explain situations and processes that management were already attempting, such as Total Quality Management (TQM) and Information Technology (IT). In addition the research surrounding organisational culture provided guidance for managers with their search for improved organisational effectiveness (Cameron & Quinn 2006:10-11).

Furthermore, Cameron and Quinn (2006:10) note that culture is generally undetectable, because individuals are not aware of culture until a new culture is experienced or current culture is challenged. This explains why organisational culture received little attention when measuring organisational performance in the mid 1950s, as it refers to the underlying values and principles that guide the behaviour of employees in an organisation which are virtually invisible.

3.5.3 Importance of organisational culture

Daft (2005:558) notes that culture integrates the individual and the organisation, thus giving the organisational members a feeling of organisational identity. In this way, culture is able to harness the commitment of members to specific values and to the standards of acceptable organisational behaviour. Culture serves two important functions in organisations, namely (1) it integrates members and it enables them to connect and interact with one another, and (2) it assists the organisation to adapt to constant changes in the external environment.

- **Internal integration**

Culture helps employees to develop an organisational identity, and thus enables members to cooperate and collaborate effectively. Culture guides relationships and determines the method of communication within an organisation. Furthermore, culture is what establishes the standard of acceptable behaviour, and also how power and position are allocated within an organisation. Culture can impact organisational performance, through the manner in which it affects behaviour, as culture provides employees with a mindset consisting of unwritten organisational rules which have a powerful effect on behaviour. Additionally, organisations are emphasising the development of strong cultures which promote teamwork, cooperation, collaboration, and mutual trust, so as to develop an environment where members of the organisation tend to share ideas, be creative and innovative, and to be generous with their knowledge and abilities.

- **External adaptation**

Culture establishes the manner in which an organisation achieves its objectives and also how organisational members deal with outsiders. The correct cultural values can assist the organisation to respond swiftly to changes in customer needs or preferences, or to the shift in a competitor's strategy. Additionally, culture can promote employee commitment to the mission and vision of the organisation, as well as to specified objectives and the basic systems and procedures used to accomplish these objectives. Lastly, organisational culture should reflect the values and beliefs that are required by the organisation in order for it to be successful in its environment.

Organisational Culture (2003) argues that “*culture is the single most important factor accounting for the success or failure of organisations*”. Baker (2002) proposes that the importance of organisational culture has since increased over time. An increase in the number of mergers and acquisitions, globalisation and an increase in competition are examples of internal and external environmental changes. The capability of an organisation to react and adapt to these changes, and the increasing number of organisations which are placing more value on intellectual rather than physical assets, highlights the importance of organisational culture. Therefore, current organisations must shift their culture to focus on the promotion of knowledge management, creativity, participative management and leadership.

3.5.4 Types of organisational culture

Martin (2006), Organisational Culture (2003), and Knowles, Reddy and Konczey (2002), note that three types of organisational culture exist, namely: power, role and achievement.

- **Power culture**

Organisational Culture (2003), proposes that power cultures have a sole power source, which could be an individual, such as the leader, or a group of executives, and also notes that control of rewards is one of the most important sources of power. Martin (2006) states that “*power culture emanates from centralised power in a charismatic leader*”. He notes that charismatic leaders are independently decisive and have high expectations regarding employee

performance, however still keep the organisation and its objectives a priority. Knowles *et al* (2002), state that power cultures are typically based on the struggles of the strong over the weak, in order to gain supremacy; that power cultures have a tendency to implement strategies that are primarily directed at growing the size and increasing the influence of the organisation, in order to ultimately dominate the market. However, Martin (2006) suggests that power cultures can negatively influence the organisation's functionality and efficiency. As an organisation increases in size, it becomes too great and too overwhelming for one person to control; as a result, each employee does not progress with an idea until the leader has approved it. Therefore, employees that are part of this type of organisational culture become over-worked, and if disloyal, these employees become oppressed and intimidated.

- **Role culture**

Organisational Culture (2003) defines role culture as “*highly formalised, bound with regulations and paperwork and authority and hierarchy dominate relations*”. Martin (2006) reiterates the fact that role culture consists of an environment which is well-structured and where clear and concise goals, procedures and systems exist. Knowles *et al* (2002) notes that the primary intention of role culture, is to develop systems, rules and regulations, and policies, thereby focusing more on how things are done than on what the end result may be. Martin (2006) states that during a functional stage, role culture ensures that the organisation is efficient and effective and that a balance of power is present. However, in an organisation where role culture is present, and is not functioning efficiently, this can cause employees to simply follow the rules and regulations, creating an organisation with members who are scared to take risks and therefore their creative and innovative talent go to waste (Organisational Culture 2003).

- **Task culture**

According to Organisational Culture (2003), task culture is the complete opposite to role culture. This is due to the fact that the mission and vision of the organisation forms its foundation, and jobs are designed around teamwork and

collaboration. Martin (2006) refers to achievement culture rather than task culture, but in essence these are two terms for the same concept. In Martin (2006) reference to achievement culture is made. This involves highly motivated and hard-working employees, as well as teamwork toward achieving organisational objectives is emphasised. Achievement cultures are generally very adaptive, due to the goal-achievement and teamwork mindset of organisational members. Knowles *et al* (2002) elaborates that task cultures are based on the mission statement of the organisation and stimulates a powerful sense of purpose in its employees. Therefore task culture focuses primarily on the end results and not so much attention is paid to the systems and procedures used to get there. Martin (2006) states that however; rules and regulations are present but are few, and when the situation arises where a rule prevents the achievement of an objective, the rule is ignored. Therefore, employees can become extremely competitive, which could cause dishonest behaviour in the race to achieve their objectives, and cause them to become over-worked.

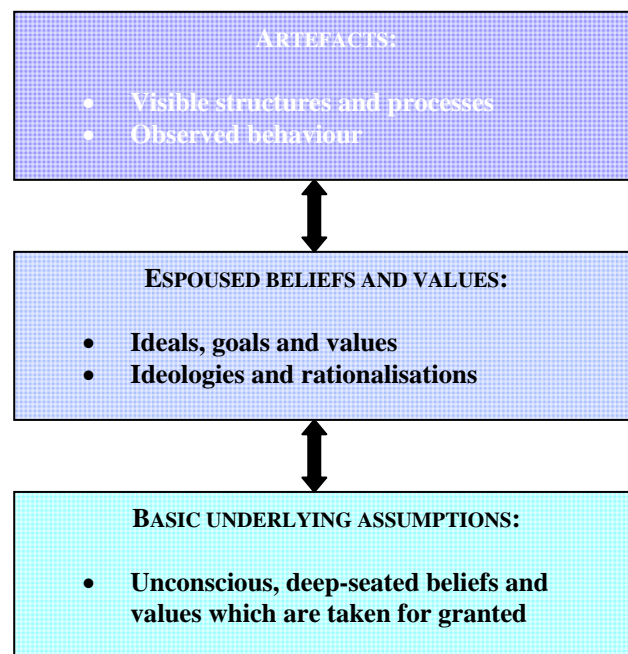
In addition to these types of organisational cultures, Martin (2006) describes *support culture* which refers to the support, trust and cooperation among members within an organisation. In a well-functioning support culture, communication is regarded as highly important, and the level of service, both internally and externally is of high quality. In a support culture, the individuals' needs are considered to be very important, and therefore, in a dysfunctional support culture, individuals' needs could be placed above organisational needs, resulting in the blur of the lines of professional and personal life. Furthermore, Knowles *et al* (2002) adds a fourth type of culture, referred to as *personal culture*. Personal cultures are those which invite employees to work in an environment and which provides opportunities for personal development and where job interest plays a vital role. However, this type of culture has a tendency to result in the development of a cult-like individual.

3.5.5 Levels of organisational culture

Schein (1988) was the first author to differentiate the levels of organisational culture. Originally Schein (1988) identified that culture consisted of assumptions that have been taken for granted and further distinguished these assumptions from the other two

levels that were commonly used to describe culture. The three levels were initially identified as artefacts; values, and underlying assumptions, with each level becoming less and less obvious (Oivo 2002; Schein 1988:8). Schein (2010:23) identifies the three levels as artefacts; espoused beliefs and values and basic underlying assumptions. These three levels are depicted in Figure 3.6.

FIGURE 3.6 THE THREE LEVELS OF ORGANISATIONAL CULTURE



Source: Adapted from Schein (2010:24)

From Figure 3.6, it is clear that artefacts are at the surface, and according to Schein (2010:23), artefacts “include all the phenomena that you would see, hear and feel when you encounter a new group with an unfamiliar culture”. Examples of artefacts include dress, patterns of behaviour, symbols, slogans, ceremonies, rules, jargon, stories, and the layout of the office (Daft 2005:558; Oivo 2002). The most significant point regarding this level is that artefacts are tangible and visible and are therefore easily identified. However, the difficulty associated with artefacts is mostly the interpretation thereof. This difficulty comes into play when an artefact is observed but the route back to the value which initiated the observation could perhaps be vague and indistinguishable (Schein 2010:24; Keyton 2005:23).

The second, deeper level is espoused beliefs and values. Every member of an organisation has their own set of moral and ethical standards, values, goals, ideals and beliefs. However, it is not individual values that are relevant to organisational culture; it is the shared values among organisational members. (Keyton 2005:23; Oivo 2002; Schein 2010:25). Daft (2005:558) notes that these beliefs and values are held at a conscious level by organisational members, but note that these are unobservable. However, values and beliefs can be distinguished by the manner in which organisational members justify and explain their behaviour.

The third and deepest level of organisational culture is basic underlying assumptions. These underlying assumptions are often so deeply entrenched in culture, that the members of the organisation are often unaware of them (Daft 2005:558). These unconscious underlying assumptions are often taken for granted, and also cannot be confronted or debated, as they form the essence of culture; as they steer human behaviour and are not directly observable from an outsider's perspective (Oivo 2002; Schein 2010:26).

As explained, an organisation's culture consists of three levels. However these values and assumptions are rarely discussed among employees, but are revealed through the *communication* of organisational members, both internally and externally. In conclusion it is necessary to mention that culture emerges from the complex interaction of these elements throughout the organisation. Therefore culture cannot be created from any single artefact, value or assumption (Keyton 2005:28).

3.6 THE LINK BETWEEN CORPORATE PHILOSOPHIES, ORGANISATIONAL CULTURE, STRATEGY AND LEADERSHIP

Daft (2005:541) argues that leaders are responsible for the development of organisational direction by means of a clear and concise vision and strategy. Additionally, leaders are responsible for studying the organisation's environment, considering how changes in this environment in the future would affect the organisation and establishing a direction that every organisational member can commit to and believe in. Leaders in particular formulate and live out values that can help employees to achieve the organisation's mission, vision, and goals (Daft

2005:564). Leaders demonstrate a set of values that will assist in the success of the organisation, and in addition, an organisation's culture is often a reflection of the values displayed by the leader.

The vision, mission and value statements of organisations form the foundation upon which a company develops its corporate strategy. Furthermore, these statements communicate the organisation's goals and visions for the future not only to employees, but to all stakeholders. The values expressed in these statements further communicate the moral standing of the organisation, and convey what values are important to management, and subsequently how the leaders of the organisation expect employees to behave (Velcoff & Ferrari 2006).

Wibbeke (2009:30) highlights several ways that culture influences leadership. Firstly, culture shapes the ideal image of a specific organisation, as differing culture groups vary in their conceptions of what makes an effective leader. Secondly, culture influences the personality traits and work values of organisational members. As personality is the outcome of a lifelong interaction between an individual and their environment, this results in the differences in behaviour which can be observed among individuals who have grown up in different cultures. Thirdly, culture determines the pattern of leadership behaviour in an organisation, as cultural values and norms influence the attitudes and behaviours of leaders in ways which they are often unaware of. Lastly, cultural values are a reflection of societal norms in relationships between individuals, of which these norms specify acceptable leadership behaviour.

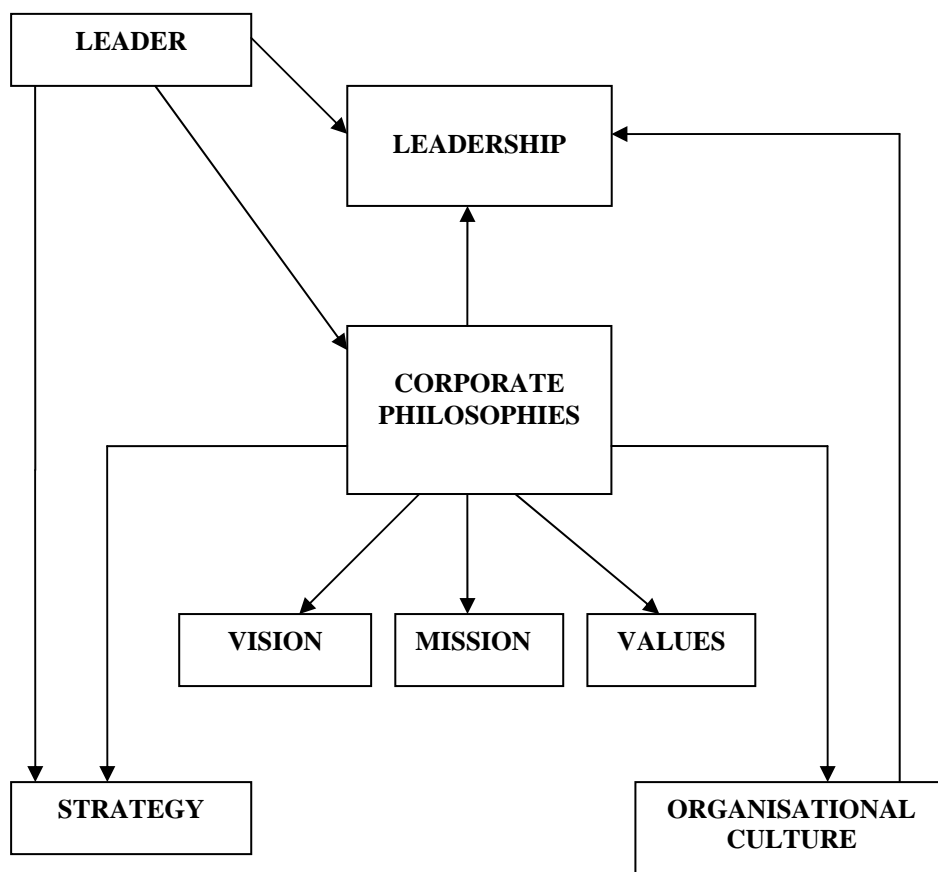
House *et al* (2004:19) reports that the different values and practices of each culture across organisations give an indication of leader characteristics and behaviour. In essence, the corporate philosophies and culture of an organisation, as represented by the organisation's vision and mission statements and core values will reflect upon the type of leadership employed in the organisation.

Furthermore, the vision, mission and values of an organisation serve as the basis for strategic planning (Nicodim *et al* 2008). However, strategy itself plays the role of interpreting an organisations' corporate philosophies into action. Strategy is driven by

strategic objectives, which are a reflection of the organisations' corporate philosophies and also by strategic analysis. Additionally, strategy, the formulation, planning and management thereof are roles which are to be carried out by the leader (Daft 2005:528).

From this literature overview, the link between corporate philosophies, organisational culture, strategy, and leadership can be made. This relationship is illustrated in Figure 3.7.

**FIGURE 3.7 THE LINK BETWEEN CORPORATE PHILOSOPHIES,
ORGANISATIONAL CULTURE, STRATEGY, AND
LEADERSHIP**



Source: Researcher's own construction

From Figure 3.7, it is clear that the leader is responsible for the development of the corporate philosophies as well as strategy. Corporate philosophies include vision, mission and values, and are reflected by the strategy and the organisational culture. Organisational culture is in turn reflected in leadership.

As a result, the corporate philosophies of companies can therefore reveal principles of leadership employed in the organisation. Corporate philosophies are thus used as the main source of data for this study. This study aims to identify whether servant leadership principles are evident in the corporate philosophies of companies.

3.7 CHAPTER SUMMARY AND CONCLUSION

Chapter Three presented a literature overview of strategic leadership and organisational culture. A definition of *strategic leadership* was presented, including a definition of *strategy*, *strategic planning*, and *strategic management*. From these definitions, it was identified that strategic leadership is the ability to anticipate and envision the future, maintain flexibility, think strategically, and initiate changes that will create a competitive advantage for the organisation in the future (Daft 2005:511). The chapter progressed with a description of the nature and components of strategic leadership, as well as of the domain of strategic leadership.

Subsequently, an overview of organisational culture was presented which included the definition, history and importance of organisational culture. In addition, the levels and types of organisational culture were also discussed. Following this was a brief discussion of the effect of culture on leadership and organisations. The chapter concluded with a discussion which established the relationship between corporate philosophies, organisational culture, strategy and leadership.

As noted by Leavy and McKiernan (2009:31), there is a definite relationship that exists between servant leadership (as an extension of transformational leadership) and corporate culture. Servant leadership deals primarily with questions relating to values and identity, which form the central elements of corporate culture. Consequently, corporate philosophies are used as the main data tool in this study, so as to determine

whether the servant leadership principles, as proposed in the framework presented in Chapter Two, are present in the corporate philosophies of companies.

Chapter Four presents the research design and methodology which is used to conduct the study.

CHAPTER FOUR

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

Chapter Three presented a literature overview of strategic leadership and organisational culture, together with a detailed description of the corporate philosophies of companies as well as the place of strategy. The chapter concluded with a discussion which established the relationship between corporate philosophies, organisational culture, strategy and leadership. Consequently, corporate philosophies are used as the main data tool in this study, so as to determine whether the servant leadership principles, as presented in the proposed servant leadership framework developed in Chapter Two, are present in the corporate philosophies of companies.

This chapter presents the main methods and techniques that are utilised to obtain the findings which are presented in Chapter Five. A discussion follows of the research design, data collection design, sampling design and the processing and analysis of the data. Reliability and validity are subsequently discussed. The chapter concludes with the ethical considerations of the project.

4.2 RESEARCH DESIGN

Zikmund (2003:65) defines a research design as “*a master plan specifying the methods and procedures for collecting and analysing the needed information*”. As noted by Hair *et al* (2003:65) a research design serves as a guideline for conducting a research study. Furthermore, Hair *et al* (2003:65) suggests that a researcher chooses a design which will firstly provide the appropriate information regarding the research questions, and will secondly ensure that the research is conducted in the most efficient manner. Hence, according to Brynard and Hanekom (2006:36) the research methodology of collecting data “*necessitates a reflection on the planning, structuring and execution of the research in order to comply with the demands of the truth, objectivity and validity*”.

Therefore, the researcher must decide which research paradigm will be utilised to complete the study; either positivistic or phenomenological. The positivistic paradigm is associated with a quantitative approach and the phenomenological paradigm is associated with a qualitative approach. An approach which combines both methods is referred to as a mixed-method approach. These are discussed in greater detail.

4.2.1 Quantitative research

Struwig and Stead (2001:4) define quantitative research as “*a form of conclusive research involving large representative samples and fairly structured data collection procedures*”. According to Amaratunga, Baldry, Sarshar and Newton (2002) quantitative research focuses on numbers rather than on words and attempts to develop and test hypotheses. Zikmund (2003:111) identifies that the main purpose of quantitative research is to “*determine the quantity or extent of some phenomenon in the form of numbers*”.

Struwig and Stead (2001:4-7) have identified the following five characteristics associated with quantitative research:

- *Constructs and their measurements*: concerned with examining variables, which are then usually measured through the use of questionnaires or some other form of structured observation.
- *Causality*: attempts to establish cause-and-effect relationships between variables.
- *Generalisation*: the researcher is able to generalise the results from the sample to the population.
- *Replication*: which is linked to generalisation; provides a way to determine the extent to which the results are applicable to other contexts or situations. A quantitative study should be replicable if the research process is clearly and accurately described.
- *Individual as focus*: individuals are the focus, as questionnaires are distributed to individuals. The individuals’ responses are then collected and analysed to form overall results for the sample.

Pellissier (2007:19) proposes that when the sample of a study is expected to be large, then the quantitative method is the most cost-effective option. As quantitative research entails large samples of the target population, the findings can thus be statistically analysed. Therefore, the results can be considered to be reliable and valid.

According to Brynard and Hanekom (2006:37), quantitative research depends on methods such as experiments and surveys to gather information and to clarify occurrences. In addition these methods could include techniques such as '*observation, preliminary investigations, quantitative analysis and questionnaires*'. In addition, Veal (2005:28), notes that secondary data, such as sales figures, can also be used as quantitative data and reiterates that the objective of quantitative methodology is to examine a sample which is representative of the population, so that the results can be generalised to the entire population.

4.2.2 Qualitative research

Zikmund (2003:111) notes that qualitative research, unlike quantitative research, focuses on words and observations rather than on numbers. Veal (2005:26) further notes that qualitative methodology involves gathering a large amount of information and detail about a small sample, whereas, quantitative methodology focuses on gathering a small amount of information from a large sample. Hair *et al* (2003:74) identifies that unstructured interviews are generally used to obtain qualitative data, and most commonly take the form of either focus groups or in-depth interviews. However, Struwig and Stead (2001:11) note that qualitative research methods can also include participant observation, content analysis and archival source analysis. Struwig and Stead (2001:11) further state that qualitative research is not easy to define, but has identified the following four characteristics which distinguish it from quantitative research:

- *The participants' and researchers' perspectives:* qualitative researchers are very interested in understanding the issues being researched from the perspectives of the participants.

- *Contextualism*: it is necessary to provide a detailed description and analysis of the environment or specific social context of the participant.
- *Process*: examines interrelated events, so as to understand how previous events and experiences affect the thoughts, behaviours, and attitudes of the participants.
- *Flexibility and the use of theories*: qualitative researchers begin the research in an unstructured manner, and are hesitant to rely on theories to provide the framework of what is to be researched.

Thomas (2003:1) on the other hand, states that qualitative research is “*multi-method in focus, involving an interpretive, naturalistic approach to its subject matter*”. This means that qualitative researchers observe phenomena in their natural environment with the intention to interpret events in terms of the meaning that people attach to them.

4.2.3 Mixed-method research

As defined by Hesse-Biber and Leavy (2006:316-317), the term mixed-method refers to “*the use of quantitative and qualitative methods in one study or sequentially in two or more studies*”, and notes that *the logic behind this approach is that the whole is greater than the sum of its parts.*” Hesse-Biber and Leavy (2006:316-317) agree that by combining these two different methods, a synergistic study is created, whereby one method enables the other to be more effective, and, together, both methods present a more comprehensive perception of the problem being investigated.

Lee and Lings (2008:379), propose three primary advantages to using a mixed-method approach. Firstly, according to the concept of *triangulation*, the more angles that phenomena are viewed from, the more likely it is that the findings and conclusions will be all-encompassing and precise. Secondly, they argue that each method has the capability to *facilitate* the other; as one method can provide a set of data, which can later be analysed using the alternative method. Lastly, the *complementarity* of each method is considered, meaning that each method is utilised in a manner to manage the various elements of the research project. As such, one

method serves as a '*filler*' for the other; where each method is unable to describe the data in the required manner.

Furthermore, Collis and Hussey (2003:76) state that mixing quantitative and qualitative methods, with regards to the collection and analysis of data, allows the researcher to take a wider and most often complementary view of the problem under investigation. Lee and Lings (2008:380) note that qualitative research is used to generate rich, unstructured information. From this data, hypotheses can be developed, which can then be quantified at a later stage. In addition, qualitative research can be valuable at the end of a quantitative study, as it can be used to investigate the relationships that are derived from statistical analysis. More specifically, excellent quantitative research should generally have a strong theoretical base for its hypotheses, so that support for them in turn supports the theory.

Having taken these research methods into consideration, it is deemed most appropriate to make use of the mixed-method approach to conduct the research for this study. The purpose of the study is to investigate servant leadership as part of the corporate philosophies of companies. Given the nature of this research, the use of the mixed-method approach is the most appropriate, as it has allowed the researcher to develop a framework of servant leadership principles, using various literature sources, and allows the examination and analysis of the corporate philosophies of companies (which is qualitative in nature), in order to identify whether these principles are apparent. Subsequently, this methodology allows the researcher to allocate codes to the principles, resulting in the ability to describe this quantitative data using descriptive and inferential statistics. Additionally, with the use of a qualitative approach the relationships emerging from the statistical results can be further explored through supplementary examination of the corporate philosophies.

4.3 DATA COLLECTION DESIGN

Struwig and Stead (2001:40) note that fundamentally, research involves collecting and analysing data, or information; and further states that researchers need to indicate the type, source, nature and form of the information that is to be collected.

- *Type of data:* This involves deciding as to whether the research data is going to be in the form of quantitative or qualitative data (Struwig & Stead 2001:40). As discussed, this study makes use of both methods in a complementary manner.
- *Sources of data:* Veal (2005:28) notes that when planning a research project, it is necessary decide whether new information should be gathered, or whether existing data is appropriate to conduct the research. These two types of data are referred to as primary and secondary data. .

Primary data refers to the data which is collected to assist in the completion of the research project at hand (Hair *et al* 2003:77). Zikmund (2003:175) notes that primary data can be collected using a variety of methods, such as the distribution of questionnaires, the use of interviews, or through personal observation. In addition, Veal (2005:29) notes that it is an important part of every study to research existing information which is relative to the topic, as replication of costly interviews and data collection can thereby be avoided.

“Secondary data are data that have been collected for some other research purpose” (Hair *et al* 2003:72). As noted by Zikmund (2003:63), secondary data can be collected more quickly and at a lower cost than the collection of primary data, as it can be sourced from newspapers, books, journals, etc.

Throughout the duration of this research project, the researcher consulted numerous secondary sources. The researcher obtained useful information for this study from textbooks, journals, newspapers, magazines and the Internet.

In addition, Struwig and Stead (2001:40) state that is important to define the nature and form of data:

- *Nature of data:* This refers to the time period over which the data is collected (Struwig & Stead 2001:40). A cross-sectional study collects data at a given point in time, whereas a longitudinal study gathers information over a period

of time (Hair *et al* 2003:61-62). This research is cross-sectional in nature as it evaluates the presence of servant leadership principles in the corporate philosophies of companies, as sourced from the Internet at a specific point in time.

- *Form of data:* Data can either be collected overtly or non-overtly. Overt data refers to data which has been collected through verbal communication, such as through personal or telephonic interviews. Conversely, non-overt data refers to data which has been collected non-verbally, such as through mail surveys, or observation methods (Struwig & Stead 2001:40). The data for this research is collected non-overtly, as *content analysis* is the primary method of data collection.

4.4 CONTENT ANALYSIS

4.4.1 Definition of content analysis

Zikmund (2003:248) defines content analysis as “*a research technique for the objective, systematic, and quantitative description of the manifest content of communication*”. Thus, content analysis is a method which is used to quantify methods of qualitative data analysis (Collis & Hussey 2003:254). Stepchenkova, Kirilenko and Morrison (2009) define content analysis as a “*technique which aims at describing, with optimum objectivity, precision and generality, what is said on a given subject in a given place at a given time*”. Collis and Hussey (2003:255) describe content analysis as a method of converting audio communication *or written text* into numerical values in order to conduct quantitative analysis. This process is described as consisting of the examination of the text or audio data, which is subsequently arranged into multiple coding units which have previously been created by the researcher.

4.4.2 History and development of content analysis

Duria, Reger and Pfarrer (2007) note that content analysis refers to a category of methods which is at the intersection of the qualitative and quantitative methodology.

Content analysis and the methodology thereof have been developing ever since the early 1920s. In particular it developed in areas of scientific inquiry such as psychology, communications and political science. Initially it was also applied to research in tourism, although to a lesser degree. In addition, throughout the last two decades, content analysis in research has benefited significantly from the extensive increase in the quantity of electronic data, such as articles found in media databases, textual and pictorial information from Internet websites, as well as from the virtual communications from various communities (Stepchenkova *et al* 2009).

Nevertheless, much confusion exists between the classification of content analysis as either a research method or a data analysis technique. Tashakkori and Teddlie (2003), describe content analysis as a research method rather than a data analysis method. Tashakorri and Teddlie (2003) state that “*obviously content analysis is a method of analysing narrative data that could have been obtained in different types of research designs (experiment, ethnography, case study etc.), or through a variety of data collection techniques (field notes during observations, open-ended survey questions, focus group interviews etc.)*”.

In addition, further confusion exists with regard to the categorisation of content analysis as a data collection technique. Tashakorri and Teddlie (2003) state that data analysis appears to be a straightforward and uncomplicated section in social and behavioural research, as ‘data’ consists of narrative scripts or numerical values. Therefore, data analysis can alternatively be described as numerical analysis, and as such as content analysis. Furthermore, Tashakorri and Teddlie (2003) state that in qualitative research, either directly or indirectly numbers should not be used, or that qualitative research is only exploratory in nature, while quantitative research is only hypothesis-driven in nature. However, Tashakkori and Teddlie (2003), note that it is possible for either quantitative methods or qualitative methods, or both, to be utilised to serve the specific intention of the researcher, and can be used either individually or together without hindrance. Furthermore, content analysis can be portrayed as unobtrusive as the presence of the researcher may not have any effect on what is observed. Additionally, one does not need to obtain permission to perform the study, and notes that content analysis procedures can easily be replicated.

Due to the confusion between the classification of content analysis as either a data collection technique or research method or as a data analysis technique, for the purpose of this study, it is classified as neither. As such content analysis is presented as a separate section to the research method, data collection and data analysis techniques section described in this chapter.

4.4.3 Advantages of content analysis

Thomas (2003:59) identifies certain advantages of content analysis. One advantage of content analysis is that it is the only technique available to researchers which is suitable for collecting information about what is contained in communications. Therefore it is the only method which is suitable for determining the answers to a multitude of research questions. A second advantage is associated with the advancement of technology, such as scanners and optical-character-recognition (OCR) computer software. These advancements allow a document to be scanned into a computer and then analysed using OCR software, which identifies certain keywords, or phrases. Additionally, further advances in content analysis computer software have been developed, which have subsequently decreased the burden of carrying out specific types of content analyses.

Furthermore, Stepchenkova *et al* (2009) notes that the following elements are representative of the advantages associated with content analysis and have contributed to an increase in the use thereof:

- The increase in the presence of online surveys (e-surveys) has contributed to the exponential increase in the amount of electronic information which is available.
- The ease of accessibility to this vast amount of information.
- The speed and simplicity of the data collection process.
- The lack of complications which are generally related to the use of humans as subjects.
- The low cost as a smaller study has minor requirements.
- The safety of the methodology, as any flaws which exist in the coding scheme can be detected and corrected as the study progresses.

- The non-obtrusiveness and unbiasedness of content analysis. However, this advantage is only applicable to existing written texts and not to interviews and responses to surveys.

Interestingly, Duria *et al* (2007) suggests that with regard to management research, content analysis provides a research technique which is able to access core collective or individual structures, such as cognitions, intentions, attitudes and *values*. Lastly, content analysis allows for the description of the full meaning relating to the combination of organisational documents and powerful qualitative analysis.

4.4.4 Limitations of content analysis

Every research technique has its limitations. When compared to various other data-collection techniques (such as questionnaires), content analysis is a far more lengthy and arduous task in relation to the quantity of data which is attained. In addition, the correctness and richness of the results of content analysis depend on how well the documents under analysis are representative of the researcher's sphere of interest. Therefore, conclusions which have been derived from the analysis of biased, inconsistent or partial sources will be faulty (Thomas 2003:60). Duria *et al* (2007) reiterates this limitation as this possibility that a disconnect between the content of the communication studied and the characteristics of the observers as well as the source of the data can exist, which would result in further ambiguity related with the derived conclusions. Additionally, Duria *et al* (2007) notes that the usage of content analysis in research regarding social sciences has resulted in studies which are of inferior quality, and expresses concern that content analysis is delayed rather than supported by the fact that it is considered to be at the cutting edge between quantitative and qualitative research.

The content analysis undertaken in this study comprises the analysis of the corporate philosophies of companies, to ascertain whether any of the servant leadership principles, as pre-constructed in the proposed framework presented in Chapter Two, are present. The proposed framework has been developed from reliable literature sources, and the corporate philosophies of companies have been sourced directly from the companies' websites. Therefore, the results obtained are accurate and consistent.

Given the nature of this study, the advantages associated with content analysis far outweigh the limitations.

4.5 SAMPLING DESIGN

Lee and Lings (2008:213-215) state that qualitative researchers often make use of *purposive* also known as *judgment sampling*. In essence, purposive sampling refers to sampling with a purpose, with the primary intention being to sample cases or people who are most relevant to the proposed research questions of the study. Therefore, purposive sampling involves the identification of cases which are going to provide the required information with regards to the primary objectives of the study.

Hesse-Biber and Leavy (2006:73) propose that in a qualitative approach it is important to select a cohesive sample. The more cohesive the sample, the quicker saturation will be achieved, but the research project will become less generalisable. This also applies to the selection of a sample which shares the specific characteristics of the topic being researched. Furthermore, saturation will be achieved faster when a theoretical or purposive sampling method is used. However, saturation will be obtained at a slower rate when convenience or snowball sampling is utilised. Therefore, a cohesive sample will provide saturated data which is rich and comprehensive.

In addition, a method referred to as convenience sampling in quantitative research, involves selecting a sample of those members of the population who are most conveniently available (Zikmund 2003:380).

As this study is mixed-method in approach, purposive sampling is used in this study, together with convenience sampling. Purposive sampling, as the sets of companies chosen provide the required information and convenience sampling as the exact companies that are used in the study are those that reflect the data required, and which are most conveniently available to the researcher.

As such, 50 companies have been chosen off a list of the top 200 companies listed on the JSE, and a further 50 companies off a list of the top 100 companies listed on the

NYSE, in terms of performance for the year 2009 (see Annexure A for a list of the top 200 and top 100 companies listed on the JSE and NYSE respectively). The specific 50 companies were chosen on the basis of whether a values statement and either a vision statement or mission statement were available on the companies' websites. The values statements provide the basis from which the servant leadership principles are evaluated from, and also from which additional key values are identified. Furthermore, the vision and mission statements are not subjected to the framework of servant leadership principles, and therefore did not undergo statistical analysis. However, the mission and vision statements will be analysed qualitatively, in order to establish whether servant leadership principles or other additional key values are reflected in these statements (see Annexure B for the 50 companies selected from each stock exchange).

This provided the researcher with two sets of 50 companies similar in being rated as top performing companies in their respective countries. Therefore, the opportunity to not only identify whether servant leadership principles are present in the corporate philosophies of these companies exists, but also the opportunity to compare the results of the two countries.

4.6 DATA PROCESSING AND ANALYSIS

Raw data, (being the data collected from the questionnaires or content analysis) is often difficult to interpret and to establish relationships between variables (Struwig & Stead 2001:150). Therefore it is necessary for the raw data to go through a process of editing and coding before it can be analysed statistically.

4.6.1 Editing and coding

Before raw data can be used in a research study, it needs to be edited. The process of editing refers to the examination of the data to ensure that the data is complete and that it is consistent (Hair *et al* 2003:227). The data which was derived from the coded information and subsequently conveyed into the Excel spreadsheets has been edited. This has been done using a process whereby another researcher ensured the accurate transference from the coded information to the spreadsheets.

Hair *et al* (2003:230) further states that before data can be tabulated, it will need to be coded. Zikmund (2001:72) describes coding as the process of assigning meaningful categories or numbers for a group of responses, thereby allowing for the interpretation of the data. Therefore, coding allows for the creation of inputs which can then be entered into databases and analysed statistically.

The following process was used to code the data and prepare it for analysis:

- a) For each selected company, the researcher printed out the corporate philosophies, which included a values statement and either a vision or mission statement, or both, as a significant number of company websites did not provide all three of the required statements. Each set of printed corporate values statements were then analysed and codes assigned to it. The codes assigned to the statements reflect the ten servant leadership principles, as developed in Chapter Two. Numbers ranging from one through to ten, with each code reflecting a certain principle, were used (see Annexure C for a description of the codes given to the servant leadership principles).
- b) After reading the values statements of the chosen companies, it was clear that more principles than the ten identified principles were included. Therefore, the values statements were further analysed and coded. Numbers ranging from one through to 31 were allocated, with each code reflecting an additional key value present in the statements. The additional key values were sourced on a continual basis as the values statements were progressively analysed, starting from the companies listed on the JSE, moving onto the companies listed on the NYSE (see Annexure D for a description of the codes given to the additional key values).
- c) In addition, the industry types within which the companies were classified were identified, and codes were assigned to each industry type. Numbers ranging from one through to eleven were allocated with each code reflecting a type of industry (see Annexure E for a description of the codes given to each industry type).
- d) The mission and vision statements of these companies were not specifically coded, as they appeared to be too short, and lacked the depth necessary to facilitate compelling statistical analysis. However, the mission and vision statements of each company were examined to reveal if any of these statements

reflected any servant leadership principles, additional key values, or any other phrases and words reflecting leadership.

- e) An expert was asked to examine the assigned codes to ensure consistency.

The coded data was then entered into Excel spreadsheets. The statistical program, Statistica, was used to quantitatively analyse the data.

4.6.2 Data analysis and statistical techniques

In order for data to have meaning, it needs to be analysed. This analysis can either be done using descriptive or inferential statistics.

Descriptive statistics

Through the provision of statistical summaries, descriptive statistics intend to present the data in a form that is easy to interpret (Struwig & Stead 2001:158). Struwig and Stead (2001:158-159) identify that measures of central tendency and dispersion; together with skewness and kurtosis are two types of descriptive statistics.

- *Measures of central tendency and dispersion:* Measures of central tendency include the mode, median and mean (Struwig & Stead 2001:158). The mode refers to the score which occurs most frequently; the median refers to that score which has an equal number of scores above and below it and is therefore the most central item in a group of numbers; and the mean refers to the average score (Coldwell & Herbst 2004:103-104; Struwig & Stead 2001:158-159). Measures of dispersion or variability indicate the extent to which the scores are spread out. Range, standard deviation and variance are all measures of variability (Struwig & Stead 2001:158). According to Lee and Lings (2008:334), *range* refers to the difference between the lowest and the highest values in a data set. Additionally, Lee and Lings (2008:296) note that *variance* describes the degree to which individual observations vary from each other, and define *standard deviation* as the square root of the variance. In essence,

variance and standard deviation indicate the degree to which the data set differs from the mean.

- *Skewness and kurtosis*: The shape of the distribution of the scores is an additional element to consider when analysing the scores. “*Skewness refers to the degree of deviation from symmetry, while kurtosis refers to how flat or peaked the distribution is*” (Struwig & Stead 2001:159). Lee and Lings (2008:336) further explain that *skewness* is a measure of how far to the left or right of the middle, the mean of the variable is, and reiterates that *kurtosis* does indeed indicate the how flat or how pointed the distribution is, when compared to that of a normal distribution. In a perfectly normal distribution, both skewness and kurtosis should be zero.

Inferential statistics

Zikmund (2003:402) defines inferential statistics as those statistics which are “*used to make an inference about a population from a sample*”. Coldwell and Herbst (2004:110) reiterate that inferential statistics focus on the generalisation of a sample to its population, but further note that inferential statistics are also used to test hypotheses about relationships or variations in a population using the data which has been obtained from the sample. Three types of inferential statistics are used in this research. These include testing for statistical significance, t-testing and an analysis of variance (ANOVA).

- *Statistical significance*: Zikmund (2003:500), defines statistical significance as “*the critical probability of choosing between the null and alternative hypotheses; the probability level that is too low to warrant support of the null hypothesis*”. In addition, Veal (2005:256) notes that a significant difference or relationship is one that has a low likelihood of having occurred by chance. Therefore, the higher the variation between two sample percentages, the more likely it is that the difference is ‘*real*’ and that it is not merely an occurrence which is statistically coincidental. Significance levels are expressed as p-values, and 0.05 and 0.01 are the most commonly used p-values (Zikmund

2003:500). For the purpose of this study, a significance level of 0.05 was selected, and therefore, any p-value which is calculated to be lower than 0.05 is considered to be statistically significant.

- *t-test*: Veal (2005:264), states that many research results take the appearance of averages. In statistical terminology an average is referred to as a mean. A t-test is the simplest form of analysing means as it compares two means, with the intention of determining whether they are statistically significant (Veal 2005:264). Furthermore, Veal (2005:264), notes that there are two situations in which researchers might wish to compare means. Firstly, when the comparison of the two means is applicable to everyone or every case in the sample, and secondly when a comparison is being made of the means of one variable for two subgroups. A t-test is used when the sample size is small and the standard deviation is unknown (Zikmund 2001:524). Therefore, the t-test is used in this study as firstly, the means are indeed applicable to each company in the sample, and secondly, because a comparison of the means of one variable is being made between two subgroups, namely companies on the JSE and the NYSE. Thirdly the sample size of companies comprise 50 companies from the JSE and 50 companies from the NYSE, which is a relatively small sample, and lastly, the t-test is used in this study as the standard deviation is unknown. Once again for the purpose of this study, a significance level of 0.05 has been selected.
- *Analysis of variance (ANOVA)*: Zikmund (2001:529) defines an ANOVA as “an analysis of the effects of one treatment variable on an interval-scaled or ratio-scaled dependent variable”. Therefore, an ANOVA is used to find and establish the differences between the means of two or more populations at a time (Veal 2005:268). A one-way ANOVA uses only one independent variable, in assessing the differences between these means (Hair *et al* 2003:268). A one-way ANOVA is used in this research to analyse the data. For the purpose of this study, a significance level of 0.05 has been selected. Unfortunately, an ANOVA only enables a researcher to assume that statistical differences are present, but not exactly where these differences exist.

Therefore, it is recommended that researchers do follow-up tests to determine these variables. Many follow-up tests are available in statistical software; however, follow-up tests are beyond the scope of this study.

4.7 RELIABILITY AND VALIDITY

As noted in Struwig and Stead (2001:130), the reliability and validity of data needs to be established.

4.7.1 Reliability

Reliability refers to the manner in which raw data is converted into a form which can be analysed and interpreted. This process can involve issues such as coding and transcribing. Specifically, in qualitative research, it refers to the extent to which the researcher's own inference has been included in these processes (Lee & Lings 2008:237).

As Lee and Lings (2008:225) note that qualitative data not only refers to data obtained from interviews, but can also be obtained from documents and other written text. As this study comprises the analysis of the corporate philosophies of companies sourced from the companies' websites, this will result in the researcher needing to impose her own inferences and style into this process. Therefore, for the purpose of this study, the researcher reports on the inter-rater reliability of the data. Inter-rater reliability refers to a process whereby qualitative data is assessed by several 'raters.' The data is thus referred to as reliable, when the raters have agreed on the meaning of the data. Subsequently, this indicates the possibility that the results could be replicated (Hair *et al* 2003:74-76).

Thomas (2003:115), states that inter-rater reliability will be higher for technical mistakes than for variations in style. This is due to the fact, that in comparison with technical elements, style refers more to individual taste and preference. Therefore a lower level of agreement in matters of style is expected and acceptable. As such, the data has been analysed by multiple raters to ascertain the reliability of this study.

4.7.2 Validity and Trustworthiness

Validity and trustworthiness within a qualitative study is best defined by Hesse-Biber and Leavy (2006:79), as “*one of the issues that researchers address as they make a case or argument for the knowledge they have produced being valid*”. Therefore, the knowledge produced should represent an element of the social world or should be compelling and persuasive.

Coleman and Briggs (2002:68), note that triangulation is the most appropriate tool to establish validity in a study which utilises a mixed-method approach. Hesse-Biber and Leavy (2006:65) define triangulation as a technique which uses two diverse methods with the purpose of finding convergence in the research findings. In addition Collis and Hussey (2003:78) define triangulation as “*the combination of methodologies in the study of the same phenomenon*”. Furthermore, Collis & Hussey (2003:78), identify four types of triangulation, namely data triangulation; investigator triangulation; methodological triangulation; and triangulation of theories.

- *Data triangulation*: refers to a process of collecting data from different sources or different times in the study of a particular event.
- *Investigator triangulation*: is a method in which different researchers collect data on the same event but do so *independently* and subsequently compare the results.
- *Methodological triangulation*: relates to the use of both quantitative and qualitative methods in the data collection process.
- *Triangulation of theories*: refers to a method where a theory from one discipline is used to clarify an occurrence in a different discipline.

Coleman and Briggs (2002:70), state that “*triangulation is fundamentally a device for improving validity by checking data, either by using mixed methods or by involving a range of participants*”. Furthermore, triangulation does indeed add to the validity of a study, however, it is not a universal remedy and suggests that its value can easily be overestimated. Hesse-Biber and Leavy (2006:66-67) reiterate this point, as the use of all of the above-mentioned types of triangulation will not necessarily bring about the

convergence of results. However, these methods of triangulation will indeed increase the trustworthiness of the research project, and will extend the interpretative foundation of any study.

Triangulation is a *process* and not a destination. It is process whereby the researcher warrants the confidence of the reader, in the sense that the reader believes that the researcher has produced results which are valid; as trustworthiness replaces truth. Therefore, for the purpose of this study, data, investigator and methodological triangulation has been utilised. The results are thus valid, as these methods produce an increase in the confidence and trustworthiness of the reader in the results obtained by the researcher.

4.8 ETHICAL CONSIDERATIONS OF THE RESEARCH PROJECT

The primary objective of this study is to analyse the corporate philosophies of companies to ascertain whether and to what degree these companies utilise the servant leadership principles as described in the proposed framework. The information relating to the corporate philosophies of companies are available on the Internet, and are thus accessible by the general public. As this information is not of a private or personal nature, ethical clearance is not required.

4.9 CHAPTER SUMMARY AND CONCLUSION

The research design and methodology for this study have been outlined in this chapter. The main methods and procedures that were followed to collect and analyse the data for the research study were discussed. The focus areas covered in the chapter included the research design, the data collection design, and the sampling design. The processing and analysing of the data completed this discussion. The chapter was concluded by a discussion of the ethical considerations of the research project.

This study has made use of a *mixed-method approach*, where the data that has been sourced for this study is of a *secondary nature*. This information utilised in the study has been analysed using *content analysis* in order to obtain data which can be analysed statistically. The sample selected for this study has been chosen using

purposive and *convenience sampling methods*. Before statistical analysis could take place, it was necessary for the data to be *edited* and *coded*. Thereafter, *statistical analysis* in the form of *descriptive* and *inferential statistics* was performed. Reliability and validity of the study is ensured using *inter-rater reliability* and *triangulation*.

Chapter Five provides a discussion of the findings from this investigation.

CHAPTER 5

RESEARCH FINDINGS

5.1 INTRODUCTION

Chapter Four discussed the research design and methodology that was to be used to obtain the data for this study. Chapter Five presents the results obtained from this research. The chapter is divided into two main sections. The first section reflects the results obtained from the statistical analysis of the *values statements* of the sample and the second section comprises the results of the qualitative data analysis used to analyse the *vision* and *mission statements* of the sample.

Furthermore, the first section relating to the statistical analysis of the *values statements* of the sample comprises two sub-headings; firstly, a discussion of the descriptive statistics used to analyse the data, and secondly, the inferential statistics performed. The descriptive and inferential statistics that were performed on the values statements of the sample include an analysis of the presence of the ten servant leadership principles identified in the proposed framework which was developed in Chapter Two. Apart from these ten principles, 31 additional key values were identified in these values statements and subsequently analysed. In addition, the industry sectors of the companies were identified and statistically analysed.

As the vision and mission statements of the sample were not statistically analysed, the second section provides a qualitative analysis of those statements which are found to be relevant to the principles of servant leadership. Therefore, in this section, the vision and mission statements which reflect servant leadership principles are presented and their relevance discussed.

5.2 RESULTS OBTAINED FROM THE STATISTICAL ANALYSIS OF THE VALUES STATEMENTS

In order for data to have meaning, it needs to be analysed. For the purpose of quantitative analysis for this study, both descriptive and inferential statistics have been performed. The descriptive statistics which have been undertaken are presented

first, which includes a *frequency count*. The descriptive statistics are followed by the more advanced inferential statistics which were performed, which includes both the *one-way ANOVA* and the *t-test*.

5.2.1 Descriptive statistics

As descriptive statistics intend to present the data in a form that is easy to interpret, the following section presents the results obtained from frequency distributions that were performed. Frequency distributions relating to the presence of the servant leadership principles and the additional key values that were found to be present in the values statements of the companies are included, as well as into which sector of industry the companies are categorised.

Figure 5.1 illustrates the percentage of the ten servant leadership principles referred to in the values statements of the entire sample.

FIGURE 5.1 SERVANT LEADERSHIP PRINCIPLES DISPLAYED BY THE ENTIRE SAMPLE

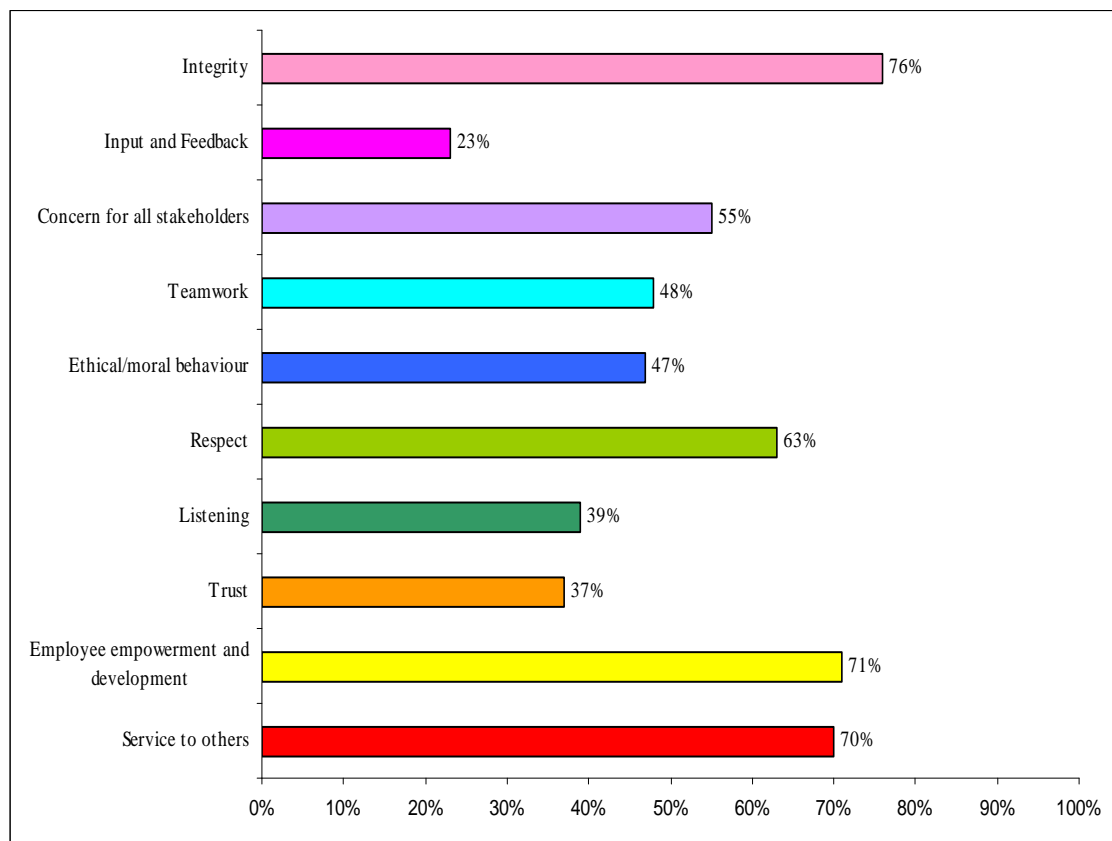


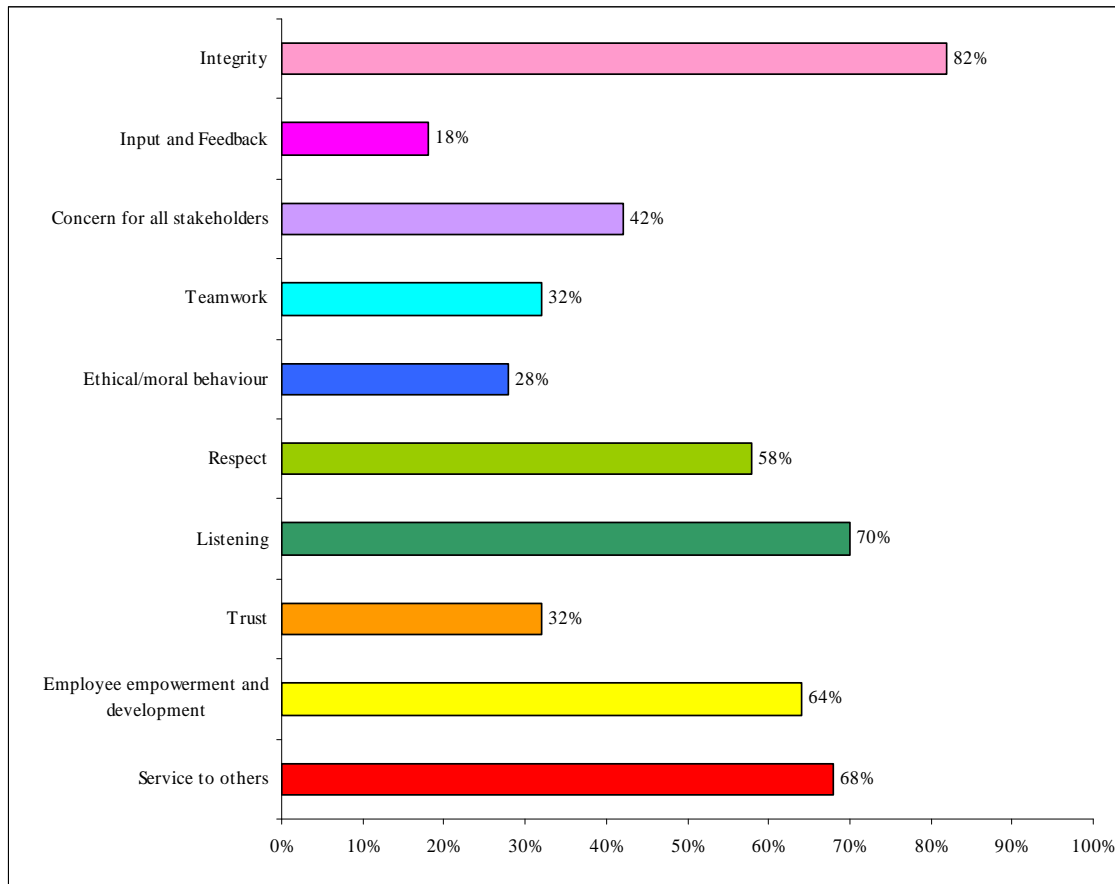
Figure 5.1 indicates that the majority of the sample displays the servant leadership principles of Service to others (70%); Employee empowerment and development (71%); Respect (63%); Concern for all stakeholders (55%); and Integrity (76%), in their values statements. With regard to the servant leadership principles relating to Moral and ethical behaviour, as well as to Teamwork, just under half of the sample, 47% and 48% respectively, exhibit these two principles. Furthermore, the percentages of the sample which display the servant leadership principles relating to Trust and Listening are fairly low, as 37% of the sample exhibit Trust, and 39% exhibit Listening. The servant leadership principle which was displayed least of all by the sample was Input and feedback, as only 23% of the sample reflected this principle.

Therefore, it is clear that the majority of the sample appears to display at least *five* out of the ten servant leadership principles identified in the servant leadership framework. To conclude, the most reflected servant leadership principle in the entire sample is Integrity, with the least being Input and feedback.

The sample consisted of 50 companies listed on the JSE and 50 companies listed on the NYSE. Therefore, the entire sample could not only be analysed and discussed, but additionally, each sub-sample could be statistically analysed. The following sections elaborate on the findings from each sub-sample, and subsequently compare the results obtained from each.

Figure 5.2 illustrates the percentage of servant leadership principles displayed in the values statements of the 50 companies listed on the JSE.

FIGURE 5.2 SERVANT LEADERSHIP PRINCIPLES DISPLAYED BY COMPANIES LISTED ON THE JSE



From Figure 5.2, it is clear that 34 out of the 50 (68%) values statements of the companies listed on the JSE displayed the servant leadership principles of Service to others; with 32 (64%) exhibiting Employee empowerment and development; and 35 (70%) of the sample referring to the principle of Listening. Furthermore, the values statements of 29 out of the 50 companies (58%) and 41 out of the 50 companies (82%), referred to Respect and Integrity respectively.

However, only 32% of the sample indicated that Trust is included in their values, and merely 28% referred to Ethical and moral behaviour in their values statements. The principles of Teamwork, Concern for all stakeholders and Input and feedback were also poorly represented in the values statements, as 32%, 42% and 18% respectively, of the sample from the JSE presented these principles in their values statements.

Therefore, it is clear that the majority of the sample appears to display at least *five* out of the ten servant leadership principles identified in the servant leadership framework. In summary, the most mentioned servant leadership principle present in the sample from the JSE was Integrity, with the least mentioned principle being Input and feedback.

Figure 5.3 illustrates the percentage of servant leadership principles displayed in the values statements of the 50 companies listed on the NYSE.

FIGURE 5.3 SERVANT LEADERSHIP PRINCIPLES DISPLAYED BY COMPANIES LISTED ON THE NYSE

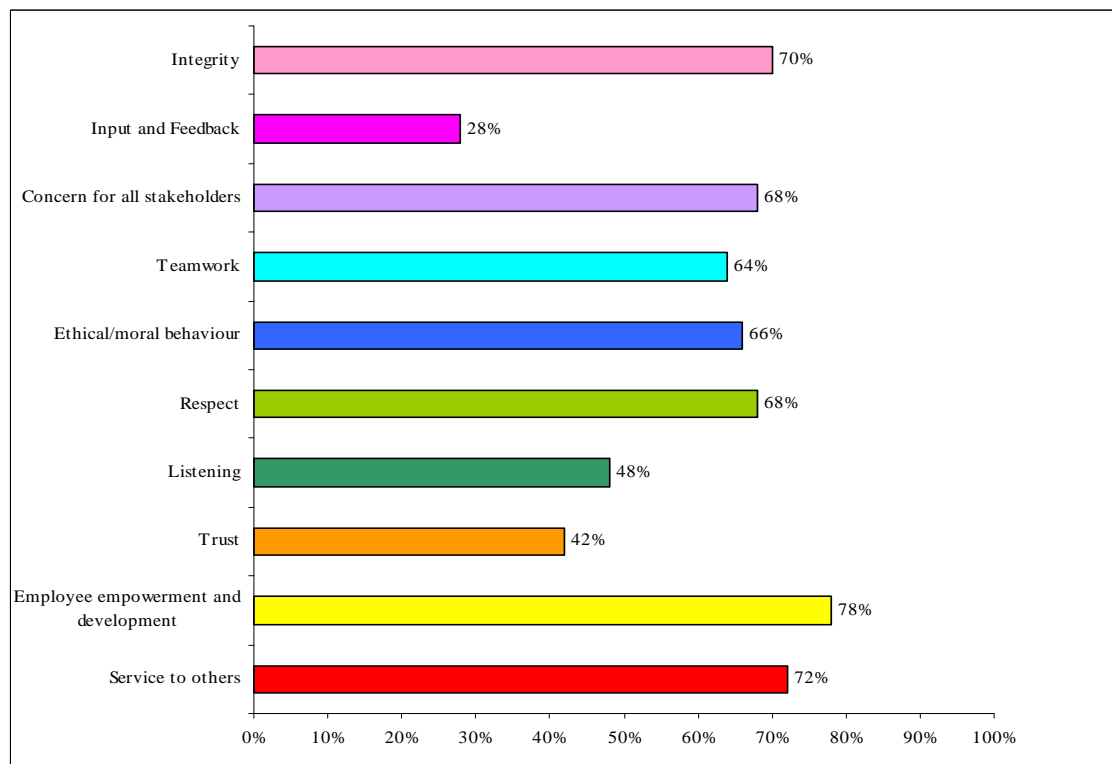


Figure 5.3 indicates that the majority of the values statements of the 50 companies listed on the NYSE displayed the following servant leadership principles, namely 36 companies (72%) referred to Service to others; 39 (78%) to Employee empowerment and development; 34 (68%) to Respect; 33 (66%) to Ethical and moral behaviour; 32 (62%) to Teamwork; 34 (68%) to Concern for all stakeholders; and 35 (70%) to Integrity. With regard to the servant leadership principles relating to Trust and Listening, just under half, 42% and 48% respectively, of the sample displayed each of

these two principles. However, the principle of Input and feedback was poorly represented as only 28% of the sample indicated this in their values statements.

Therefore, it is clear that the majority of the sample from the NYSE appears to display at least *seven* out of the ten servant leadership principles identified in the servant leadership framework. In summary, the most mentioned servant leadership principle present in the sample from the NYSE was Employee empowerment and development, with the least reference being made to the principle of Input and feedback.

Figure 5.3 portrays a comparison of the percentage of servant leadership principles displayed in the values statements of the 50 companies listed on the NYSE with the 50 companies listed on the JSE.

FIGURE 5.4 A COMPARISON OF THE SERVANT LEADERSHIP PRINCIPLES DISPLAYED BY THE SAMPLE FROM THE JSE AND THE NYSE

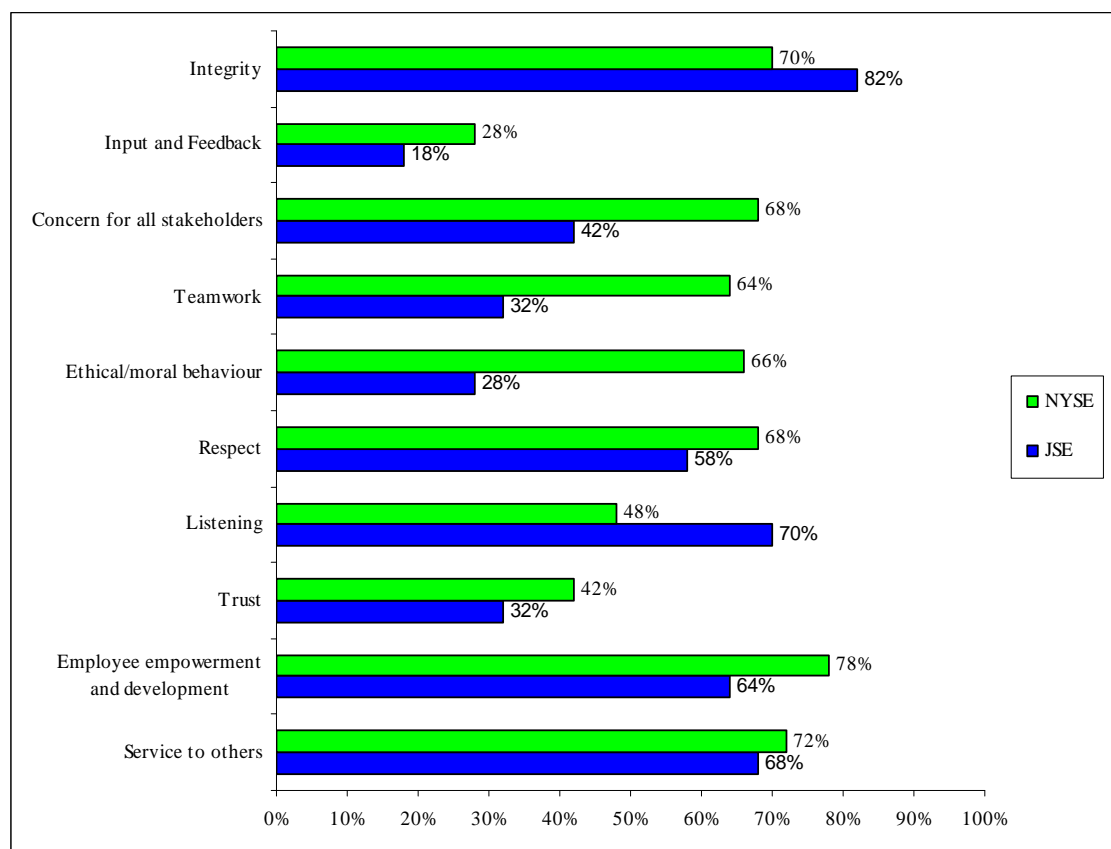
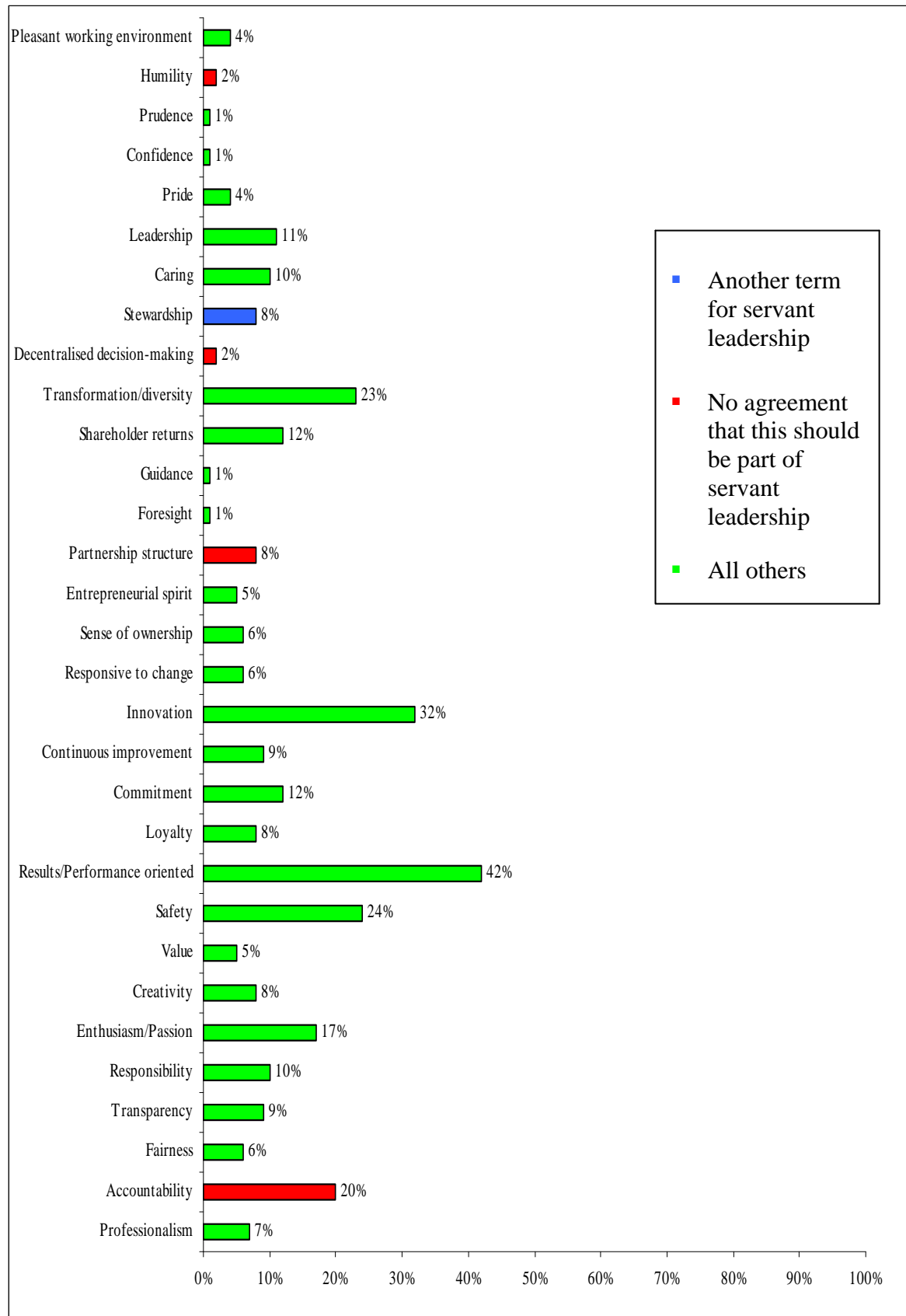


Figure 5.4 indicates that the companies listed on the NYSE appear to present higher percentages for the majority of the servant leadership principles displayed in this figure, when compared to percentages relating to the companies listed on the JSE. The companies listed on the NYSE display higher percentages when compared to the companies listed on the JSE, with regard to the following servant leadership principles, namely: Service to others; Employee empowerment and development; Trust, Respect; Ethical and moral behaviour; Teamwork; Concern for all stakeholders; and Input and feedback. However, when compared to the companies listed on the NYSE, the companies listed on the JSE display higher percentages with regard to the servant leadership principles relating to Listening and Integrity.

It was concluded that the majority of the sample as a whole appears to display at least *five* out of the ten servant leadership principles with the majority of the JSE sample also displaying *five* out of the ten servant leadership principles identified in the servant leadership framework. Notably the sample from the NYSE displayed *seven* out of the ten servant leadership principles identified in the servant leadership framework. The entire sample as well as the JSE sample referred mostly to the servant leadership principle of *Integrity*. However, the NYSE sample referred mostly to *Employee empowerment and development*. With regard to the least mentioned servant leadership principle, the entire sample as well the sub-samples from the JSE and NYSE, all referred least of all to the principle of *Input and feedback*. This is further replicated in Figure 5.4, as the principles of *Integrity* and *Employee empowerment and development* can clearly be seen to present the higher frequencies, with the principle of *Input and feedback* presenting the lowest frequency. In summary it is clear that in comparison, only *two* out the ten servant leadership principles from the JSE sample are referred to more frequently than those from the NYSE sample. On the other hand, *eight* out of the ten servant leadership principles referred to in the values statements of the companies listed on the NYSE emerge more frequently than those specific servant leadership principles referred to in the values statements of the JSE sample.

Therefore, the values statements from the companies listed on the NYSE exhibit a higher number of the servant leadership principles than those companies which are listed on the JSE. Figure 5.5 displays the frequency of the additional key values identified from the values statements of the entire sample.

FIGURE 5.5 THE ADDITIONAL KEY VALUES DISPLAYED BY THE ENTIRE SAMPLE



From Figure 5.5, it can be seen that all of the additional key values are referred to by the minority of the sample. The most mentioned additional key value which has been identified from the values statements of the sample is *Results and performance-oriented*, as Figure 5.5 indicates that 42% of the sample refers to this value. The second most referred to additional key value is *Innovation*, with 32% of the sample exhibiting this value. The third highest mentioned additional key value is *Safety*, followed closely by *Transformation and Diversity*, with 24% and 23% of the sample indicating these values respectively.

As indicated by Figure 5.5, the remaining additional key values are only presented by 20% and less of the sample, perhaps indicating that the majority of the additional key values identified from the values statements of the sample are not as highly regarded by the sample, as those values which comprise the framework of servant leadership principles.

Interestingly, the four servant leadership principles of *Accountability*; *Partnership structure*; *Decentralised decision-making*; and *Humility*, were all identified as additional key values referred to in the values statements of the sample, and are all highlighted in red in Figure 5.5. This is significant, as these principles initially formed part of the elements describing servant leadership; however, these four principles were not included in the final framework of servant leadership principles presented in Chapter Two, as there was not a high enough agreement between various authors with the importance and relevance of these principles with servant leadership. The decision to not include these four servant leadership principles into the final framework can additionally be justified by the frequency of these principles as reflected in Figure 5.5. Decentralised decision-making and Humility are each represented by only 2% of the sample, with Partnership structure only referred to by 8% of the sample. However, Accountability was represented by one fifth of the sample, as 20% of the companies referred to this principle in their values statements.

The term *stewardship* is specifically related to the concept of servant leadership in particular. Spears (2004), states that the meaning of stewardship is underpinned by the commitment of servant leaders to serving the needs of others. Figure 5.5 indicates that stewardship has been identified as an additional key value regarding servant

leadership. Only 8% of the sample referred specifically to this value. As the meaning of stewardship refers to *Service to others*, which is also specifically included in the framework of servant leadership principles, it is therefore necessary to explain the difference of these terms and to elaborate as to why the term stewardship was excluded from the *rules for inclusion* regarding the identification of the principle relating to *Service to others*.

The rules for inclusion for the servant leadership principle of *Service to others* focused on a high level of quality of products of services and/or a high level of customer service and whether or not the values statement reflects an attempt by the company to make a difference in the lives of the people in which it comes into contact with, and in the community in which it operates.

As explained, the term *stewardship* is exclusively linked to the notion of servant leadership. Therefore, it was excluded from the final framework, as it could then be identified individually in the values statements of the sample, and more importantly, the frequency of stewardship as a value could be identified. Thus, *stewardship* is highlighted in blue in Figure 5.5 to represent its relevance.

Figure 5.6 indicates the sector of industry that the respondent companies represent.

FIGURE 5.6 INDUSTRY SECTOR OF THE SAMPLE

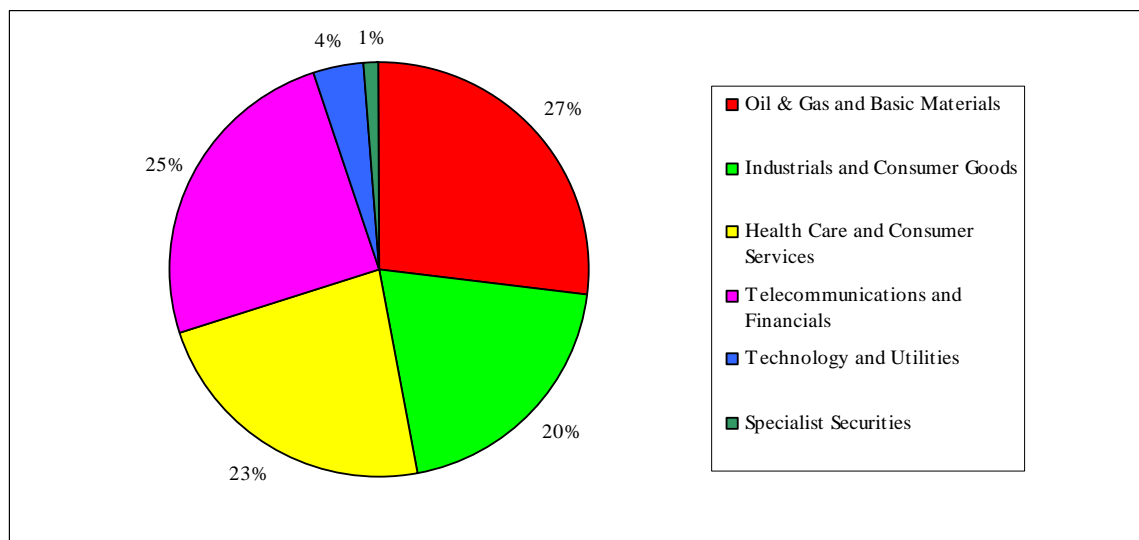


Figure 5.6 indicates that 27% of the entire sample form part of the Oil & Gas and Basic Materials sectors, with 20% representing the sectors of Industrials and Consumer Goods. The industrial sectors relating to Health Care and Consumer Services are represented by 23% of the sample, and 25% are listed under the Telecommunications and Financials sectors. Therefore the majority of this sample is listed under these six industrial sectors, with a meagre 4% listed under the Technology and Utilities sectors, and 1% representing the sector of Specialist Securities. It is important to note that the Specialist Securities sector only forms part of the sector classification of the JSE, and not that of the NYSE industry sector classification.

5.2.2 Inferential statistics

Inferential statistics are performed with the primary aim being to make an inference about a population from a sample. Inferential statistics are also used to test hypotheses about relationships or variations in a population using the data which has been obtained from the sample. Two types of advanced statistics were used in this research. These include an analysis of variance (ANOVA) and t-testing.

An investigation was undertaken to determine if a relationship existed between the independent variable, being stock exchange (either JSE or NYSE), the companies were listed under, and the servant leadership principles displayed. Table 5.1 summarises the results obtained through a one-way ANOVA

TABLE 5.1 RELATIONSHIP OF THE TYPE OF STOCK EXCHANGE THE RESPONDENT COMPANY BELONGS TO AND SERVANT LEADERSHIP PRINCIPLES

Independent Variable	p. value	Statistical significant difference
Stock Exchange	0.21	No

***p<0.05 indicates statistical significance**

Table 5.1 indicates that the independent variable, namely, to which stock exchange the respondent company belongs, had no relationship with the way in which the values statements of the companies reflected the servant leadership principles.

In addition, an in-depth analysis was undertaken to determine if relationships existed among the individual servant leadership principles and which stock exchange, either JSE or NYSE, the respondent company belong to Table 5.2 summarises the results obtained through a t-test.

TABLE 5.2 RELATIONSHIP OF INDIVIDUAL SERVANT LEADERSHIP PRINCIPLES AND THE STOCK EXCHANGE OF THE RESPONDENT COMPANY

	Individual Service Leadership principles	p. value	Statistical significant difference
VSL1	Service to others	0.08	No
VSL2	Employee empowerment and development	0.80	No
VSL3	Trust	0.22	No
VSL4	Listening	0.30	No
VSL5	Respect	0.84	No
VSL6	Ethical/moral behaviour	0.89	No
VSL7	Teamwork	0.05	No
VSL8	Concern for all stakeholders	0.68	No
VSL9	Input and feedback	0.24	No
VSL10	Integrity	0.27	No

***p<0.05 indicates statistical significance**

Table 5.2 indicates that no specific individual service leadership principle had a relationship with the stock exchange (either JSE or NYSE) on which the sample companies were listed. However, one independent variable, namely, the principle of *Teamwork* displayed a p-value of 0.05, indicating that it was just short of displaying a statically significant difference, as only a p-value of less than 0.05 indicates a statistically significant difference.

An investigation was undertaken to determine if a relationship existed between an independent variable, namely which stock exchange, (either JSE or NYSE) the companies were listed under and the additional key values displayed by the sample. Table 5.3 summarises the results obtained through a one-way ANOVA.

TABLE 5.3 RELATIONSHIP OF THE INDEPENDENT VARIABLE AND THE ADDITIONAL KEY VALUES

Independent Variable	p. value	Statistical significant difference
Stock Exchange	0.01	Yes*

***p<0.05 indicates statistical significance**

Table 5.3 indicates that the independent variable, namely, which stock exchange the sample consisted of, did indeed have a relationship with the way in which the values statements of the companies reflected the additional key values, as a p-value of 0.01 was displayed.

Furthermore, an in-depth analysis was undertaken to determine if relationships existed among the additional key values, and which stock exchange (either JSE or NYSE) the sample consisted of. Table 5.4 summarises the results obtained through a t-test.

TABLE 5.4 RELATIONSHIP OF THE INDEPENDENT VARIABLE AND THE INDIVIDUAL ADDITIONAL KEY VALUES

	Additional Key Values	p. value	Statistical significant difference
ADKV1	Professionalism	0.31	No
ADKV2	Accountability	0.14	No
ADKV3	Fairness	0.74	No
ADKV4	Transparency	0.05	No
ADKV5	Responsibility	0.05	No
ADKV6	Enthusiasm/Passion	0.25	No

	Additional Key Values	p. value	Statistical significant difference
ADKV7	Creativity	0.74	No
ADKV8	Value	0.21	No
ADKV9	Safety	0.01	Yes*
ADKV10	Results/Performance oriented	0.67	No
ADKV11	Loyalty	0.43	No
ADKV12	Commitment	0.84	No
ADKV13	Continuous improvement	0.09	No
ADKV14	Innovation	0.93	No
ADKV15	Responsive to change	0.43	No
ADKV16	Sense of ownership	0.43	No
ADKV17	Entrepreneurial spirit	0.25	No
ADKV18	Partnership structure	0.06	No
ADKV19	Foresight		No**
ADKV20	Guidance		No**
ADKV21	Shareholder returns	0.31	No
ADKV22	Transformation/diversity	0.46	No
ADKV23	Decentralised decision-making	0.74	No
ADKV24	Stewardship	0.09	No
ADKV25	Caring	0.15	No
ADKV26	Leadership	0.21	No
ADKV27	Pride	0.84	No
ADKV28	Confidence		No**
ADKV29	Prudence		No**
ADKV30	Humility		No**
ADV31	Pleasant working environment		No**

* $p < 0.05$ indicates statistical significance

**Items without p-values due to too small sample size

Table 5.4 indicates that only one of the independent variables, namely, *Safety* has a relationship with which stock exchange the sample consisted of. Furthermore, two

independent variables, namely the principles of *Transparency* and *Responsibility*, displayed a p-value of 0.05, indicating that both were just short of displaying a statistically significant difference, as a p-value of less than 0.05 indicates a statistically significant difference at the chosen confidence level of 5%. None of the remaining 28 independent variables displayed a relationship with which stock exchange the sample consisted of.

As previously mentioned the four initial servant leadership principles of *Accountability*; *Partnership structure*; *Decentralised decision-making*; and *Humility*, were all identified as additional key values referred to in the values statements of the sample, but were subsequently excluded from the final framework of servant leadership. Table 5.4 indicates that neither the principles of *Accountability*; *Partnership structure* or *Decentralised decision-making* displayed a statistically significant difference, and therefore do not present a relationship with which stock exchange the sample consisted of. With regard to the principle of *Humility*, the sample was too small to calculate a p-value for this principle. Similarly, the sizes of the samples for the following additional key values were also too small to calculate a p-value, namely: *foresight*; *guidance*; *confidence*; *prudence* and a *pleasant working environment*.

As the significance of stewardship as a value has been discussed, it is therefore important to note that from Table 5.4, it is clear that the additional key value of *Stewardship* does not display a statistically significant difference at a confidence level of 5%, and therefore does not present a relationship with which stock exchange the sample consisted of.

5.3 RESULTS OBTAINED FROM THE QUALITATIVE ANALYSIS OF THE VISION AND MISSION STATEMENTS OF THE SAMPLE

The vision and mission statements obtained from the companies' websites could not be statistically analysed, as they consisted of words that have specific meaning, rather than issues that can be counted. These statements clearly communicate the vision for the future and the purpose of the company to all stakeholders, and are a reflection of the core values as described in the values statement. Therefore, these statements are

qualitatively analysed to assess the extent to which they refer to the ten servant leadership principles developed in the proposed framework in Chapter Two.

The following section comprises a qualitative analysis of the mission and vision statements of the sample. Firstly, the sample consisting of the companies listed on the JSE are discussed, followed by a discussion surrounding the analysis of the companies listed on the NYSE.

5.3.1 Analysis of the vision and mission statements of the companies listed on the JSE

This section comprises of the qualitative analysis of the vision and mission statements of the companies listed on the JSE. These statements were analysed using content analysis to determine whether or not they exhibited any of the ten servant leadership principles. From this analysis, it was clear that 22 out of the 50 companies listed on the JSE exhibited at least one or more of the ten servant leadership principles developed in the framework in Chapter Two. These included: The York Timber Association; Pinnacle Technology Holdings; Hwange Colliery Company; Mr Price Group; Aveng; Hudaco; Growthpoint Properties; BHP Billiton; Massmart Holdings; City Lodge Hotels; ABSA; Cashbuild; Standard Bank Group; Allied Electronics Corporation; Medi-Clinic Corporation; Netcare; Afrox; Anglo American; AdaptIT Holdings; Metropolitan Holdings; Bonantla Property Holdings; and Brait SA. The vision and/or mission statements of these companies are presented and discussed according to their importance with regard to servant leadership.

a) *The York Timber Organisation*

The York Timber organisation is a company that operates in various markets and sectors of the timber trade and industry. The core business of the organisation is sawmilling. This organisation markets sawn lumber to the furniture, construction and other industries, as well as to timber merchants through a network of agents.

The vision and mission statements of York Timber Organisation are:

Vision:

‘Growing value for stakeholders’

Mission:

‘Develop a hyper-efficient vertically integrated forest products company underpinned by sustainable resources’

From the vision and mission statements it is clear that The York Timber Association has a high regard for the servant leadership principle of *concern for all stakeholders*.

b) Pinnacle Technology Holdings

Pinnacle Technology Holdings consist of a group of companies that assemble and distribute ICT hardware to small to medium government and corporate markets.

The vision and mission statements of Pinnacle Technology Holdings are:

Vision:

‘Pinnacle Africa will be the most respected provider of ICT products and services to the African continent based on superior domain knowledge underscored by unparalleled service commitment’

Mission:

*‘Being a channel centric provider of superior products and services;
Continuous innovation and improvement in supply chain management;
Recognising our suppliers as stakeholders and nurturing long term relationships;
Being an equal opportunity company and develop staff to their full potential;
Delivering exceptional returns for all stakeholders’*

The vision statement presented for Pinnacle Technology Holdings exhibits the intention of the company to display a high commitment to satisfying the needs of customers which displays the servant leadership principle of *service to others*. In addition, this principle is further highlighted in the mission statement of this company, as the provision of products and services of high quality is highlighted. The servant leadership principles related to *employee empowerment and development* as well as to *concern for all stakeholders* are both focal points of the mission statement.

c) Hwange Colliery Company

Hwange Colliery Company is Zimbabwe's leading coal producer, and mines and processes coal, and also produces related by-products of coal.

The mission statement of Hwange Colliery Company is:

Mission:

'We are committed to achieving sustained commercial success in the exploitation, mining and selling of fossil fuel energy to the satisfaction of all stakeholders'

The mission statement of the Hwange Colliery Company clearly focuses on their intention of ensuring that all stakeholders' needs are considered and satisfied.

d) Mr Price Group

The Mr Price Group is made up of four retail chains, which focus on footwear, clothing, homeware and accessories. These four chains are further divided into two divisions, namely, the home and the apparel divisions.

The mission statement of the Mr Price Group is:

Mission:

'To add value to our customers' lives and worth to our partners' lives'

This mission statement clearly refers to the servant leadership principle of *service to others*, as through this statement, the Mr Price Group highlights its commitment to the development and improvement of lives of the people it comes into contact with.

e) Aveng

Aveng is a company which is involved in engineering and construction, and is focused on energy, mining and infrastructure development in Africa.

The vision statement of Aveng is:

Vision:

'Aveng aims to be a leading infrastructure development company... providing diverse services and solution for customers, sustainable profitability for shareholders and a great place to work for employees'

Aveng's vision statement refers to the principle of *service to others*, as Aveng intends on supplying its customers with a diverse variation of products and services in order to meet their needs.

f) Hudaco

Hudaco Industries is a group of companies which specialise in importing and adding value to the distribution of specific high quality security and industrial products in the region of Southern Africa. The group is active in areas pertaining to security equipment, power products and bearings and power transmission products.

The mission statement of Hudaco is:

Mission:

'To develop and manage a sustainable business for the benefit of all stakeholders'

The mission statement of Hudaco clearly displays that the intention of this company is to ensure the satisfaction of every individual or group which it comes into contact with, and therefore reflects the principle of *concern for all stakeholders*.

g) Growthpoint Properties

Growthpoint Properties is a financial company which focuses on property and the generation of consistent, reliable income and long-term capital appreciation, as it maintains an optimal balance of well-located sectorally and geographically diversified portfolio of prime properties.

The mission statement of Growthpoint Properties is:

Mission:

'To be the leading South African property company, consistently delivering value to all stakeholders, driven by our passion for property and commitment to our core values'

The mission statement of Growthpoint Properties indicates its enthusiasm to deliver quality goods and services to all stakeholders, and in addition displays its commitment to adding value to the lives of its consumers. Thus, Growthpoint

Properties displays both the principles of *service to others* and *concern for all stakeholders*.

h) BHP Billiton

BHP Billiton is a resource-based company, and specialises in a diversified range of commodities and markets. This company differentiates itself from other resource companies through the quality of its assets and through its petroleum business.

The mission statement of BHP Billiton is:

Mission:

‘Our purpose is to create long-term value through the discovery, development and conversion of natural resources, and the provision of innovative customer and market-focused solutions. To prosper and achieve real growth, we must:

- *Actively manage and build our portfolio of high quality assets and services.*
- *Continue the drive towards a high performance organisation in which every individual accepts responsibility and is rewarded for results.*
- *Earn the trust of employees, customers, suppliers, communities and shareholders by being forthright in our communications and consistently delivering on commitments.’*

Quality products and service, employee empowerment, trust and communication are referred to in this mission statement. Therefore BHP Billiton reflects the servant leadership principles of *service to others*; *employee empowerment and development*; *trust*; and *listening*.

i) Massmart Holdings

Massmart Holdings is a management group which invests in a portfolio of complementary wholesale and retail formats, and distributes mainly branded consumer goods and is the third largest distributor of consumer goods in Africa.

The vision and mission statements of Massmart Holdings are:

Vision:

- *‘Our Customers will regard Massmart’s wholesale and retail formats as their first choice when buying those categories of merchandise offered by the formats.*
- *Our Suppliers will regard Massmart as a valued partner in accessing and understanding their end-consumers.*
- *Career Retailers will regard Massmart as the preferred employer in the distribution industry.*
- *Our Investors will regard Massmart as a portfolio rendering superior returns relative to the JSE Retail sector.*
- *Our Community including government, will regard Massmart as a socially accountable corporation.’*

Mission:

‘The Group actively seeks the continual improvement of performance in the portfolio and its parts, through strategic and structural clarity, high market shares, excellent management, principle-driven ethical leadership, cost-effective technology and the sharing or agglomeration of capabilities, knowledge, resources, influence and information’

The vision and mission statements refer clearly to the principles of *service to others*; *concern for all stakeholders*; *employee empowerment and development*; and *ethical and moral behaviour*.

j) City Lodge Hotels

City Lodge Hotels is hotel chain focusing on quality accommodation and friendly service. The group has diversified its product offering and grown substantially since its incorporation in 1986.

The vision statement of City Lodge Hotels is:

Vision:

'We will be recognised as the preferred Southern African hotel group. Through dedicated leadership and teamwork we will demonstrate our consistent commitment to delivering caring service with style and grace. We will constantly enhance our Guest experience through our passionate people, ongoing innovation and leading edge technology. Our integrity, values and ongoing investment in our people and hotels will provide exceptional returns to stakeholders and ensure continued, sustainable growth'

The vision statement of City Lodge Hotels refers to the principles of *teamwork*; *service to others*; *concern for all stakeholders*, including sustainability, and *integrity*.

k) ABSA

The ABSA Group is one of the largest financial services organisations in South Africa and provides commercial, corporate and personal banking, and financial services.

The mission statement of ABSA is:

Mission:

'To enable our customers to achieve their ambitions and by doing so, deliver superior benefits to all our stakeholders by ensuring that we:

- *put the customer at the centre of everything we do;*
- *differentiate through superior service and competitive products; continuously innovate;*
- *are brilliant at execution;*
- *have the best people and engage them in our business; and*
- *lead by example'*

ABSA reflects the servant leadership principle of *service to others*, as it can be described as a customer-centric organisation, as it aims to provide superior service and excellent execution. Furthermore, ABSA refers to the principle of *employee empowerment and development*, as its mission statement highlights the importance of retaining talented and motivated staff in order to achieve the desired results.

l) Cashbuild

Cashbuild is the largest retailer of building materials and associated products. Cashbuild sells directly to cash-paying customers through its 191 (and growing) stores in South Africa, Swaziland, Namibia, Botswana, Lesotho and Malawi.

The vision and mission statements of Cashbuild are:

Vision:

‘Our vision is to be the first-choice retailer of building materials and associated products and services in every region of Southern Africa and selected regions in African Countries, and to make a positive contribution in every community in which we trade.’

Mission:

‘We are the leading mass retailer of building and associated products and service for cash, to the full spectrum of customers, in urban and rural areas of South Africa. We continuously seek to maximise returns to all our stakeholders through:

- *Our ability to understand our customers and markets, which enables us to offer a focused range of products and services suited to the specific needs of each of these markets;*
- *Our mutually beneficial relationships with our suppliers, substantial buying power and ability to control costs, which enables us to offer quality products at the lowest prices to our customers at all times;*
- *Our progressive human resources practices, which promote a challenging and productive working environment and ensure that all our people develop to their fullest potential and are recognised and rewarded for outstanding performance;*
- *Bringing to the communities in which we trade, exceptional quality, lowest priced building materials and associated products and services, employment opportunities, and providing support to selected community projects;*
- *Optimally utilising all our resources thereby providing a superior, sustainable financial return to our shareholders.’*

Both the vision and mission statements of Cashbuild refer to the principle of *concern for all stakeholders*, as well as to *service to others; employee empowerment and development*, and *listening*.

m) Standard Bank Group

The Standard Bank Group is a leader in the banking technology in South Africa, and also delivers banking and financial services to 18 sub-Saharan countries and 21 countries on other continents, including Europe, USA and Asia.

The vision statement of the Standard Bank Group is:

Vision:

'We are committed to making a real difference to financial services in South Africa and other emerging markets. We will ensure long-term sustainability by harmonizing the needs of our customers, our people and our shareholders and by being relevant to the societies in which we operate. We will only succeed if we are able to attract, retain, develop and deploy teams of people with energy, passion and skills'

The vision statement of the Standard Bank Group refers primarily to the servant leadership principle of *employee empowerment and development*, as this vision statement notes that the development and retention of highly qualified and dedicated staff are an essential component to success.

n) Allied Electronics Corporation

The Allied Electronics Corporation (Altron) is invested in the telecommunications, information technology, power electronic, and multi-media industries. Altron operates through its principle subsidiaries, namely: Allied Technologies Limited; Bytes Technology Group (Pty) Limited; and Power Technologies (Pty) Limited.

The mission statement of Allied Electronics Corporation is:

Mission:

- *‘to be the leading ICT group offering information technology, telecoms and power electronics products and services to the southern African region and selected international markets;*
- *to maintain our family ownership and preserve the “familiness” culture;*
- *to generate superior financial returns, thereby driving an increase in total shareholder returns above that of our peers and the overall market;*
- *to remain dedicated to technological innovation through internal investment and international partnerships;*
- *to continue our commitment to the transformation process of South Africa through broad-based black economic empowerment initiatives;*
- *to provide a work environment that attracts, motivates and retains superior people skills; and*
- *to integrate sustainable development into our business at every level as we realise that our future depends on it.’*

The mission statement of Allied Electronics Corporation reflects two core servant leadership principles, namely *employee empowerment and development* and *concern for all stakeholders*.

o) Medi-Clinic Corporation

The Medi-Clinic Corporation is one of the largest hospital groups in the world, and has more than 7000 beds in more than 50 hospitals in South Africa and Namibia.

The vision statement of the Medi-Clinic Corporation is:

Vision:

‘To be regarded as the most respected and trusted provider of hospital services by patients, doctors and funders of healthcare:

- *We will focus relentlessly on the needs of our clients;*
- *Every hospital will be the preferred service provider in the community it serves;*
- *We will provide the most cost-effective quality care possible;*
- *We will maintain a contented workforce’*

Respect, Trust, and service quality, referring to the principle of *service to others* are extracted from this vision statement.

p) Netcare

Netcare operates the largest private hospital network in South Africa and the United Kingdom.

The vision statement of Netcare is:

Vision:

- *‘Develop and implement successful solutions to provide quality, affordable healthcare to the people of South Africa and globally by inspiring our people, creating new healthcare horizons and delivering value to all stakeholders.*
- *Be a leading corporate citizen, proud of our heritage and what we give to society.*
- *Strive for excellence in a unique brand of patient care delivered by people who are passionate about the sanctity of life, personal respect and dignity.*
- *Invest in people, infrastructure and technology and establish lasting partnerships with healthcare professionals.’*

The vision statement of Netcare focuses on the quality of its service, thereby referring to the principle relating to *service to others*. Furthermore, Netcare’s vision statement highlights the importance of *employee empowerment and development* as employees are valued- *respect* is therefore also an important element.

q) Afrox

Afrox is the largest gases and welding products supplier in South Africa and one of the country’s most trusted brands, with products and services that form part of most manufacturing, industrial and construction processes.

The mission statement of Afrox is:

Mission:

‘Afrox will provide services and a focused range of performance enhancing gases and welding products to valued customers, through excellence in operations, customer service and delivery, and investment in infrastructure, people and technology for the benefit of all stakeholders’

The servant leadership principles of *service to others, employee empowerment and development and concern for all stakeholders*, as service excellence, investments in people and infrastructure and the benefit of all stakeholders are highly regarded in the mission statement of Afrox.

r) Anglo American PLC

Anglo American is one of the world's largest mining companies. With 83,000 permanent employees in South Africa, it is the country's largest private sector employer.

The vision and mission statements of Anglo American PLC are:

Vision:

'Our aim is to be the leading global mining company becoming the industry's employer, partner and investment of choice. Sound strategy, a commitment to sustainable development and good governance are essential to achieve this goal'.

Mission:

*'At Anglo American, our **Good Citizenship** business principles guide our decisions and actions. Wherever we are in the world, we adhere to consistently high standards of business integrity and ethics.*

- **Balancing investor returns with community well-being**

As a good corporate citizen, we respect the dignity and human rights of individuals and communities everywhere we operate. We strive to make a lasting contribution to the well-being of these communities while generating strong investor returns. Indeed, our long-term success depends on taking into account the needs of all stakeholders.

- **Being a good employer and steward**

A good corporate citizen is, by definition, a good employer. We universally support fair labour practices and promote workplace safety and equality in our operations.

*We also recognise the need for careful **environmental stewardship**. We actively seek to minimise the impact of our operations and provide a positive legacy for generations to come.'*

The vision and mission statements of Anglo American PLC highlight *ethical and moral behaviour* and *integrity* as important elements in this company. In addition, the mission statement refers to the principles of *respect, employee empowerment and development*, and *concern for all stakeholders*. Importantly, the mission statement further refers to the term *stewardship*- which is uniquely associated with servant leadership in particular- and suggests that the company is a steward for all, and thus intends to serve all.

s) AdaptIT Holdings

AdaptIT Holdings is a group of companies which combine broad industry expertise and a portfolio of interrelated consulting, business process, application development and outsourcing services, in order to deliver proven technological solutions that maximise returns on IT investments.

The vision statement of AdaptIT Holdings is:

Vision:

‘AdaptIT, a proudly South African company passionate about our people, our customers and excellent results. We harness the power of IT to help grow your business today for a brighter South Africa tomorrow’

The vision statement focuses on quality and highlights the company’s passion that it exudes for its own people, as well as for its customers. Therefore, it reflects the principles of *employee empowerment and development* and *service to others*.

t) Metropolitan Holdings

Metropolitan Holdings provides specialised medium- to long-term assurance, administration and investment solutions. Metropolitan Holdings is one of the top three life insurance groups in Southern Africa, in terms of client numbers.

The vision and mission statements of Metropolitan Holdings are:

Vision:

‘Creating prosperity for Africa’s people. This is a long-term vision, which places the financial security of people and communities at the core of our agenda’

Mission:

‘Serving Africa’s people through affordable financial solutions that create financial growth and security’

Service to others is highly regarded by Metropolitan Holdings, as through its statements of vision and mission it is clear that its aim and purpose is to *serve* the people of Africa.

u) Bonatla Property Holdings

Bonatla Property Holdings is a South African-based company, and operates through four divisions: industrial, leisure, commercial and retail, and holding. Some of its subsidiaries include Bonatla Properties (Pty) Limited, Codify Investments (Pty) Limited, and Stand 11 Corporate Park (Pty) Limited.

The mission statement of Bonatla Holdings is:

Mission:

‘To deliver world-class products and services to clients and the market;

To exceed expectations on client service;

To empower, reward and retain competent employees;

To enhance shareholders’ and stakeholders’ value; and

To abide by the Property Charter, and to work towards the objectives of the BBBEE Initiative’

Service to others, employee empowerment and development and the concern for the development and benefit of all stakeholders are reflected in this mission statement.

v) Brait SA

Brait S.A. is an international investment company that manages third-party capital committed by a combination of international and South African investors. Its business is the raising and management of investment funds classified as alternative assets. Its product set includes private equity, mezzanine debt funds and a range of hedge fund solutions.

The vision statement of Brait SA is:

Vision:

We aspire to be the most respected manager of alternative assets in our area of operation, as evidenced by the long-term relationships we develop with investors, both in South Africa and globally, and by the caliber of people who develop long-term careers for at Brait and the consistent meeting and exceeding of our investment promise'

Employee empowerment and development is the key servant leadership principle reflected in this vision statement. Brait SA highlights the importance of good staff in order to deliver good results.

5.3.2 Analysis of the vision and mission statements of the companies listed on the NYSE

This section comprises of the qualitative analysis of the vision and mission statements of the companies listed on the NYSE. These statements were analysed using content analysis to determine whether or not they exhibited any of the ten servant leadership principles. From this analysis, it was clear that 19 out of the 50 companies listed on the NYSE exhibited at least one or more of the ten servant leadership principles developed in the framework in Chapter Two. These included: Exxon Mobil Corporation; Procter & Gamble; Wal-Mart Stores; Potash Corporation; Chevron Group; Caterpillar; Coca-Cola; Massey Energy Corporation; Wellpoint; PepsiCo; CF Industries; Newmont Mining Holding Company; Union Pacific Corporation; Merck & Co; Cliffs Natural Resources; CSX Corporation; XL Capital; Devry Incorporated; and Du Pont. The vision and/or mission statements of these companies are presented and discussed according to their significance regarding servant leadership.

a) Exxon Mobil Corporation

Exxon Mobil Corporation is an international company trading in oil and gas.

The vision statement of Exxon Mobil Corporation is:

Vision:

'Exxon Mobil is committed to being the world's premier petroleum and petrochemical company. To that end, we must continuously achieve superior financial and operating results while simultaneously adhering to high ethical standards.'

The vision statement of Exxon Mobil refers directly to the servant leadership principle of *ethical and moral behaviour*.

b) Procter & Gamble

Procter & Gamble is a company which manufactures a wide range of consumer goods. Procter & Gamble was rated 6th in *Fortune's Most Admired Companies 2010* list.

The mission statement of Procter & Gamble is:

Mission:

'We will provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come. As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders and the communities in which we live and work to prosper.'

Elements of product and service quality, as well as the company's commitment to community and society are present in this mission statement. Therefore, Procter & Gamble reflect the servant leadership principles of *service to others* and *concern for all stakeholders*.

c) Wal-Mart Stores

Wal-Mart Stores is an American corporation which runs a chain of large discount department stores and a chain of warehouse stores. In 2010 it was the world's largest public corporation by revenue, according to the *Forbes Global 2000* for that year.

The mission statement of Wal-Mart Stores is:

Mission:

'Saving people money so they can live better'

The mission statement of Wal-Mart can be interpreted to reflect the servant leadership principle of *service to others*, as Wal-Mart exhibits its intention to make a difference in the lives of its customers; as it suggests that saving them money, would improve their standards of living.

d) Potash Corporation

PotashCorp is the world's largest fertilizer company by capacity, and as Potash Corporation is the world's leading potash producer, it contributes approximately 20 percent of global capacity of potash.

The vision statement of Potash Corporation is:

Vision:

'We seek to be the partner of choice, providing superior values to all our stakeholders. We strive to be the highest quality low-cost producer and sustainable gross margin leader in the products we sell and the markets we serve.'

The provision of high quality and valued goods and services are referred to in this vision statement, thereby reflecting the principles of *service to others* and *concern for all stakeholders*.

e) Chevron Group

Chevron Group is one of the world's largest integrated energy companies. The Chevron Group is involved in all aspects of the crude oil and natural gas industry, including exploration and production, manufacturing, marketing and transportation, chemicals manufacturing and sales, geothermal energy, and power generation.

The vision and mission statements of Chevron Group are:

Vision:

'To be the global energy company most admired for its people, partnership and performance'

Mission:

- *‘safely provide energy products vital to sustainable economic progress and human development throughout the world;*
- *are people and an organization with superior capabilities and commitment;*
- *are the partner of choice;*
- *earn the admiration of all our stakeholders — investors, customers, host governments, local communities and our employees — not only for the goals we achieve but how we achieve them;*
- *deliver world-class performance.’*

The servant leadership principle highlighted in Chevron’s vision statement is that relating to *employee empowerment and development*, as Chevron recognises the need for highly skilled and motivated staff members. *Employee empowerment and development* together with *concern for all stakeholders* are further referred to in Chevron’s mission statement.

f) Caterpillar

Caterpillar is a global company specializing in infrastructure development. Caterpillar has hundreds of locations worldwide and has a broad portfolio of leading products, technologies and brands.

The vision and mission statements of Caterpillar are:

Vision:

‘Our vision is a world in which all people’s basic requirements- such as shelter, clean water, sanitation and reliable power- are fulfilled in a way that sustains our environment’

Mission:

‘Our mission is to enable economic growth through infrastructure and energy development, and provide solutions that protect people and preserve the planet’

The servant leadership principle of *concern for all stakeholders* is reflected in the vision and mission statement of Caterpillar, with particular reference being made to the preservation of the planet.

g) Coca-Cola

The Coca-Cola Company is the world's largest beverage company. Coca-Cola operates in more than 200 countries and markets a portfolio of more than 3000 beverage products including sparkling and still beverages, such as waters, juices, and sports drinks, amongst others.

The mission statement of the Coca-Cola company is:

Mission:

'To refresh the world...

To inspire moments of happiness...

To create value and make a difference'

With regard to the principles of servant leadership, the mission statement of Coca-Cola, amongst others; is to make a difference in the world. Therefore, this mission statement reflects the intention of this company to *serve others*.

h) Massey Energy Corporation

Massey Energy is the fourth largest coal company in the United States and the largest in Central Appalachia based on produced coal revenue.

The vision and mission statements of Massey Energy Corporation are:

Vision:

'Leadership: To be the premier supplier of quality coal from Central Appalachia to worldwide markets.

Service: To provide our customers with superior service and technical support through an enlightened and highly motivated workforce.

Growth: To broaden our customer base and coal reserves'

Mission:

- *'For our customers: To supply our customers with the highest quality coals at reasonable and competitive prices.*
- *For our shareholders: To earn optimal rates of return on the capital used in our business.*

- *For our employees: To provide for the best possible well-being of members.*
- *For our communities: To be responsible citizens and responsive to the needs of our environment.'*

The vision statement of Massey Energy Corporation specifically refers to the servant leadership principle of *service to others*, as product and service quality are highlighted. The mission statement also reflects this principle and also includes the principles of *employee empowerment and development* and *concern for all stakeholders*.

i) Wellpoint

WellPoint is the nation's leading health benefits company serving the needs of more than 33 million medical members nationwide.

The mission statement of Wellpoint is:

Mission:

'Wellpoint's mission is to improve the lives of the people we serve and the health of our communities'

Through its mission statement, Wellpoint directly aims to make an improvement in the lives of people and to therefore enhance their quality of life. This therefore refers to the principle of *service to others*.

j) PepsiCo

PepsiCo is a world leader in convenient snacks, foods and beverages. The four major divisions of the PepsiCo are: PepsiCo Americas Beverages, PepsiCo Americas Foods, PepsiCo Europe, PepsiCo Middle East and Africa.

The vision and mission statements of PepsiCo are:

Vision:

'PepsiCo's responsibility is to continually improve all aspects of the world in which we operate – environment, social, economic – creating a better tomorrow than today'

*Our vision is put into action through programs and a focus on **environmental***

stewardship, activities to benefit society, and a commitment to build shareholder value by making PepsiCo a truly sustainable company.

Mission:

‘Our mission is to be the premier consumer products company focused on convenient foods and beverages. We seek to produce financial rewards to investors as we provide opportunities for growth and enrichment to our employees, our business partners and to the communities in which we operate. And in everything we do, we strive for honesty, fairness and integrity.’

The vision of PepsiCo clearly reflects the principles of *service to others* and *concern for all stakeholders*. With regard to *service to others*, the PepsiCo further describes itself as a ‘*steward*’ with specific regard to the environment and sustainability. The mission statement further reflects the principles of *employee empowerment and development* and reiterates the company’s concern for various stakeholders.

k) CF Industries

CF Industries is a global leader in fertilizer manufacturing and distribution, the second largest nitrogen fertilizer producer in the world and the third largest phosphate fertilizer producer among public companies.

The vision statement of CF Industries is:

Vision:

‘We will be recognized as a leading global marketer, producer and supplier of high-quality, low-cost fertilizer products and services, created by sustained value for shareholders, customers and employees’

Product quality is highlighted in this vision statement, and therefore reflects the principle of *service to others* and also refers to the creation of value and thus refers to the servant leadership principle of *concern for various stakeholders*.

l) Newmont Mining Holding Company

Newmont Mining Holding Company specializes in gold mining and in 2009 had proven

and probable gold reserves of 91.8 million equity ounces and an aggregate land position of approximately 38,840 square miles (100,600 square kilometres). Newmont Mining Holding Company operates in numerous countries, including the United States, Australia, Peru, Indonesia, Ghana, Canada, New Zealand and Mexico.

The mission statement of Newmont Mining Holding Company is:

Mission:

*'We will build a sustainable mining business that delivers top quartile shareholder returns while leading in safety, environmental **stewardship** and social responsibility'*

The mission statement of Newmont Mining Holdings refers specifically to the term *stewardship*, and social responsibility, exhibiting both the principles of *service to others*, and *concern for all stakeholders*, in particular, concern for its shareholders and for the environment.

m) Union Pacific Corporation

Union Pacific Corporation is one of America's leading transportation companies. Its principal operating company, Union Pacific Railroad, is North America's premier railroad franchise, covering 23 states across the western two-thirds of the United States.

The mission statement of Union Pacific Corporation is:

Mission:

'The men and women of Union Pacific are dedicated to serve: Union Pacific works for the good of our customers, our shareholders and one another. Our commitment defines us and drives the economic strength of our company and our country'

The dedication of staff to the service of customers is directly stated in this mission statement. As such, *service to others* and *concern for all stakeholders* are the principles which are reflected in this statement.

n) Merck & Co

Merck & Co are the result of a merger between Merck and Schering-Plough, and is now the second-largest pharmaceutical company in the world. It is also a global leader in

consumer products and animal care.

The mission statement of Merck & Co is:

Mission:

‘To develop policy positions that guides our activities and advocacy on a range of issues; seek opportunities to adopt industry-leading standards in several areas; and strive to communicate clearly and transparently about our positions; and work closely with the many groups and individuals who are also trying to address the complex healthcare challenges that confront us’

The mission statement for Merck & Co clearly reflect the servant leadership principles of *listening* and *ethical and moral behaviour*, due to the reference being made to communication and to transparency.

o) Cliffs Natural Resources

Cliffs Natural Resources is an international mining and natural resources company. Cliffs Natural Resources is the largest producer of iron ore pellets in North America, a major supplier of direct-shipping lump and fines iron ore out of Australia and a significant producer of metallurgical coal.

The mission statement of Cliffs Natural Resources is:

Mission:

‘Cliffs will be a pre-eminent global producer and merchant of iron ore and other steel-related products. We will be known for our operational excellence, management expertise, and technological leadership.’

‘We are dedicated to building value for our shareholders, partners, customers, and employees by:

- *Increasing the competitiveness of our existing operations.*
- *Producing superior products, services, and innovative solutions for the steel industry.*
- *Providing a safe, challenging, and rewarding workplace.*
- *Extending the Cliffs franchise internationally.’*

‘We will conduct our business with fairness and integrity and the highest concern for environmental stewardship.’

This mission statement highlights the principles of *service to others*; *employee empowerment and development* and furthermore to the term *stewardship*. Stewardship, referring to service of others, has specific relation to servant leadership.

p) CSX Corporation

CSX Corporation, together with its subsidiaries is one of the nation's leading transportation suppliers. The company's rail and intermodal businesses provide rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers.

The vision statement of CSX Corporation is:

Vision:

‘To be the safest, most progressive North American railroad, relentless in the pursuit of customer and employee excellence’

The servant leadership principles of *employee empowerment and development* and *service to others* are referred to in this vision statement, as CSX Corporation aims to improve its customer service and staff capability.

q) XL Capital Ltd

XL Capital Ltd is a financial organisation listed under the Property and Casualty Insurance sub-sector on the NYSE. XL Capital is divided into three operating segments, namely: Insurance; Reinsurance; and Life Operations.

The vision and mission statements of XL Capital are:

Vision:

‘To be the leading global provider of intelligent risk solutions- delivered with integrity’

Mission:

- *‘We strive to offer quality risk products on a global basis through an ethical*

partnership supported by market-leading analysis superior responsiveness and financial

- *We strive to create superior value through underwriting excellence, strong risk management, optimal investment strategies, operational efficiency and transparent disclosure.*
- *We strive to provide a positive, intellectually stimulating and collaborative environment where performance, contribution and adherence to core values are recognised and rewarded and where there is equal opportunity for creativity, growth and development.*
- *We strive to be a principled corporate citizen by promoting employee participation, supporting our local communities and influencing industry-wide social responsibility'*

The vision statement for XL Capital singularly refers to the principle of *integrity*; whereas the mission statement incorporates principles relating to *service to others, employee empowerment and development, teamwork, ethical and moral behaviour, and concern for all stakeholders.*

r) DeVry Incorporated

DeVry is a global provider of educational services and the parent organisation of Advanced Academics, Becker Professional Education, Carrington College, Carrington College California, Chamberlain College of Nursing, DeVry Brasil, DeVry University, and Ross University Schools of Medicine and Veterinary Medicine. These institutions offer a wide array of programs in business, healthcare and technology.

The vision statement of DeVry Incorporated is:

Vision:

'DeVry will become the leading global provider of career-oriented educational services. We will create value for society and all our stakeholders by offering: superior, responsive educational programs that are supported by exceptional service to students, and delivered with integrity and accountability.'

Quality in service, translating into *service to others; concern for all stakeholders; and*

integrity are the primary servant leadership principles referred to in this vision statement.

s) Du Pont

Operating in approximately 80 countries, DuPont offers a wide range of innovative financial products and services for markets including agriculture, nutrition, electronics, communications, safety and protection, home and construction, transportation and apparel.

The vision statement of Du Pont is:

Vision:

‘Our vision is to be the world’s most dynamic science company, creating sustainable solutions essential to a better, safer and healthier life for people everywhere’

The vision statement of Du Pont is directly aimed at contributing to the improvement in the lives of the people that it *serves*; therefore this reflects the servant leadership principle of *service to others*.

5.4 A SUMMARY OF THE CONTENT ANALYSIS OF THE VISION AND MISSION STATEMENTS OF THE SAMPLE

The mission and vision statements of the sample relating to servant leadership have been presented in detail. This section provides a summary of the results obtained from the content analysis of these vision and mission statements. Table 5.5 depicts an overview and comparison of the percentage of the sample which displayed each specific servant leadership principle within its vision and mission statement.

TABLE 5.5 A COMPARISON OF THE SERVANT LEADERSHIP PRINCIPLES IN THE VISION AND MISSION STATEMENTS OF THE SAMPLE

	Servant Leadership Principles	JSE (22)	Percentage	NYSE (19)	Percentage
VSL1	Service to others	14	64%	15	79%
VSL2	Employee empowerment and development	14	64%	6	32%

	Servant Leadership Principles	JSE (22)	Percentage	NYSE (19)	Percentage
VSL3	Trust	2	9%	0	0%
VSL4	Listening	2	9%	1	5%
VSL5	Respect	3	14%	0	0%
VSL6	Ethical/moral behaviour	2	9%	3	16%
VSL7	Teamwork	1	5%	1	5%
VSL8	Concern for all stakeholders	12	55%	11	58%
VSL9	Input and feedback	0	0%	0	0%
VSL10	Integrity	2	9%	1	5%

From Table 5.5, it is clear that the majority of both the samples from the JSE and the NYSE displayed the principle of *Service to others* and *Concern for all stakeholders* in their vision and mission statements, 64%:79% and 55%:58% respectively. Furthermore, it is clear that the principle of *Employee empowerment and development* was displayed by the majority, 64%, of the sample from the JSE; however it was displayed by only 32% of the sample from the NYSE. The remaining six servant leadership principles of *Trust*; *Listening*; *Respect*; *Ethical and moral behaviour*; *Teamwork*; and *Integrity* were infrequently referred to in the vision and mission statements of the sample, however, the principles of *Trust* and *Respect* were not mentioned by the NYSE sample. Additionally, the principle of *Input and feedback* was referred to in the vision and mission statements of neither the sample from the JSE nor the sample from the NYSE. This concurs with the findings from the values statements.

In summary, Table 5.5 presents an overview and comparison of the number of servant leadership principles referred to in the vision and mission statements of the sample from the JSE and the sample from the NYSE. From Table 5.5, it can thus be seen that, overall, the ten servant leadership principles are present more frequently in the *vision* and *mission statements* of the sample from the JSE, when compared to the sample from the NYSE. However, this is in contrast with the previous finding that the majority of the ten servant leadership principles referred to in the *values statements* of the companies listed on the NYSE, emerge more frequently than those specific servant leadership principles referred to in the values statements of the JSE sample. A summary follows (see Table 5.6) of the

comparison between the findings from the values statements and the vision and mission statements of each stock exchange.

5.5 COMPARING THE RESULTS OF THE VALUES STATEMENTS WITH THE VISION AND MISSION STATEMENTS OF THE SAMPLE

In summary, Table 5.5 presented an overview and comparison of the number of servant leadership principles referred to in the vision and mission statements of the sample from the JSE and the sample from the NYSE. This section consists of a summary of the results obtained from the content analysis of the values statements and the vision and mission statements, and subsequently compares these results. Table 5.6 presents an overview and comparison of the servant leadership principles displayed in the values statements and vision and mission statement of the samples from the JSE and the NYSE.

TABLE 5.6 A COMPARISON OF THE SERVANT LEADERSHIP PRINCIPLES DISPLAYED IN THE VALUES AND VISION AND MISSION STATEMENTS OF THE SAMPLE

	Servant Leadership Principles	JSE		NYSE	
		Values	Vision and Mission	Values	Vision and Mission
VSL1	Service to others	70%	64%	72%	79%
VSL2	Employee empowerment and development	71%	64%	78%	32%
VSL3	Trust	37%	9%	42%	0%
VSL4	Listening	39%	9%	48%	5%
VSL5	Respect	63%	14%	68%	0%
VSL6	Ethical/moral behaviour	47%	9%	66%	16%
VSL7	Teamwork	48%	5%	64%	5%
VSL8	Concern for all stakeholders	55%	55%	68%	58%
VSL9	Input and feedback	23%	0%	28%	0%
VSL10	Integrity	76%	9%	70%	5%

From Table 5.6, it is clear that the servant leadership principles of *Service to others* and *Concern for all stakeholders* are referred to by the majority of the sample in both the values statements and vision and mission statements of both the samples from the JSE and the NYSE. The principle of *Employee empowerment and development* is present in the majority of both the values and vision and mission statements of the sample from the JSE, whereas this principle is displayed by the majority of the sample from the NYSE in the values statements, but is only represented by 32% of the sample in their vision and mission statements. Furthermore, it can be seen from Table 5.6 that both the servant leadership principles of *Respect* and *Integrity* are displayed by the majority, 63% and 68% respectively, of the sample from both stock exchanges, yet, both principles are barely referred to in the vision and values statements of the JSE and NYSE, namely only by 14% and 9% with regard to *Integrity* respectively, and only 5% with regard to *Respect* from the sample from the JSE, and not at all in the vision and mission statements of the NYSE.

The servant leadership principles of *Ethical and moral behaviour* and *Teamwork* are referred to by the majority of the sample from the NYSE in the vision and mission statements, represented by 66% and 64% respectively, but are, however, only referred to by 16% and 5% respectively in the vision and mission statements. Additionally, these two principles are referred to by just under half of the sample from the JSE in their values statements, 47% and 48% respectively, yet they are both also represented poorly in the vision and mission statements, 9% and 5% respectively.

With regard to the servant leadership principles of *Trust* and *Listening*, Table 5.6 indicates that these principles are poorly reflected in the values statements of both stock exchanges, and are even more poorly referred to in the vision and mission statements of both stock exchanges, with the principle of *Trust* not even being mentioned in the vision and mission statements of the sample from the NYSE.

Regarding the servant leadership principle of *Input and feedback*, Table 5.6 depicts poor representation in the values statements of both the stock exchanges, and that this principle was not referred to at all in the vision and mission statements of either stock exchange.

In summary, Table 5.6 provided a comparison of the number of servant leadership principles referred to in the *values statements* of each stock exchange, with those referred to in the *vision* and *mission statements* of each stock exchange. From Table 5.6, it can thus be seen that, overall, the ten servant leadership principles are presented more frequently in the values statements of both samples, when compared to their presence in the *vision* and *mission statements*.

5.6 **CHAPTER SUMMARY AND CONCLUSION**

Chapter Five discussed the results obtained from both the quantitative and qualitative analysis of the sample of this study. The first section presented the results obtained from the statistical analysis of the *values statements* of the sample. This included a discussion of the servant leadership principles; the additional key values; and the industry sector classification of the sample. Following this, the results obtained from the qualitative data analysis of the *vision* and *mission statements* of the sample were presented.

It was found that the majority of the sample's values statements as a whole displayed at least *five* out of the ten servant leadership principles with the majority of the JSE sample also displaying *five* out of the ten servant leadership principles identified in the servant leadership framework. Notably the sample from the NYSE displayed *seven* out of the ten servant leadership principles identified in the servant leadership framework. Therefore, the values statements from the companies listed on the NYSE exhibited a higher number of the servant leadership principles than those companies which are listed on the JSE.

With regard to the additional key values identified in the values statements of the sample, none were referred to by the majority of the sample, with the most mentioned additional key value being *Results and performance-oriented*, with 42% of the sample referring to this value; and the majority of the remaining additional key values being represented by only 20% or less of the sample. Furthermore, a relatively even spread of the sample, with regard to industry sector, was observed.

It can be concluded that the majority of the additional key values identified from the values statements of the sample are not very highly regarded by the sample. However,

three servant leadership principles were included in the values, mission and vision statements of the sample, namely, service to others; employee empowerment; and concern for all stakeholders. The remaining servant leadership principles of *integrity*; *listening*, *trust*, *respect*; *moral and ethical behaviour* and *teamwork* were occasionally referred to, however no reference was made to the principle of *input and feedback* in these statements.

In closing, the decision to make use of the mixed method approach in the analysis of this data was the most appropriate approach, as the qualitative method was used to analyse the values statements, which provided the detail required to perform statistical analysis; whereas the quantitative approach was used to analyse the vision and mission statements, which could not be analysed quantitatively, however, still contained important and relevant information, as they are a *reflection of the core values as described in the values statement*.

Chapter Six presents the summary, conclusion and recommendations of this study. It furthermore discusses, the limitations dealt with in this study as well as how the primary objective was achieved in this study.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

Chapter Six presents a brief summary of each individual preceding chapter, followed by appropriate conclusions and recommendations. Thereafter, the limitations of the study as well as suggestions for further research are discussed. The chapter concludes with a section discussing how this study has answered the research questions which were developed in Chapter One.

6.2 REVIEW OF CHAPTERS

In the following section a review of each chapter included in the study is presented, ranging from Chapter One to Five.

6.2.1 Chapter one

Chapter One discussed the background to the study, the problem statement and the primary and secondary objectives of the study. Furthermore, this chapter provided an overview of the research design and methodology which was used to obtain the empirical data for the study. Concluding this chapter was an outline of the forthcoming chapters.

6.2.2 Chapter two

Chapter Two provided a literature overview of leadership in general, and servant leadership in particular. This chapter presented various definitions of leadership, followed by a discussion surrounding the importance of leadership in a general sense. A historical overview of leadership theories followed, after which the focal point of the chapter was on servant leadership, and the shift toward this type of leadership. Concluding this chapter was the development of a framework containing the ten principles of servant leadership.

The key characteristics and principles of servant leadership, as described by various authors, were presented, with the aim to develop a framework containing the key principles of servant leadership. From the theoretical overview of the various opinions of these authors' characteristics and attributes of servant leadership, it was possible for the researcher to identify common principles of servant leadership. This chapter concluded with the development of these principles into a framework which would subsequently be used to gather information from the sampled companies. Ten attributes or characteristics were identified that can be used to determine whether servant leadership is evident in the corporate philosophies of companies, namely: Service to others; Employee empowerment and development; Trust; Listening; Respect; Ethical and moral behaviour; Teamwork; Concern for all stakeholders; Input and feedback; and Integrity.

6.2.3 Chapter three

Chapter Three presented the definition and importance of strategic leadership including the nature and components of strategic leadership. Subsequently, the domain of strategic leadership was discussed, which included a detailed description of the corporate philosophies of companies. Concluding this chapter is a discussion of organisational culture, its history, including the levels, types and importance thereof, followed by a closing section establishing the relationship between corporate philosophies, organisational culture, strategy, and leadership.

This chapter concluded with a discussion of the link between corporate philosophies, organisational culture, strategy and leadership.

From a literature overview, the link between corporate philosophies, organisational culture, strategy, and leadership was evident. It is clear that the leader is responsible for the development of the corporate philosophies as well as strategy. Corporate philosophies include vision, mission and values, and are reflected by the strategy and the organisational culture. Organisational culture is in turn reflected by leadership.

As a result, the corporate philosophies of companies can therefore reveal aspects of leadership employed in the organisation. Corporate philosophies are thus used as the

main source of data for this study. This study aims to identify whether servant leadership principles are evident in the corporate philosophies of companies.

6.2.4 Chapter four

This chapter presented the main methods and techniques that were to be utilised to obtain the findings which were to be presented in Chapter Five. A discussion follows of the research design, data collection design, sampling design and the processing and analysis of the data. Reliability and validity was subsequently discussed. The chapter concluded with the ethical considerations of the project.

Having taken various research methods into consideration, it was deemed most appropriate to make use of the mixed-method approach to conduct the research for this study. The purpose of the study is to investigate servant leadership as part of the corporate philosophies of companies. Given the nature of this research, the use of the mixed-method approach is the most appropriate, as it allowed the researcher to develop a framework of servant leadership principles, using various literature sources, and allowed for the examination and analysis of the corporate philosophies of companies (which is qualitative in nature), in order to identify whether these principles are apparent. Subsequently, this methodology allows the researcher to allocate codes to the principles, which results in the ability to describe this quantitative data using descriptive and inferential statistics. Additionally, with the use of a qualitative approach the relationships emerging from the statistical results could be further explored through supplementary examination of the corporate philosophies.

As this study is mixed-method in approach, purposive sampling was used in this study, together with convenience sampling. Purposive sampling was used as the sets of companies chosen provided the required information, and convenience sampling was used as the exact companies that are used in the study reflect the data required, and are most conveniently available to the researcher.

As such, 50 companies were chosen off a list of the top 200 companies listed on the JSE, and a further 50 companies were selected off a list of the top 100 companies listed on the NYSE, in terms of performance for the year 2009. The specific 50

companies were chosen on the basis of whether a values statement and either a vision statement or mission statement were available on the companies' websites. The values statements provided the basis from which the servant leadership principles were evaluated from, and also from which additional key values were identified. Furthermore, the vision and mission statements were not subjected to the framework of servant leadership principles, and therefore did not undergo statistical analysis. However, the mission and vision statements were analysed qualitatively, in order to establish whether servant leadership principles or other additional key values are reflected in these statements.

This provided the researcher with two sets of 50 companies similar in being rated as top performing companies in their respective countries. Therefore, the opportunity to not only identify whether servant leadership principles are present in the corporate philosophies of these companies exists, but also the opportunity to compare the results of the two countries.

Before raw data can be used in a research study, it needs to be edited. The data which was derived from the coded information and subsequently conveyed into the Excel spreadsheets has been edited. This has been done using a process whereby another researcher ensured the accurate transference from the coded information to the spreadsheets.

6.2.5 Chapter five

Chapter Five comprised two sections. Firstly, the results obtained from the statistical analysis of the *values statements* of the sample was presented, and secondly, the results of the qualitative data analysis used to analyse the *vision* and *mission statements* of the sample was presented.

6.2.5.1 The statistical analysis of the values statements of the sample

This section relates to the statistical analysis of the *values statements* of the sample.

(a) ***Results obtained from the descriptive statistics performed***

It was found that the majority of the sample as a whole appears to display at least *five* out of the ten servant leadership principles with the majority of the JSE sample also displaying *five* out of the ten servant leadership principles identified in the servant leadership framework. However, the NYSE displayed *seven* out of the ten servant leadership principles identified in the servant leadership framework. The entire sample as well as the JSE sample referred mostly to the servant leadership principle of *Integrity*. However, the NYSE sample referred mostly to *Employee empowerment and development*. With regard to the least mentioned servant leadership principle, the entire sample as well the sub-samples from the JSE and NYSE, all referred least of all to the principle of *Input and feedback*.

In summary it was clear that in comparison, only *two* out the ten servant leadership principles from the JSE sample are referred to more frequently than those from the NYSE sample. On the other hand, *eight* out of the ten servant leadership principles referred to in the values statements of the companies listed on the NYSE emerge more frequently than those specific servant leadership principles referred to in the values statements of the JSE sample. Therefore, the values statements from the companies listed on the NYSE exhibit a higher number of the servant leadership principles than those companies which are listed on the JSE.

With regard to the additional key values which were identified it was found that these were referred to by the minority of the sample. The most mentioned additional key value which has been identified from the values statements of the sample was *Results and performance-oriented*, as 42% of the sample referred to this value. The second most referred to additional key value was *Innovation*, with 32% of the sample exhibiting this value. The third highest mentioned additional key value was *Safety*, followed closely by *Transformation and Diversity*, with 24% and 23% of the sample indicating these values, respectively.

It was found that the remaining additional key values were only presented by 20% and less of the sample, perhaps indicating that the majority of the additional key values identified from the values statements of the sample are not as highly regarded by the

sample, as those values which comprise the framework of servant leadership principles.

The four servant leadership principles of *Accountability*; *Partnership structure*; *Decentralised decision-making*; and *Humility*, were all identified as additional key values referred to in the values statements of the sample. This is noteworthy as these principles initially formed part of the elements describing servant leadership. These four principles were however not included in the final framework of servant leadership principles presented in Chapter Two, as there was not a high enough agreement between various authors regarding the importance and relevance of these principles of servant leadership. The decision not to include these four servant leadership principles into the final framework can additionally be justified by the frequency of these principles. *Decentralised decision-making* and *Humility* were each represented by only 2% of the sample, with *Partnership structure* only referred to by 8% of the sample. However, *Accountability* was represented by one fifth of the sample, as 20% of the companies referred to this principle in their values statements.

The term *stewardship* is specifically related to the concept of servant leadership in particular. Stewardship was identified as an additional key value regarding servant leadership, and that only 8% of the sample referred specifically to this value. As the meaning of stewardship refers to *Service to others*, which is also specifically included in the framework of servant leadership principles, it is therefore necessary to explain the difference of these terms and to elaborate on why the term stewardship was excluded from the framework.

The servant leadership principle of *Service to Others* focused on a high level of quality of products of services and/or a high level of customer service and whether or not the values statement reflects an attempt by the company to make a difference in the lives of the people in which it comes into contact with, and in the community in which it operates.

As explained, the term *stewardship* is exclusively linked to the notion of servant leadership. Therefore, it was excluded from the final framework, as it could then be

identified individually in the values statements of the sample, and more importantly, the frequency of stewardship as a value could be identified.

(b) Results obtained from the more advanced statistics

An investigation was undertaken to determine if a relationship existed between the independent variable, being which stock exchange (either JSE or NYSE) the companies were listed under, and the servant leadership principles displayed (dependent variable). From the results of a one-way ANOVA, it was found that the independent variable, namely, which stock exchange the respondent company belongs to, had no relationship with the way in which the values statements of the companies reflected the servant leadership principles. There are thus no statistical significant differences in the companies from South Africa and those from New York and whether their value statement reflects servant leadership principles, although NYSE included more servant leadership principles (seven versus five from the JSE).

In addition, an in-depth analysis was undertaken to determine if relationships existed among the individual servant leadership principles and which stock exchange, either JSE or NYSE, the respondent company belonged to. The results obtained from a t-test indicated that no specific individual service leadership principle had a relationship with the stock exchange, either JSE or NYSE, on which the sample companies were listed. However, one independent variable, namely, the principle of *Teamwork* displayed a p-value of 0.05, indicating that it was just short of displaying a statically significant difference, as only a p-value of less than 0.05 indicates a statistically significant difference.

In addition, an investigation was undertaken to determine if a relationship existed between an independent variable, namely which stock exchange, either JSE or NYSE, the companies were listed under and the additional key values displayed by the sample. The results from a one-way ANOVA indicated that the independent variable, namely, which stock exchange the sample consisted of, did indeed have a relationship with the way in which the values statements of the companies reflected the additional key values. A p-value of 0.01 was displayed.

Furthermore, an in-depth analysis was undertaken to determine if relationships existed among the additional key values, and which stock exchange, either JSE or NYSE, the sample consisted of. The results obtained from a t-test indicated that only one of the independent variables, namely, *Safety* has a relationship with which stock exchange the sample consisted of. Furthermore, two dependent variables, namely the principles of *Transparency* and *Responsibility*, displayed a p-value of 0.05, indicating that both were just short of displaying a statically significant difference, as only a p-value of less than 0.05 indicates a statistically significant difference. None of the remaining 28 dependent variables displayed a statistical relationship with which stock exchange the sample company belong to.

As previously mentioned the four initial servant leadership principles of *Accountability*; *Partnership structure*; *Decentralised decision-making*; and *Humility*, were all identified as additional key values referred to in the values statements of the sample, but were subsequently excluded from the final framework of servant leadership. The results of the t-test indicated that neither the principles of *Accountability*; *Partnership structure* or *Decentralised decision-making* displayed a statistically significant difference, and therefore do not present a relationship with which stock exchange the sample came from. With regard to the principle of *Humility*, the sample was too small to calculate a p-value for this principle. Similarly, the sizes of the samples for the following additional key values were also too small to calculate a p-value, namely: *foresight*; *guidance*; *confidence*; *prudence* and a *pleasant working environment*.

As the importance of stewardship as a value has been discussed, it is therefore important to note that the results obtained from a t-test revealed that the additional key value of *Stewardship* did not indicate a p-value of less than 0.05. This is not a statistically significant difference at the chosen confidence level of 5% and therefore does not present a relationship with which stock exchange the sample came from.

6.2.5.2 The qualitative analysis of the vision and mission statements of the sample

As the vision and mission statements of the sample were not statistically analysed, a qualitative analysis of those vision and mission statements which were found to be

relevant to the principles of servant leadership was presented. The vision and mission statements of the sample from the JSE and the NYSE which reflect servant leadership principles were presented and their relevance was discussed.

With regard to the companies listed on the JSE, the vision and mission statements were analysed using content analysis to determine whether or not they exhibited any of the ten servant leadership principles. From this analysis, it was clear that 22 out of the 50 companies listed on the JSE exhibited at least one or more of the ten servant leadership principles developed in the framework in Chapter Two. The vision and/or mission statements of these companies were presented and discussed according to their importance with regard to servant leadership.

With regard to the companies listed on the NYSE, a qualitative analysis of the vision and mission statements of these companies was presented. These statements were analysed using content analysis to determine whether or not they exhibited any of the ten servant leadership principles. From this analysis, it was clear that 19 out of the 50 companies listed on the NYSE exhibited at least one or more of the ten servant leadership principles developed in the framework in Chapter Two. The vision and/or mission statements of these companies were discussed according to their importance regarding servant leadership.

From the content analysis it was found that the majority of both the samples from the JSE and the NYSE displayed the principles of *Service to others* and *Concern for all stakeholders* in their vision and mission statements, 64%:79% and 55%:58% respectively. Furthermore, it was clear that the principle of *Employee empowerment and development* was displayed by the majority, 64%, of the sample from the JSE; however it was displayed by only 32% of the sample from the NYSE. The remaining six servant leadership principles of *Trust*; *Listening*; *Respect*; *Ethical and moral behaviour*; *Teamwork*; and *Integrity* were infrequently referred to in the vision and mission statements of the sample, however, the principles of *Trust* and *Respect* were not mentioned at all in these statements from the sample from the NYSE. Additionally, the principle of *Input and feedback* was referred to in the vision and mission statements of neither the sample from the JSE nor the sample from the NYSE.

Looking at an overview and comparison of the number of servant leadership principles referred to in the vision and mission statements of the sample from the JSE and the sample from the NYSE, it was thus seen that, overall, the ten servant leadership principles are present more frequently in the *vision* and *mission statements* of the sample from the JSE, when compared to the sample from the NYSE. However, this was in contrast with the previous finding that the majority of the ten servant leadership principles referred to in the *values statements* of the companies listed on the NYSE, emerge more frequently than those specific servant leadership principles referred to in the values statements of the JSE sample.

Subsequently, the values statements of the companies from each sub-sample were compared with the results obtained from the vision and mission statements of the sub-samples. It was found that the servant leadership principles of *Service to others* and *Concern for all stakeholders* were referred to by the majority of the sample in both the values statements and vision and mission statements of both the samples from the JSE and the NYSE. The principle of *Employee empowerment and development* was present in the majority of both the values and vision and mission statements of the sample from the JSE, whereas this principle is displayed by the majority of the sample from the NYSE in the values statements, but was only represented by 32% of the sample in their vision and mission statements. Furthermore, it was found that the servant leadership principles of *Respect* and *Integrity* were displayed by the majority, 63% and 68% respectively, of the sample from both stock exchanges, yet, both principles were barely referred to in the vision and values statements of the JSE and NYSE, namely only by 14% and 9% with regard to *Integrity* respectively, and only 5% with regard to *Respect* from the sample from the JSE, and not at all in the vision and mission statements of the NYSE.

Regarding the servant leadership principles of *Ethical and moral behaviour* and *Teamwork*, these principles were referred to by the majority of the sample from the NYSE in the vision and mission statements, represented by 66% and 64% respectively, but were, however, only referred to by 16% and 5% respectively in the vision and mission statements. Additionally, these two principles were referred to by just under half of the sample from the JSE in their values statements, 47% and 48%

respectively, yet both were also represented poorly in the vision and mission statements, 9% and 5% respectively.

With regard to the servant leadership principles of *Trust* and *Listening*, it was found that these principles were poorly reflected in the values statements of both stock exchanges, and were even more poorly referred to in the vision and mission statements of both stock exchanges, with the principle of *Trust* not even being mentioned in the vision and mission statements of the sample from the NYSE.

Regarding the servant leadership principle of *Input and feedback*, it was found that it was poorly represented in the values statements of both the stock exchanges, and that this principle was not referred to at all in the vision and mission statements of either stock exchange.

Overall it was found that the ten servant leadership principles were presented more frequently in the values statements of both samples, when compared to their presence in the *vision* and *mission statements*.

6.3 CONCLUSION AND RECOMMENDATIONS

From the statistical analysis of the values statements of the sample, it was found that the majority of the sample as a whole displays at least *five* out of the ten servant leadership principles with the majority of the JSE sample also displaying *five* out of the ten servant leadership principles identified in the servant leadership framework. However, the sample from the NYSE displayed *seven* out of the ten servant leadership principles identified in the servant leadership framework. The entire sample as well as the JSE sample referred mostly to the servant leadership principle of *Integrity*. However, the NYSE sample referred mostly to *Employee empowerment and development*. With regard to the least mentioned servant leadership principle, the entire sample as well the sub-samples from the JSE and NYSE, all referred least of all to the principle of *Input and feedback*.

In summary it was clear that in comparison, only *two* out the ten servant leadership principles from the JSE sample are referred to more frequently than those from the

NYSE sample. On the other hand, *eight* out of the ten servant leadership principles referred to in the values statements of the companies listed on the NYSE emerge more frequently than those specific servant leadership principles referred to in the values statements of the JSE sample. Therefore, the values statements from the companies listed on the NYSE exhibit a higher number of the servant leadership principles than those companies which are listed on the JSE.

With regard to the additional key values identified in the values statements of the sample, none were referred to by the majority of the sample, with the most mentioned additional key value being *Results and performance-oriented*, with 42% of the sample referring to this value; and the majority of the remaining additional key values being represented by only 20% or less of the sample. Furthermore, a relatively even spread of the sample, with regard to industry sector, was observed. However, the sectors of Technology, Utilities, and Specialist Securities were not well represented.

From the results of a one-way ANOVA, it was found that the independent variable, namely, which stock exchange the respondent company belongs to, had no relationship with the way in which the values statements of the companies reflected the servant leadership principles. Furthermore, no specific individual servant leadership principle had a relationship with the stock exchange, either JSE or NYSE, on which the sample companies were listed. However, one independent variable, namely, the principle of *Teamwork* displayed a p-value of 0.05, indicating that it was just short of displaying a statically significant difference, as only a p-value of less than 0.05 indicates a statistically significant difference. The results from a one-way ANOVA indicated that the independent variable, namely, which stock exchange the sample consisted of, did indeed have a relationship with the way in which the values statements of the companies reflected the additional key values, as a p-value of 0.01 was displayed. Furthermore, the results obtained from a t-test indicated that only one of the independent variables, *Safety*, has a relationship with which stock exchange the sample consisted of. Furthermore, two independent variables, namely the principles of *Transparency* and *Responsibility*, displayed a p-value of 0.05, indicating that both were just short of displaying a statically significant difference at the chosen confidence level of 5%. None of the remaining 28 independent variables displayed a relationship with which stock exchange the sample consisted of.

The qualitative analysis of the vision and mission statements revealed that very few servant leadership principles were referred to in each of these statements. Overall, the entire sample referred primarily to the servant leadership principles of *service to others*; *employee empowerment* and *concern for all stakeholders*. The remaining servant leadership principles of *integrity*; *listening*, *trust*, *respect*; *moral and ethical behaviour* and *teamwork* were occasionally referred to, however no reference was made to the principle of *input and feedback* in these statements.

Looking at an overview and comparison of the number of servant leadership principles referred to in the vision and mission statements of the sample from the JSE and the sample from the NYSE, it was thus seen that, overall, the ten servant leadership principles are present more frequently in the *vision* and *mission statements* of the sample from the JSE, when compared to the sample from the NYSE. However, this was in contrast with the previous finding that the majority of the ten servant leadership principles referred to in the *values statements* of the companies listed on the NYSE, emerge more frequently than those specific servant leadership principles referred to in the values statements of the JSE sample. In summary, it was found that; overall, the ten servant leadership principles were presented more frequently in the values statements of both samples, when compared to their presence in the *vision* and *mission statements*.

This highlights the importance of the corporate philosophies of companies, as they not only communicate the intention of the company, but also the values which underpin its interactions with its stakeholders. Furthermore, these statements of vision, mission and values, do indeed represent the leadership principles incorporated into the company structure. Therefore, it can be concluded that servant leadership principles are indeed present in the corporate philosophies of companies listed on both the JSE and the NYSE. However, these principles are present in varying degrees, and therefore it cannot be stated that all of the companies on either stock exchange definitely implement *servant leadership*, but it can be stated that these principles are definitely present in their corporate philosophies, and are displayed more frequently in the corporate philosophies of companies listed on the NYSE.

Consequently, as the values which comprise the proposed framework of servant leadership principles appear more frequently, which indicates that the framework developed to investigate servant leadership principles can be extended and used to determine whether an organisation in general, implements these principles.

6.4 LIMITATIONS OF THE STUDY AND SUGGESTIONS FOR FUTURE RESEARCH

The main limitations of this study relate to the corporate philosophies of companies. For the purposes of this study only those corporate philosophies which are available on the websites of the companies were considered. However, not every company has a website, and therefore not all companies had an equal chance of being included in the sample. In addition, the companies with websites did not all have their corporate philosophies listed on the website. Some companies that were considered did not have all three of the statements that were initially required for this study. To be selected for this study, companies were required to have either a vision or mission statement accompanying the values statement.

Furthermore, corporate philosophies are intended to be a reflection of the intention and values that guide the company's interactions with its stakeholders, however, as these are written statements- it cannot be proven as to whether the principles displayed in these corporate philosophies actually transcend into the day-to-day interactions of company management and employees.

Considering these limitations, there are many aspects that have not been investigated and that may warrant research in the future. These include:

- As servant leadership principles are present in the value statements of companies a more comprehensive quantitative study can be undertaken. Interviews with top management can be arranged in order to determine the leadership that is implemented in the organisation, and whether or not servant leadership principles are apparent.

- Interviews with the leaders of the same companies can be arranged to determine whether these principles are actually followed in the day-to-day activities of management and employee interactions.
- Subsequently, the results of the above study could be compared with the results of this study in order to determine the congruency of the results, as this study is more theoretical in nature and the other more interactive in nature.
- Studies could be performed to determine what strategies these or other companies implement in order to achieve their vision and mission, and how they plan on achieving these goals, while simultaneously abiding by their values.

6.5 RESEARCH QUESTIONS ANSWERED AND PRIMARY OBJECTIVE MET

6.5.1 The research questions which were identified and answered in this study

(a) What is servant leadership?

This study investigated various definitions and theories on servant leadership, and it was found that servant leadership is an extension of transformational leadership. It integrates both serving and leading and has a strong focus on ethical and moral behaviour. Daft (2005:230) defines servant leadership as “*leadership in which the leader transcends self-interest to serve the needs of others, help others grow, and provide opportunities for others to gain materially and emotionally*”. Furthermore, Du Brin (2004:106) notes that servant leaders serve others by helping them to achieve their personal goals as well as organisational goals, not the goals of the leader themselves. Servant leaders have a natural commitment towards serving others, including employees, the community and customers. As such, servant leaders are moral leaders. In addition Zohar (1997:146), states that servant leaders create significant changes in their organisation, and develop a revolutionary vision with which they possess the ability to motivate and encourage others to commit themselves to this vision.

The term “Servant Leadership” was coined by Robert K. Greenleaf in an essay entitled *The Servant as Leader*, which was published in 1970. In that essay, he described a person to be a servant leader if they have the natural desire to serve first, and to lead second. The concept of servant leadership was further explored in his second major essay, titled, *The Institution as Servant* (Greenleaf 1970). Through the work of Greenleaf, organisations began to realise that autocratic leadership had become outdated, so Greenleaf’s work began rise in popularity.

(b) *What are the corporate philosophies of companies?*

Corporate philosophies include vision, mission and values, and are reflected by the strategy and the organisational culture. Daft (2005:513) defines organisational *vision* as “*an attractive, ideal future that is credible yet not readily attainable*”. However, Daft (2005:513) further notes that a vision is not only a dream, but an ambitious, yet realistic view for the future, in which all organisational members can believe in and strive towards. In addition, Rekate (2002) notes that a vision has certain qualities. Notably, visions are clear, simple, concrete and easy to communicate. Additional qualities include the power to inspire and motivate and that it is a shift towards an attainable successful future.

Gill (2006:110) states that in order for a vision to be effective it must be constructed by members across organisational levels, and must also be clearly communicated to and understood by all members of the organisation

Daft (2005:524) defines a *mission* as “*the organisation’s core broad purpose and reason for existence*”. Unlike the vision, which changes continually, the mission statement remains unchanged and during times of change it steers strategic decisions with regard to the future. Gill (2006:118) also notes that a mission incorporates the organisation’s key purpose, and also adds that it includes how an organisation distinguishes itself from other organisations, and includes the products or services it aims to provide, and the markets which the organisation intends to serve.

Furthermore, a clear mission statement can assist in the maintenance of a clear focus on the goals and objectives of the organisation. As with a vision, the success of a

mission statement is reliant on the extent to which it is implemented, in terms of communication to stakeholders, repetition, and continual monitoring of employee understanding and commitment (Velcoff and Ferrari 2006).

Daft (2005:133) defines *values* as the set of basic principles and beliefs that individuals consider to be of great importance, and further note that values remain moderately stable over time and have an impact on an individual's attitudes, and the manner in which they behave. In addition, Gill (2006:135) provide a more technical definition of values, and describe them as "*latent constructs involved in evaluating activities or outcomes*".

Avery (2004:102-103) notes that within an organisational context, three types of values can be identified, namely: personal values; values which are shared with other people; and organisational values. Every member of an organisation has personal values. Personal values can prove to be a challenge for leaders, as they try to direct these numerous individual values to achieving organisational objectives. However, a method to unite and combine personal values is through the development of shared values. Shared values result in an increase in employee performance and the development of positive attitudes of employees towards their work. The alignment of personal and shared values with organisational values can be beneficial for leadership, in the sense that in order for the leader's vision and values to have an affect on employees, these values need to be compatible with the employees' existing values.

(c) *What are the principles of servant leadership?*

This study identified the key characteristics and principles of servant leadership, as described by various authors. The aim being to develop a framework containing the key principles of servant leadership. These authors included: Page and Wong (2001); Spears (2004); Daft (2005); Waddell (2006); Van Wyk (2007); and Mayer, Bardes and Piccolo (2008). From this theoretical overview of the various opinions of these authors' characteristics and attributes of servant leadership, it was possible for the researcher to identify common principles of servant leadership. This led to the development of these principles into a framework which would subsequently be used to analyse the annual financial statements of companies in order to establish whether

these companies have adopted the concept of servant leadership. The characteristics associated with servant leadership as identified from the literature overview, and whether or not the various authors agreed with these characteristics were presented in table format. The characteristics which were supported by three or more authors featured in the framework. Through this process, it became clear that ten attributes or characteristics can be used to determine whether servant leadership is evident in the corporate philosophies of companies, namely: Service to others; Employee empowerment and development; Trust; Listening; Respect; Ethical and moral behaviour; Teamwork; Concern for all stakeholders; Input and feedback; and Integrity. These ten servant leadership principles formed the basis upon which the corporate philosophies of the sample for this study were analysed.

(d) Is there a link between corporate philosophies, organisational culture, strategy, and leadership?

The results of this study indicate that there is a definite relationship that exists between servant leadership (as an extension of transformational leadership), and corporate culture. Servant leadership deals primarily with questions relating to values and identity, which form the central elements of corporate culture.

Daft (2005:541) notes that leaders are responsible for the development of organisational direction by means of a clear and concise vision and strategy. Additionally, leaders are responsible for studying the organisation's environment, considering how changes in this environment in the future would affect the organisation, and establishing a direction that every organisational member can commit to and believe in. Leaders in particular formulate and live out values that can help employees to achieve the organisation's mission, vision, and goals (Daft 2005:564). Furthermore, leaders demonstrate a set of values that will assist in the success of the organisation, and in addition, an organisation's culture is often a reflection of the values displayed by the leader. The mission, vision and value statements of organisations form the foundation upon which a company develops its corporate strategy. Furthermore, these statements communicate the organisation's goals and visions for the future not only to employees, but to all stakeholders. The values expressed in these statements further communicate the moral standing of the

organisation, and convey what values are important to management, and subsequently how the leaders of the organisation expect employees to behave (Velcoff & Ferrari 2006).

Wibbeke (2009:30) highlights several ways that culture influences leadership. Firstly, culture shapes the ideal image of a specific organisation, as differing culture groups vary in their conceptions of what makes an effective leader. Secondly, culture influences the personality traits and work values of organisational members. As personality is the outcome of a lifelong interaction between an individual and their environment, this results in the differences in behaviour which can be observed among individuals who have grown up in different cultures. Thirdly, culture determines the pattern of leadership behaviour in an organisation, as cultural values and norms influence the attitudes and behaviours of leaders in ways which they are often unaware of. Lastly, cultural values are a reflection of societal norms in relationships between individuals. These norms specify acceptable leadership behaviour. In addition, House *et al* (2004:19) state that the differentiating values and practices of each culture across organisations give an indication of leader characteristics and behaviour. In essence, the corporate philosophies and culture of an organisation, as represented by the organisation's vision and mission statements and core values will reflect upon the type of leadership employed in the organisation.

Furthermore, the vision, mission and values of an organisation serve as the basis for strategic planning (Nicodim *et al* 2008). However, strategy itself plays the role of interpreting an organisation's corporate philosophies and putting them into action. Strategy is driven by strategic objectives, which are a reflection of the organisation's corporate philosophies and also by strategic analysis. Additionally, strategy, the formulation, planning and management thereof are roles which are to be carried out by the leader (Daft 2005:528).

It is clear that the leader is responsible for the development of the corporate philosophies as well as strategy. Corporate philosophies include vision, mission and values, and are reflected by the strategy and the organisational culture. Organisational culture is in turn reflected in leadership.

As a result, the corporate philosophies of companies can therefore reveal aspects of leadership employed in the organisation. Corporate philosophies were thus used as the main source of data for this study.

(e) *Are the principles of servant leadership present in the corporate philosophies of companies, and to what extent?*

From the statistical analysis of the values statements of the sample, it was found that the majority of the sample as a whole displays at least *five* out of the ten servant leadership principles with the majority of the JSE sample also displaying *five* out of the ten servant leadership principles identified in the servant leadership framework. Notably the sample from the NYSE displayed *seven* out of the ten servant leadership principles identified in the servant leadership framework. The entire sample as well as the JSE sample referred mostly to the servant leadership principle of *Integrity*. However, the NYSE sample referred mostly to *Employee empowerment and development*. With regard to the least mentioned servant leadership principle, the entire sample as well the sub-samples from the JSE and NYSE, all referred least of all to the principle of *Input and feedback*.

In summary it was clear that in comparison, only *two* out the ten servant leadership principles from the JSE sample are referred to more frequently than those from the NYSE sample. On the other hand, *eight* out of the ten servant leadership principles referred to in the values statements of the companies listed on the NYSE emerge more frequently than those specific servant leadership principles referred to in the values statements of the JSE sample. Therefore, the values statements from the companies listed on the NYSE exhibit a higher number of the servant leadership principles than those companies which are listed on the JSE.

With regard to the additional key values identified in the values statements of the sample, none were referred to by the majority of the sample, with the most mentioned additional key value being *Results and performance-oriented*, with 42% of the sample referring to this value; and the majority of the remaining additional key values being represented by only 20% or less of the sample. Furthermore, a relatively even spread

of the sample, with regard to industry sector, was observed. However, the sectors of Technology, Utilities, and Specialist Securities were not well represented.

From the results of a one-way ANOVA, it was found that the independent variable, namely, which stock exchange the respondent company belongs to, had no relationship with the way in which the values statements of the companies reflected the servant leadership principles. Furthermore, no specific individual servant leadership principle had a relationship with the stock exchange, either JSE or NYSE, on which the sample companies were listed. However, one independent variable, namely, the principle of *Teamwork* displayed a p-value of 0.05, indicating that it was just short of displaying a statically significant difference at the chosen confidence level of 5%. The results from a one-way ANOVA indicated that the independent variable, namely, which stock exchange the sample consisted of, did indeed have a relationship with the way in which the values statements of the companies reflected the additional key values, as a p-value of 0.01 was displayed. Furthermore, the results obtained from a t-test indicated that only one of the independent variables, namely, *Safety* has a relationship with which stock exchange the sample consisted of. Furthermore, two independent variables, namely the principles of *Transparency* and *Responsibility*, displayed a p-value of 0.05, indicating that both were just short of displaying a statically significant difference at the chosen confidence level of 5%. None of the remaining 28 independent variables displayed a relationship with which stock exchange the sample consisted of.

The qualitative analysis of the vision and mission statements revealed that very few servant leadership principles were referred to in each of these statements. Overall, the entire sample referred primarily to the servant leadership principles of *service to others*; *employee empowerment* and *concern for all stakeholders*. The remaining servant leadership principles of *integrity*; *listening*, *trust*, *respect*; *moral and ethical behaviour* and *teamwork* were occasionally referred to, however no reference was made to the principle of *input and feedback* in these statements.

Looking at an overview and comparison of the number of servant leadership principles referred to in the vision and mission statements of the sample from the JSE and the sample from the NYSE, it was thus seen that, overall, the ten servant

leadership principles are present more frequently in the *vision* and *mission statements* of the sample from the JSE, when compared to the sample from the NYSE. However, this was in contrast with the previous finding that the majority of the ten servant leadership principles referred to in the *values statements* of the companies listed on the NYSE, emerge more frequently than those specific servant leadership principles referred to in the values statements of the JSE sample. In summary, it was found that; overall, the ten servant leadership principles were presented more frequently in the values statements of both samples, when compared to their presence in the *vision* and *mission statements*.

6.5.2 The primary objective which was identified and met by this study

The primary objective of this study was to investigate the corporate philosophies of companies to ascertain whether they contain servant leadership principles and to what extent these companies utilise these principles. This study indeed investigated the corporate philosophies of companies and in more particular their value statements, missions and visions. It was found that these statements of vision, mission and values, do indeed represent the leadership incorporated into the company structure. Therefore, it can be concluded that servant leadership principles are indeed present in the corporate philosophies of companies listed on both the JSE and the NYSE. However, these principles are present in varying degrees, and therefore it cannot be stated that either of the companies on either stock exchange definitely implement *servant leadership*, but it can be stated that these principles are definitely present in their corporate philosophies, and are displayed more frequently in the corporate philosophies of companies listed on the NYSE.

Consequently, as the values which comprise the proposed framework of servant leadership principles appear more frequently, which indicates that the framework developed to investigate servant leadership principles can be extended and used to determine whether an organisation in general, implements these principles.

This highlights the importance of the corporate philosophies of companies, as they not only communicate the intention of the company, but also the values which underpin its interactions with its stakeholders. Furthermore, these statements of vision, mission

and values, do indeed represent the leadership incorporated into the company structure. Therefore, it can be concluded that servant leadership is indeed present in the corporate philosophies of companies listed on both the JSE and the NYSE. However, these principles are present in varying degrees, and therefore it cannot be stated that either of the companies on either stock exchange definitely implement *servant leadership*, but it can be stated that these principles are definitely present in their corporate philosophies, and are displayed more frequently in the corporate philosophies of companies listed on the NYSE.

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ANNEXURE A:**TOP COMPANIES LISTED ON THE JSE AND NYSE****(a) Top 200 companies listed on the JSE**

- 1 African Dawn Capital
- 2 Howden Africa Holdings
- 3 Basil Read Holdings
- 4 Southern Electricity Company
- 5 Highveld Steel & Vanadium
- 6 The York Timber Organisation
- 7 Convergenet Holdings
- 8 Stella Vista Technologies
- 9 ISA Holdings
- 10 Cadiz Holdings
- 11 Queensgate Hotel & Leisure
- 12 Metrofile Holdings
- 13 Alliance Mining Corp
- 14 Dynamic Cables RSA
- 15 Hosken Consolidated Invest
- 16 Digicore Holdings
- 17 Dorbyl
- 18 Cenmag Holdings
- 19 Eureka Industrial
- 20 Wooltru
- 21 Grindrod
- 22 Simmer & Jack Mines
- 23 Onelogix Group
- 24 Lonrho Plc
- 25 Assore
- 26 Foneworx Holdings
- 27 Pinnacle Technology Holdings
- 28 Woolworths Holdings
- 29 Coal of Africa

30	Buildmax
31	Wilson Bayly Holmes-Ovcon
32	Sovereign Food Investments
33	Famous Brands
34	New Africa Investments
35	Sentula Mining
36	Hwange Colliery Company
37	PSG Group
38	Capitec Bank Holdings
39	Shoprite Holdings
40	Petmin
41	Monyetla Property Fund
42	Cape Empowerment Trust
43	Pinnacle Point Group
44	S & J Land Holdings
45	Premium Properties
46	AdvTech
47	Sasfin Holdings
48	Element1
49	African Media Entertainment
50	Colliers SA Holdings
51	The Don Group
52	Zambia Copper Investments
53	Brimstone Investment Corp
54	Distribution & Warehousing
55	Octodec Investments
56	ArcelorMittal SA
57	Command Holdings
58	Conduit Capital
59	Hyprop Investments
60	Phumelela Gaming & Leisure
61	African Bank Investments
62	Peregrine Holdings
63	Astral Foods

64	Merchant & Ind Prop
65	Aquarius Platinum
66	Resilient Property Income Fund
67	Truworths International
68	KWV Beleggings
69	Invicta Holdings
70	Group Five
71	Distell Group
72	Aflease Gold
73	Naspers
74	Northam Platinum
75	Mr Price Group
76	Aveng
77	The Spar Group
78	MTN Group
79	Murray & Roberts Holdings
80	Emergent Properties
81	Tongaat Hulett
82	Illovo Sugar
83	EOH Holdings
84	SABVest
85	Rainbow Chicken
86	Hudaco Industries
87	Capital Property Fund
88	Gold Reef Resorts
89	Ambit Properties
90	Sun International
91	Paracon Holdings
92	Sasol
93	Growthpoint Properties
94	Remgro
95	Zurich Insurance Company SA
96	Cargo Carriers
97	Tiger Brands

98	BHP Billiton Plc
99	Massmart Holdings
100	Pretoria Portland Cement Co
101	Sable Holdings
102	City Lodge Hotels
103	Real Africa Holdings
104	Set Point Technology Holdings
105	Kumba Iron Ore
106	Absa Group
107	Control Instruments Group
108	Reunert
109	Redefine Income Fund
110	Foschini
111	Cashbuild
112	Bonatla Property Holdings
113	Blue Financial Services
114	Kagiso Media
115	Barloworld
116	Rex Trueform Clothing Company
117	Comair
118	Aspen Pharmacare Holdings
119	Argent Industrial
120	Wesco Investments
121	Pangbourne Properties
122	Emira Property Fund
123	Kairos Industrial Holdings
124	Metropolitan Holdings
125	Acucap Properties
126	Village Main Reef Gold Min
127	M Cubed Holdings
128	Santam
129	Adcorp Holdings
130	Crookes Brothers
131	Fountainhead Property Trust

132	Spanjaard
133	Brait SA
134	African & Overseas Enterprises
135	Vukile Property Fund
136	Adaptit Holdings
137	African Rainbow Minerals
138	Compagnie Fin Richemont
139	Sycom Property Fund
140	Venter Leisure & Comm Trailers
141	Excellerate Holdings
142	RMB Holdings
143	SABMiller Plc
144	Datacentrix Holdings
145	Value Group
146	AVI
147	The Bidvest Group
148	Barnard Jacobs Mellet Holdings
149	Ingenuity Property Investments
150	Spur Corp
151	Standard Bank Group
152	Allied Electronics Corp
153	ApexHi Properties
154	Mutual & Federal Insurance
155	Impala Platinum Holdings
156	Omnia Holdings
157	FirstRand
158	New Clicks Holdings
159	Exxaro Resources
160	Pick n Pay Stores
161	Combined Motor Holdings
162	Primeserv Group
163	Anglo Platinum
164	Jasco Electronics Holdings
165	Sanlam

166	Medi-Clinic Corp
167	Discovery Holdings
168	Silverbridge Holdings
169	KAP International Holdings
170	Telkom SA
171	ELB Group
172	Micromega Holdings
173	Pick n Pay Holdings
174	Investec
175	Italtile
176	Oando Plc
177	Metmar
178	Investec Plc
179	Corvus Capital (SA) Holdings
180	Allied Technologies
181	Trencor
182	Compu Clearing Outsourcing
183	Coronation Fund Managers
184	Nedbank Group
185	Netcare
186	Masonite (Africa)
187	Mercantile Bank Holdings
188	Steinhoff International Holdings
189	Bell Equipment
190	UCS Group
191	Sacoil Holdings
192	Indequity Group
193	African Oxygen
194	Fairvest Property Holdings
195	Caxton CTP Pub & Printers
196	Anglo American Plc
197	SA Corp Real Estate Fund
198	AECI
199	Mobile Industries

200 Afgri

(b) Top 100 companies listed on the NYSE

- 1 Citigroup
- 2 Bank of America Corp.
- 3 General Electric
- 4 Alcoa, Inc.
- 5 Exxon Mobil Corp.
- 6 Jpmorgan Chase & CO.
- 7 Wells Fargo & CO.
- 8 Ambac Financial Grp., Inc.
- 9 Goldman Sachs Grp., Inc.
- 10 Pfizer
- 11 Home Depot
- 12 AT & T
- 13 Ford Motor CO. (DE)
- 14 American International Grp.
- 15 Freeport-Mcmoran Copper & Gold Inc.
- 16 International Business Machines Corp.
- 17 Johnson and Johnson
- 18 Conocophillips
- 19 Vale S. A.
- 20 Procter & Gamble CO.
- 21 Wal-Mart Stores, Inc.
- 22 Las Vegas Sands Corp
- 23 Avon Products, Inc.
- 24 Schlumberger Ltd. (Netherlands Antilles)
- 25 Petroleo Brasileiro S.A.

26	Potash of Saskatchewan Inc.
27	Chevron Corp.
28	United States Steel Corp.
29	Mgm Mirage
30	VerizonCommunications
31	Monsanto CO.
32	American Express CO.
33	Caterpillar Inc.
34	Xto Energy, Inc.
35	Lowes Companies
36	Emc (MA)
37	Merck & CO,
38	Hewlett-Packard
39	Morgan Stanley
40	Transocean Ltd (Switzerland) Common Stock
41	Coca-Cola CO (The)
42	Boston Scientific Corp.
43	Baxter International Inc.
44	Disney (Walt) CO. (The)
45	Massey Energy CO.
46	Mcdonalds Corp
47	Chesapeake Energy Corp.
48	Eog Resources, Inc.
49	Enterprise Products Partners L.P.
50	U.S. Bancorp (DE)
51	Occidental Petroleum Corp
52	Nokia Corp.
53	Pnc Financial Services Grp. (The)
54	Wellpoint

55	Barrick Gold Corp.
56	Abbott Laboratories
57	Boeing CO. (The)
58	Unitedhealth Grp.
59	3M
60	Pepsico Inc.
61	CF Industries Holdings
62	Sprint Nextel Corp
63	Target Corp
64	Bristol-Myers Squibb CO.
65	United Technologies Corp.
66	Petrohawk Energy Corp
67	Regions Financial Corp
68	Kraft Foods, Inc.
69	United Parcel Service
70	Cvs Caremark Corp.
71	Suncor Energy Inc.
72	Texas Instruments Inc.
73	Simon Property Grp., Inc.
74	Newmont Mining (Holding CO.)
75	Western Digital Corp.
76	Itt Educational Services, Inc.
77	Yum! Brands, Inc.
78	Union Pacific Corp
79	Cliffs Natural Resources, Inc.
80	Halliburton Company
81	Csx Corp.
82	Tjx Companies, Inc.
83	Valero Energy Corp.

84	Mosaic CO (The)
85	National Oilwell Varco
86	Visa Inc. Visa Inc.
87	Best Buy
88	General Mills, Inc.
89	State Street Corp.
90	XL Capital Ltd.
91	Keycorp
92	Southwestern Energy Company
93	Berkshire Hathaway Inc.
94	Franklin Resources Inc.
95	Kohls Corp.
96	Philip Morris International Common Stock
97	Goldcorp
98	Hartford Financial Services Grp. Inc.
99	DU Pont (E.I.)
100	Devry Inc.

ANNEXURE B:**COMPANIES CHOSEN FROM THE JSE AND NYSE**

(a) The 50 companies chosen from the list of the top 200 companies listed on the JSE

- 1 Basil Read Holdings
- 2 The York Timber Organisation
- 3 Pinnacle Technology Holdings
- 4 Woolworths Holdings
- 5 Hwange Colliery Company
- 6 Group Five
- 7 Distell Group
- 8 Mr Price Group
- 9 Aveng
- 10 MTN Group
- 11 EOH Holdings
- 12 Hudaco Industries
- 13 Sasol
- 14 Growthpoint Properties
- 15 BHP Billiton Plc
- 16 Massmart Holdings
- 17 City Lodge Hotels
- 18 Kumba Iron Ore
- 19 Absa Group
- 20 Reunert
- 21 Foschini
- 22 Cashbuild
- 23 Blue Financial Services
- 24 Vukile Property Fund
- 25 Standard Bank Group
- 26 Mutual & Federal Insurance
- 27 Allied Electronics Corp
- 28 Impala Platinum Holdings

29	Omnia Holdings
30	Pick n Pay Stores
31	Anglo Platinum
32	Jasco Electronics Holdings
33	Sanlam
34	Medi-Clinic Corp
35	Discovery Holdings
36	Telkom SA
37	Oando Plc
38	Netcare
39	African Oxygen
40	Anglo American Plc
41	Truworths International
42	Naspers
43	Santam
44	Adaptit Holdings
45	Metropolitan Holdings
46	New Clicks Holdings
47	Pretoria Portland Cement Co
48	Cadiz Holdings
49	Bonatla Property Holdings
50	Brait SA

(b) The 50 companies chosen from the list of the top 100 companies listed on the NYSE

1	Bank of America Corp
2	Pfizer
3	Alcoa, Inc
4	Exxon Mobil Corp
5	Jpmorgan Chase & CO
6	Wells Fargo & CO.
7	Conocophillips
8	Vale S. A.

- 9 Procter and & Gamble CO.
- 10 Wal-Mart Stores, Inc
- 11 Avon Products, Inc.
- 12 Schlumberger Ltd. (Netherlands Antilles)
- 13 Potash of Saskatchewan Inc.
- 14 Chevron Corp
- 15 Monsanto CO.
- 16 Caterpillar Inc.
- 17 Transocean Ltd (Switzerland) Common Stock
- 18 Coca-Cola CO (The)
- 19 Massey Energy CO.
- 20 Nokia Corp.
- 21 Wellpoint
- 22 Barrick Gold Corp.
- 23 Boeing CO. (The)
- 24 Unitedhealth Grp
- 25 Pepsico Inc.
- 26 CF Industries Holdings
- 27 Bristol-Myers Squibb CO.
- 28 Cvs Caremark Corp.
- 29 Newmont Mining (Holding CO.)
- 30 Union Pacific Corp
- 31 Goldman Sachs Grp., Inc.
- 32 Johnson & Johnson
- 33 Home Depot
- 34 American Express CO.
- 35 Merck & CO.
- 36 Cliffs Natural Resources, Inc.
- 37 Csx Corp.
- 38 General Mills, Inc.
- 39 XL Capital Ltd
- 40 Franklin Resources, Inc.
- 41 Devry Inc.
- 42 DU Pont (E.I.)

- 43 Hartford Financial Services Grp. Inc.
- 44 United States Steel Corp
- 45 Pnc Financial Services Grp. (The)
- 46 Kraft Foods, Inc
- 47 Regions Financial Corp
- 48 Target Corp
- 49 Mosaic CO (The)
- 50 Occidental Petroleum Corp

ANNEXURE C:**CODES ASSIGNED TO EACH SERVANT LEADERSHIP PRINCIPLE**

Code	Servant Leadership Principle
VSL1	Service to others
VSL2	Employee empowerment and development
VSL3	Trust
VSL4	Listening
VSL5	Respect
VSL6	Ethical/moral behaviour
VSL7	Teamwork
VSL8	Concern for all stakeholders
VSL9	Input and feedback
VSL10	Integrity

ANNEXURE D:**CODES ASSIGNED TO EACH ADDITIONAL KEY VALUE**

Code	Additional Key value
ADKV1	Professionalism
ADKV2	Accountability
ADKV3	Fairness
ADKV4	Transparency
ADKV5	Responsibility
ADKV6	Enthusiasm/Passion
ADKV7	Creativity
ADKV8	Value
ADKV9	Safety
ADKV10	Results/Performance oriented
ADKV11	Loyalty
ADKV12	Commitment
ADKV13	Continuous improvement
ADKV14	Innovation
ADKV15	Responsive to change
ADKV16	Sense of ownership
ADKV17	Entrepreneurial spirit
ADKV18	Partnership structure
ADKV19	Foresight
ADKV20	Guidance
ADKV21	Shareholder returns
ADKV22	Transformation/diversity
ADKV23	Decentralised decision-making
ADKV24	Stewardship
ADKV25	Caring
ADKV26	Leadership
ADKV27	Pride
ADKV28	Confidence
ADKV29	Prudence
ADKV30	Humility
ADKV31	Pleasant working environment

ANNEXURE E:**CODES ASSIGNED TO EACH INDUSTRY SECTOR**

Code	Industry Sector
IS1	Oil & Gas
IS2	Basic Materials
IS3	Industrials
IS4	Consumer Goods
IS5	Health Care
IS6	Consumer Services
IS7	Telecommunications
IS8	Financials
IS9	Technology
IS10	Utilities
IS11	Specialist Securities