SERVANT LEADERSHIP IN MULTINATIONAL CORPORATIONS: A GLOBAL MANAGEMENT PERSPECTIVE

Dr. Oris Gullaume, DBA
Adjunct Professor of Business and Management
Saint Leo University
oris.gullaume@saintleo.edu

Dr. Ike Udechukwu, DBA
Lead Faculty in Management
Columbia Southern University
Ike.Udechukwu@columbiasouthern

Dr. Dorothy J. Williams, Ed. D.
Adjunct Professor of Business Communication
Argosy University
djwilliams@argosy.edu
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**Abstract**

The world in which we live seems to be growing smaller – places and societies once viewed as distant are now just hours away. In every aspect of our lives, we are bombarded with new ideas, new concepts, and new ways to view old problems. Leaders are constantly faced with the issue of how to increase productivity, whether on a national or multinational level. Different approaches such as training, rewards, and coercion, are used. In addition, leaders must find ways to motivate and inspire employees towards achieving success in the workplace. This paper will reflect on servant leadership from an international management perspective. Global competition has forced businesses to change how they manage at home and abroad. The increasing rate of change, technological advances, shorter product life cycles, and high-speed communications are all factors that contribute to these changes. The aim of this paper is to discuss the value of a potential global servant leader in multinational corporations.
Introduction

The purpose of this paper is to reflect on how Servant Leadership might impact Multinational Corporations within a Global Management Perspective. According to Deng and Gibson (2008), we are living in a century where the era of globalization of the world economy is partly focused on leadership. The new management approach focuses on establishing a new communication system that features a high level of employee involvement. Leaders need to develop a global mindset, develop a self-authored identity, while developing an adaptive worldview. Story (2011) states that these features are challenging as developmental activities.

Management values are constantly evolving. Managers must now have a vision and be able to communicate the vision to everyone in the firm. In the twenty-first century, leaders in organizations, governments, and many professions face a phenomenon called “globalization” (Moran, Harris, & Moran, 2007). Hill defines globalization as, "The shift toward a more integrated and interdependent world economy" (2009, p. 7). He further indicates that, from a market standpoint, historically distinct and separate national markets are being replaced by barrier free trade that diminishes or eliminates distinctions based on nationality.

The range of problems confronted in an international business setting is broader, while the problems are more complex than those in a domestic business setting (Hill, 2009). Research indicates that the range of problems faced by managers is greater and more complex in an international sphere. For example, corruption is one complex issue associated with international business.

Many countries have become increasingly concerned with the subject of corruption, and managers today must deal with changes in ethical norms and laws. New laws and international agreements seek to create a worldwide shift towards the reduction of corruption. Servant leadership could be a panacea because it seeks to serve the interests and parties involved in an exchange relationship and transaction, rather than the self-interested private gains associates with complex international business transactions.

Background
Understanding Servant Leadership from a global perspective

The term servant leadership originated from an essay entitled “The Servant as Leader” written in 1970 by Robert Greenleaf (Spears, 2004). Greenleaf created this theory soon after reading Hermann Hesse’s fictional novel “Journey to the East” (Spears). This fictional book chronicles the journey of a group searching for spirituality (Spears). Greenleaf (1977) defined servant leadership as:

The natural feeling that one wants to serve, to serve first, then conscious choice brings one to spire to lead. The difference manifest itself in the care taken by the servant first to make sure that other people’s highest priority needs are being served. (p.8)

Leaders who consider themselves servant leaders take a transformational approach to leadership. Spear lists the following characteristics that make a servant leader: listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people, and building community. The possession of these characteristics allows the servant leader to lead others by serving them and the community. Servant leaders ensure that the needs of others are their highest priority.

These leaders also communicate a moral and ethical vision (Savage-Austin & Honeycutt, 2011). The servant leader serves the people they lead, which imply that employees are an end in themselves rather than a means to an organizational purpose or bottom line. Servant leadership is meant to replace command and control models of leadership, while being more focused on the needs of others (Greenleaf, 1977). Story (2011) reveals that the literature on global leadership provides many articles that state traits, characteristics, and attitudes of successful global leaders, one of which may not be servant leadership. Robinson & Harvey (2008) asserted that leaders are exposed to many complex challenges, and what we know about leadership theory and development may no longer be effective in this global context or global environment. Barbuto and Wheeler (2006) found that the servant leader’s behavior moves beyond transforming leadership with the objective of aligning the leaders and followers motives.

International and Global Management can be considered from the perspective of the different functions of the organization: marketing, operations (often called production), human resources, finance, other support activities like research, development, and legal issues (Hill, 2009). In any event, it is important that global managers understand these and many other international institutions because they could have an impact on their decision making - perhaps directly through negotiations and certainly indirectly through decisions taken by other international organizations. For some managers, the impact of other global institutions or host country governments may be more direct. There may be a need to negotiate directly with an individual host nation organization; it may be over a tax issue or a proposed acquisition. Bargaining between companies and countries then becomes a major issue. Hill asserts that to be
successful, you have to be able to conform and adapt to the value system and norms of the host country. One way of gaining knowledge of the local culture is to hire local citizens. Developing a cadre of cosmopolitan managers who have been exposed to different cultures can also be helpful. Servant leadership may allow for this broad view of leadership, particularly in an international setting where the host nation and their demands should be met. Thus, it is important for international businesses to avoid engaging in any form of ethnocentricity, which servant leadership, by its very characteristics, eschews.

**What are the main risks of a globalization model?**

According to Hill (2009) International managers must consider the following:

1. **Political risk** is the likelihood that political forces will cause drastic changes in a country’s business environment that adversely affects the profit and other goals of a company. Clearly, this type of risk is going to be higher in countries that are in the midst of social unrest or disorder, and its effects can be sudden and dramatic.

2. **Economic risk** is the likelihood that economic mismanagement will cause drastic changes in a country’s business environment that adversely affects the profits and other goals of a company. They might think of the Asian financial crisis and its implications.

3. **Legal risk** is the likelihood that a trading partner will opportunistically break a contract or expropriate property rights. They have already talked about the importance of a strong legal system to make a country an attractive market.

These risks can be pre-empted by a servant leader, because the characteristics of servant leadership encourage collaboration in service of the needs of the host nation. According to North (2004), there are 10 characteristics of a servant leader drawn from Greenleaf’s writing that can serve as traits for a global servant leader:

- **listening** – servant leaders clarified a group by listening receptively to what is being said
- **empathy** – servant leaders strived to understand and empathize with others
- **healing** – servant leaders had the potential for healing self and others
- **awareness** – servant leadership was strengthened by general awareness, and especially self-awareness
- **persuasion** – servant leaders relied upon persuasion, rather than positional authority, in making decisions within an organization
- **conceptualization** – servant leaders sought to nurture their abilities to dream numerous dreams
- **foresight** – servant leaders could foresee the likely outcome of a situation in the future
- **stewardship** – servant leaders’ ultimate commitment was to serve the needs of others
- **commitment to the growth of people** – servant leaders were deeply committed to the personal, professional, and spiritual growth of every individual within the institution
- **building community** – servant leaders sought to identify means of building community among those who work within a given institution
Servant leadership, by its very nature can contribute to a global business environment where collaboration rather than competition may be the norm. It has the potential to do so if the servant leaders see the world stage as a forum to serve others rather than a forum to compete fiercely with others. The model below presents five factors an international leader can undertake in the framework of servant leadership below:

**Factor 1: A servant’s heart (humility & selflessness) – Who we are (Self-identity)**

**Factor 2: Serving and developing others globally – Why we want to lead (Motive)**

**Factor 3: Consulting and involving others globally – How we lead (Method)**

**Factor 4: Inspiring and influencing others globally – What affects we have (Impact)**

**Factor 5: Modeling integrity and authenticity – How others see us (Character)**


From an international environment, this five-factor model of servant leadership captures the essential aspects of servant leadership and provides a useful conceptual framework for practice (Wong, 2002).

**Methodology and approach**

The researchers use a qualitative approach. To develop international, multinational and global business strategies, the researchers used three key questions:

1) Will Servant Leadership enhance global perceptions of global corporations?

2) Can Servant Leadership improve relationships between global corporations and communities in their host nations?

3) Can value be found in managers of global corporations adopting a Servant Leadership approach?
Servant Leadership is an expression of genuine emotion from a leader to create and develop positive trust to followers while encouraging high motivation and strong spirit to followers. In practice, there are five main areas in analyzing international opportunities for servant leaders:

- Customer demand in the main broad geographical areas: market size, growth and history; including special customers such as large multinationals already involved as customers in a particular region. These factors include, but go beyond, the population and wealth issues identified in the film.
- Competitors - local and international companies already in country markets, their market shares and basic facilities; what major competitive advantages do they have?
- International and regional infrastructures: what are the major costs involved in communicating, transporting, and distributing in various parts of the world?
- Country politics and economic trends: some basic considerations only at this stage such as political risk and economic growth; too much to analyze in depth at this stage.
- International trade barriers, tariffs and quotas: are there any major issues here that will support or block the market opportunity?

Discussion

International leaders may experience a range of exciting roles throughout their business interactions in foreign countries. Servant leaders can serve to manage pricing and promotion. Servant leaders can help navigate troubled waters and make inevitable changes less stressful for the employees. In a research study, Romig (2001) showed that thousands of employees have demonstrated practices of servant leadership implemented through leadership training in a business. The findings indicated that the overall performance improved by 15 – 20% and work group productivity by 20 – 50%. This could mean an increase in profitability. According to Wong (2004), based on theoretical analysis, empirical research, and case studies, there is sufficient evidence to suggest that Servant Leaders may indeed qualify as the best leadership style in a domestic or foreign country for all situations for the following reasons as described by Wong (2007):

- Being freed from egotistic concerns, such as insecurity and self-advancement, Type Servant leaders are able to devote their full attention to developing workers and building the organization.
- Servant leaders have a positive view of workers as individuals who are capable of developing their full potentials and becoming leaders, if they are given a supportive and caring work environment.
- Being concerned with individual needs and sensitive to individual differences in personality, servant leaders are able to bring out the best in the workers.
- Being situational leaders, servant leaders recognize situations in which absence of their power actually facilitates self-management and productivity.
• Being good stewards, servant leaders will do whatever necessary and appropriate to maximize leadership effectiveness in all kinds of situations.
• Being worker-centered and growth-oriented, servant leaders can turn ordinary workers into future leaders by developing their strengths.
• Servant leaders serve as an antidote to corruption and abuse in power positions.
• Servant leaders can help reduce burnout and build an emotionally healthy organization. Servant leaders focus on cultivating the intrinsic motivation through inspiring workers to believe in their own growth and embrace the vision and purpose of the organization.
• Servant leaders seem most suitable for the next generation of workers, who are very cynical of authority and demand authenticity from their bosses.
• Servant leaders seem most suitable for knowledge workers, who value independence and creativity.
• Servant leaders recognize that leadership is a group process, which should not be centralized in one or two individuals. Therefore, servant leadership is based on team-building.
• Servant leaders are deeply rooted in humane, spiritual and ethical values.
• Servant leaders represent the most effective and comprehensive approach to human resources management and development.

Managers who adopt a servant leadership approach strive to serve the needs of others, and place the needs of others above the attainment of organizational or individual goals. Servant leaders appear to be driven by core personal values of honesty and integrity, and by their nature; they value humility, equality, and respect for others (Russell, 2001).

Conclusion

As Wong (2007) wrote previously, servant leadership is not new, because it was practiced and taught by Jesus more than 2000 years ago; however, it is new and revolutionary in today’s competitive consumer driven society in a globalized world. Servant leadership is about influence rather than power and control. It is about inspiration rather than position and title. It is about character and caring rather than skills. SL is about creating a climate of love rather than a culture of fear, it focuses on others’ strengths rather than weaknesses, it is about listening rather than giving orders, it is about humility rather than pride, it is about long-range benefits rather than short-term profits, it is about global vision rather than territorial instinct. Servant leadership is about creating new futures rather than maintaining the status quo. From a global perspective, servant leadership seems to offer an answer to recent concerns about corporate scandals, toxic work environment, employee-burnout, and retention problems (Wong, 2007). It is hoped that these attributes of servant leadership will find utility in an increasingly connected global business environment where the needs of multiple stakeholders will be have to be met.
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Authors

1- Dr. Guillaume Oris is currently an Adjunct Professor of Business at Saint Leo University. He has earned a Master in Organizational Leadership from Shorter University and a Doctorate in Business Administration with an emphasis in International Business, from Argosy University. Dr. Guillaume has taught Strategic Management, Ethics, Business Law, International Business, Leadership, in both non-traditional and online college level settings at various universities, past and present at Voorhees College, Argosy University, Shorter University, Columbia Southern University, and Strayer University. He has presented several scholarly papers at academic conferences. He has also served in various executive capacities in for-profit and non-profit organizations.

2- Dr. Ike Udechukwu is a Lead Faculty in Management at Columbia Southern University. He earned his doctorate from Nova Southeastern University in Florida. He teaches courses in International Business, Business ethics, and Strategy at the graduate and undergraduate levels. He is published in several referred journals such as Human Resources Development Review (HRDR), Journal of Applied Management and Entrepreneurship (JAME), Public Personnel Management (PPM), and Journal of Business Studies Quarterly (JBSQ).

3- Dr. Dorothy J. Williams is currently the CEO/Owner of WRITING WITH EASE, LLC located in Atlanta, Georgia and has served as Adjunct Professor of Business Communication at Argosy University, University of Phoenix, and Strayer University.