

The Essentials of Servant Leadership: Principles in Practice

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by Ann McGee-Cooper, Ed. D., Duane Trammell, M.Ed
(revised, 2013 by Matthew Kosec, M.A.)

An organizational and spiritual awakening is currently taking place. More people in the new millennium are seeking deeper meaning in work beyond financial rewards and prestige. The desire to make a difference, to support a worthwhile vision, and to leave the planet better than we found it all contribute to this new urge. At the same time, the sustainability movement is helping raise a new awareness of tremendous waste in our current ways of doing business. Perhaps no greater waste exists than the loss of a true sense of community, human imagination and creativity, shared vision, and empowered teamwork found in many of our organizations—all of which ultimately undermines individual productivity and corporate performance.

We must pay attention to these trends because of the tightening labor market and the new generations—with different values and expectations—moving into our working ranks. If companies want to attract and keep top talent, the old ways of recruiting, rewarding, and leading won't get us there. A different type of leadership is required to succeed in the future.

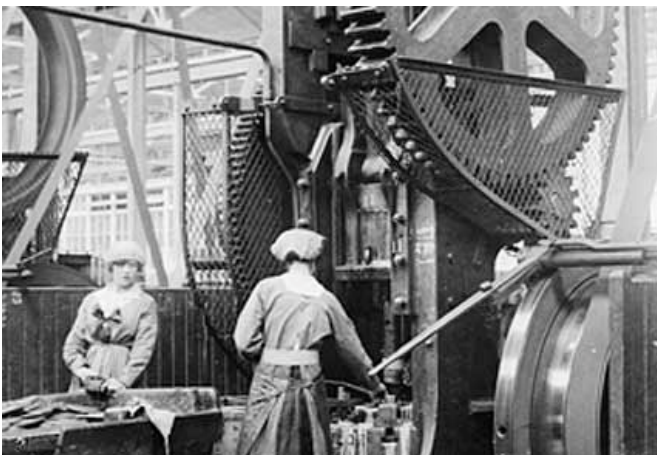
Servant leadership is one new model that has proved successful in a growing number of organizations. Companies ranging from a large airline, a retail store chain, a mechanical/electrical construction and service company to an engineering/construction partnership with a public hospital are experimenting with unprecedented and accelerated changes in whom Employees choose to follow, how they lead, and how they come together to address constant flux. This article includes stories from these workplaces, differentiating servant leadership from traditional, hierarchical leadership models. It also offers suggestions for putting servant leadership principles to work—any time, any place.

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The Roots of Modern Leadership Models

What are the roots of the predominant leadership models of the 20th century? Start with the machine metaphor and managers who believed that people in organizations should operate like cogs in a well-oiled machine. Businesses in the Industrial Revolution sought workers who could complete repetitive tasks in the most efficient way possible. To that end, factories, railroads, mines, and other companies adopted a top-down view of leadership, where those at the top—the “head” of the organization—controlled all the information, made all the decisions. Leaders called those at the bottom of the hierarchy “hired hands,” and rewarded them for conformity and unquestioned obedience. In fact, many viewed any questioning of the boss as insubordination or grounds for dismissal.



Over the last 50 years, our ways of preparing new leaders have stemmed directly from these roots. For the most part, we still employ the terms “manager” and “leader” interchangeably, with no apparent recognition that *things* are managed, but *people* are led. Leadership training in MBA courses continues to rely on a case-study approach, in which students study patterns of how others solved business problems in the past. This process assumes that if you learn enough from successful case studies, you can match your company’s challenges against these templates and superimpose similar solutions.

However, as the pace of change accelerates and the world becomes increasingly complex, many companies must *unlearn* the mindset of basing the future on the past in order to handle emerging problems that are different from anything they’ve faced before.

Instead of breaking issues into parts to understand and control, today’s leaders must learn to step back and involve

others in looking at connections, relationships, systems, and patterns.

As a result, the leader’s role has changed from that of omniscient boss to that of coach. In this new business environment, managers find that they are more successful in accomplishing their goals when they practice the arts of deep listening, persuasion, and trust rather than rely on the exercise of power. Some describe this transformation as turning the pyramid of power upside down. Others have termed this new paradigm “servant leadership.”

A New Kind of Leadership

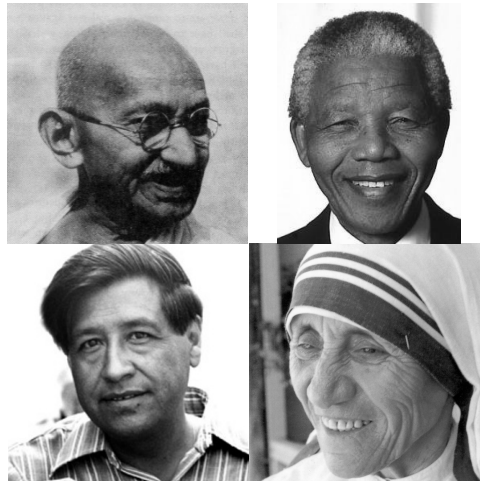
Servant leadership is one model that can help shift traditional notions of leadership and organizations—and prepare companies to face the challenges of an uncertain future. Robert K. Greenleaf, a lifelong student of organizational change, came up with the term “servant leadership” after reading *Journey to the East* by Hermann Hesse. Greenleaf was reading the book as part of his effort to help university leaders deal with the student unrest of the 1960s. In trying to understand the roots of the conflict, Greenleaf put himself in the students’ shoes and began to study what

consumed their interest.

In Hesse’s story, Leo, a cheerful, nurturing servant, supports a group of travelers on a long and difficult journey. His sustaining spirit keeps the group’s purpose clear and morale high until he disappears one day. Soon, the travelers lose heart and disperse. Years later, the storyteller discovers that Leo is the highly respected leader of a spiritual order. The narrator comes to recognize that Leo was important to the survival and shared commitment of the travelers precisely because he served others. From this story, Greenleaf gained insight into a new way to perceive leadership—leading by serving. In Greenleaf’s mind, this approach represented a transformation in the meaning of leadership.

What is servant leadership, as it has evolved from Greenleaf’s early musings? Greenleaf described it in this way: “[Servant leadership] begins with the natural feeling that one wants to serve, to serve *first*. Then conscious choice brings one to aspire to lead. This is sharply different from the person who is *leader first*, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. . . . The

best test for servant leadership is: do those served grow as persons; do they, *while being served*, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society; will they benefit, or at least, will they not be further deprived?” Jesus, Gandhi, Nelson Mandela, Cesar Chavez, and Mother Theresa stand out as compelling examples of this model.



Servant leadership contrasts sharply with common Western ideas of the leader as a stand-alone hero (see “The Heroic Leader Versus the Servant-Leader” on p. 5). Hollywood glamorizes the image of the lone warrior who overcomes tremendous adversity. The movie industry feeds a national—and growing international—public

hunger for this model. We all love to see the “good guys” take on the “bad guys” and win. Our movie heroes act quickly and decisively, blowing up buildings and wrecking cars and planes in spine-tingling chases. This diet of high drama can fool us into believing that we can always depend on one or two “super-people” to solve our crises.

Our collective longing for a savior to fix the messes that we have all helped create spills over to our work life. Even in impressive corporate turnarounds, we look for the hero or heroine of the success. We tend to see anything other than decisive quick fixes as too slow or “wimpy” to be effective.

But perhaps we are celebrating and rewarding the wrong things. In action movies, although the heroes always win at the end by annihilating or capturing the bad guys, they leave behind a path of blood and destruction. In business, a new leader may come in, implement a dramatic downsizing, and show a quick profit. But he or she may then move on before the impact of the broken trust that results from these actions shows up in loss of productivity, damage to customer loyalty, and poor

stock performance.

A leader who sees him- or herself as a servant above all else, however, plays quite a different role than does the traditional hierarchical leader. Rather than controlling or wielding power, this person (1) first listens deeply to understand the needs and concerns of others; (2) works thoughtfully to help build a creative consensus; (3) honors paradox (searches out the balancing truths from within opposing views); and (4) works to create “third right answers” that rise above the compromise of “we/they” negotiations.

- building a shared vision,
- managing self,
- fostering high levels of interdependence,
- learning from mistakes,
- encouraging creative input from every team member,
- spending time to question present assumptions and mental models,
- modeling and building shared trust, and
- embracing a humble spirit.

“A servant-leader is a person who begins with the natural feeling of wanting to serve first – to help, support, encourage, and lift up others. And because of their noble role model, others begin to lead by serving.”

—Robert K. Greenleaf

their own. Servant leadership comes from a mature motivation, which for many emerges later in life. As we begin to recognize our own mortality, we may begin to wonder: “What can I contribute that will continue long after I am gone?”



Robert Greenleaf and Ann McGee-Cooper

Thus, servant leadership focuses on

- sharing vital “big-picture” information essential for holistic understanding,

To paraphrase Greenleaf,

servant leadership is not about a personal quest for power, prestige, or material rewards. Instead, the servant as

leader begins with a true motivation for nurturing others. This leader lifts up others and actively engages in growth and development of those being served, as well as

For some, this quest to leave behind a legacy involves having their name on a library or some other form of public recognition. For servant-leaders, it’s about lifting others to new levels of possibility and accomplishing as a team much more than what one person might accomplish alone. These individuals find that the magical synergy that results when they put aside their egos, share visions, and nurture true organizational learning brings collective joy, deep satisfaction, and amazing results!

The Heroic Leader Versus the Servant-Leader

<p>TRADITIONAL BOSS OF POWER-BASED LEADER</p>	<p>SERVANT AS LEADER</p>
<ol style="list-style-type: none"> 1. Begins with a personal drive to achieve top position of power 2. Operates in a highly competitive manner. Possesses an independent mindset. Finds it important to receive personal credit for achievement. 3. Uses personal power, fear, and intimidation to get what s/he wants. 4. Focuses solely on fast action. 5. Relies only on facts, logic, and proof. 6. Controls information in order to maintain power 7. Spends more time telling and giving orders than listening. 8. Derives a sense of confidence and personal worth from building his or her own talents and abilities. 9. Sees supporters as a power base. Uses perks and titles to signal to others who has power. 10. Speaks first and believes that his or her ideas are the most important. Often dominates the conversation and intimidates opponents. 11. Understands internal politics and uses them for personal gain. 12. Views accountability as assigning blame. 13. Uses negative humor (often put-downs and sarcasm) to control, ridicule, or exclude others. 	<ol style="list-style-type: none"> 1. Begins with a desire to serve others from any place in the organization. 2. Operates in a highly collaborative and <i>interdependent</i> manner. Knows that all can gain by working together to create win/win/win solutions. Gives credit to others. 3. Uses personal trust, respect, and unconditional love to build bridges and do what's best for the "whole." 4. Focuses on gaining understanding, input, and buy-in from all parties on essential issues. Understands that faster is often slower because people support what they help create. 5. Uses intuition and foresight to balance facts, logic, and proof. 6. Shares big-picture information. Coaches others by providing context and asking thoughtful questions to help them come to decisions by themselves. 7. Listens deeply and respectfully to others, especially to those with dissenting views. 8. Derives a sense of fulfillment from mentoring, coaching, and growing collaboratively with others. 9. Develops trust across constituencies and sees the ability to facilitate <i>interdependent</i> solutions as a core value. Breaks down needless barriers caused by hierarchy. 10. Listens first. Values others' input, invites others into the conversation, and is able to build strength through differences. 11. Is sensitive to what motivates others and balances what is best for the individual with what is best for the group. 12. Views accountability as creating a safe environment for learning. Ensures that lessons learned from mistakes are shared. 13. Uses inclusive humor to lift up others and make it safe to learn from mistakes. Is the first to let themselves become vulnerable.

How Servant Leadership Serves Organizations

But what benefits can businesses glean from the practice of servant leadership? Servant-leaders naturally awaken and engage Employee knowledge, build strong *interdependence* within and beyond the organization's boundaries, truly meet and exceed the needs of numerous stakeholders, make wise collective decisions, and leverage the power of paradox. We explore each of these capabilities in greater detail below.

Capitalizing on Employee Knowledge and Total Engagement

Servant leadership is a powerful methodology for organizational learning because it offers new ways for an organization to engage the knowledge and wisdom of all its Employees, not just those "at the top." Servant-leaders share big-picture information and business strategies broadly throughout the company. By communicating basic assumptions and background information, they empower each person to participate in decision-making and creative problem solving. By encouraging innovation and making it safe to make and learn from mistakes, these

leaders help individuals grow from being mere hired hands to having fully engaged minds and hearts. Workers then feel safe to widely share the lessons they've learned from mistakes in the spirit of seeing the patterns or systems in all that they do. People become leaders and partners within the team as their

The practices of servant leadership challenge some basic assumptions often held about the roles different people play in helping a company achieve success.

with their jobs. It also supports eliminating the "that's not my job" syndrome.

The practices of servant leadership challenge some basic assumptions often held about the roles different people play in helping a

company achieve success. When we shift our perspective, common management expressions such as

valuable insights become vital to continuous improvement and learning.

For example, as part of its commitment to servant leadership, for the last 15 years, TDIndustries, one of America's premier mechanical construction and facility service companies headquartered in Dallas, Texas, has taught its Employee-owners (called "Partners") to understand financial statements. Partners take this responsibility seriously; after all, they own the company. TDIndustries and others have found that sharing this kind of information significantly increases Employees' job satisfaction and engagement

"subordinates," "my people," "staff" (versus "line"), "overhead" (referring to people), "direct reports," and "manpower" no longer seem useful or accurate. The standard way of thinking fails to encompass a respect for people, a desire to support others in fulfilling their potential, and the humility to understand that the work of one person can rarely match the work of an aligned *interdependent* team.

Building Strong Interdependence

Servant-leaders see all people as having the capacity to grow, take initiative, both lead and support others, and come

together around a shared vision. They know that a team with mediocre talent but high levels of trust can typically far outperform a group of stars trying to outshine each other. Servant-leaders work to build a true community, knowing that close relationships bring people together in tough times. This approach contrasts sharply with the competitive models that pit teammates against each other.

Phil Jackson, coach of several world-champion basketball teams, knows the importance of fostering supportive relationships among team members. In his book, *Sacred Hoops* (Hyperion, 1995), he writes, “Good teams become great ones when the members trust each other enough to

surrender the ‘me’ for the ‘we.’ As Bill Cartwright puts it: ‘A great basketball team will have trust. I’ve seen teams in this league where the players won’t pass to a guy because they don’t think he is going to catch the ball. But a great basketball team will throw the ball to everyone. If a guy drops it or bobbles it out of bounds, the next time they’ll throw it to him again. And because of their confidence in him, he will have confidence. That’s how you grow.’” *Interdependent* teams succeed because they build confidence in members by showing them trust, even when a member occasionally “drops the ball.”

Highly successful coaches who understand the potential of *interdependence* is not

limited to basketball. Consider Herb Brooks, the celebrated coach who led the monumental upset of the then-Soviet hockey juggernaut by the 1980 United States Olympic Hockey Team. As critics pointed out, none of his young players were recognized as the best of the world. Brooks was unfazed by the criticism: “You’re looking for players whose name on the front of the sweater is more important than the one on the back. I look for these players to play hard, to play smart and to represent their country.” Brooks’ team soared to the unexpected “Do you believe in miracles?” gold medal because an *interdependent* team focused on the overall goal will always outperform an assembly of individuals who lack trust and are only concerned about their personal agenda.

Meeting Stakeholder Needs

A servant-leader is also keenly aware of the needs of a much wider circle of stakeholders than just those internal to the organization. For instance, Ray Anderson, former chairman and CEO of Interface, one of the largest international commercial carpet wholesalers, challenged his company to join him in leading what he



Phil Jackson and Kobe Bryant

called the second Industrial Revolution. He defined this new paradigm as one in which businesses find ways to operate that respect the finiteness of natural resources. His vision, which his Employees embraced, was never again to sell a square yard of carpet. Instead, the organization challenged itself to lease carpeting and then find ways to achieve 100 percent recycling—“zero to landfill!” Ray’s legacy continues as Interface embraces Mission Zero. “We’re going for zero. Mission Zero. Zero emissions. Zero waste. Zero oil. It is our promise to eliminate any negative impact our company may have on the environment by the year 2020. That’s right. ZERO oil. It’s a tough challenge since carpet is made from oil, and we’re more than halfway there.”

Thus, the principles of servant leadership define profit beyond financial returns to include meaningful work, environmental responsibility, and quality of life for all stakeholders. As a result, Employees feel a deeper personal commitment to their work as they truly make the world better in the process of earning a living. As Robert Greenleaf said, “If a better

society is to be built, one that is more just and loving, one that provides greater creative opportunity for its people, then the most open course is to raise the capacity to serve and the very performance as servant of existing institutions by new regenerative forces operating within them.”

Making Healthy Decisions

Too many people in organizations today suffer from “hurry sickness.” When we focus on doing everything faster than before, our bodies flood with adrenaline. As the effects wear off, we crave more of this addictive substance. To feed this hunger, we neglect proactive tasks such as coaching, mentoring, planning ahead, and quiet reflection. Instead, we seek out more reasons to stay reactive and highly charged.

Servant-leaders model healthy decision-making by taking the time to withdraw, to reflect, to gather input from a diverse group of stakeholders, and to allow experience, intuition, and wisdom to surface. They operate under the premise that “If you want to create sustainable, safe, consistent results, slow down!” Servant-leaders spend far less time in crisis management or fighting “fires” than do traditional

managers. Instead, they use crises as opportunities to coach others and help teams learn from mistakes. You can see the results of servant leadership in some of America’s most interesting and progressive companies (see “Servant leadership at the 100 Best Companies to Work for in America”).

Maintaining a Clear Awareness of Paradox

“Wholeness is possible only via the coexistence of opposites. In order to know the light, we must experience the dark.” —Carl Jung

Servant leadership operates with a number of paradoxes:

- Two opposing perspectives can be true at the same time.
- We lead more effectively by serving others.
- We arrive at better answers by learning to ask thoughtful questions rather than providing solutions.
- We often gain a greater understanding of a situation through fewer words (a metaphor or story) and learn to build unity by valuing differences.

Servant Leadership at the 100 Best Companies to Work for in America

TDIndustries (TD), Southwest Airlines, Synovus Financial Corporation, and The Container Store have all appeared within the top ten on *Fortune* Magazine's list of 100 Best Companies to Work for in America. All four serve as excellent examples of servant leadership in action. At TD, Employee-owners are called "Partners". The company's founder, Jack Lowe Sr., decided to make the organization Employee-owned in the early 1950s after discussions with Employees about converting an annual cash bonus plan to a stock bonus plan. All agreed that it would be fair and desirable for those doing the work to share in the benefits of ownership.

At Southwest Airlines, the words "Employees", "Customers", and "People" are always capitalized, to emphasize their importance. A part of the company's philosophy is that Employees come first and Customers come second, because "we as leaders must treat our Employees as we want them to treat our Customers!" Another unique feature is that every team member is seen as a leader *and* a follower, eager and ready to support others and take responsibility for his or her unique part of the business.

In its 122-year history, Synovus has never had layoffs. The atmosphere of trust and personal caring within the organization is evidenced by the 80 percent of Employees who say they want to retire at Synovus. Said James H. Blanchard, former chairman and CEO, "We have learned some humbling and inspiring lessons from our peers in this group (100 Best Companies), and every year we work harder to assure that the Synovus experience continues to be fulfilling and enriching for our team members, customers, and the communities we serve."

One of the six guiding principles of The Container Store is that one average person can do the work of three mediocre people; one good person can do the work of three average people; and one great person can do the work of three good people. Based on that premise, the company seeks to hire only great people and pays them well (50-100 percent above the industry average).

What can we learn from the concept of paradox? The main lesson is that there is usually another side to every story. Maintaining an awareness of paradox alerts us to an opposite and balancing truth in most situations that might otherwise remain hidden. Servant-leaders know to explore what is not being said or what might be overlooked, especially when solutions come too quickly or

with an easy consensus. They learn to honor and leverage paradox to ensure sustaining balance in decision-making, problem solving, and planning. Where many leaders feel trapped by paradox for fear of having to choose between apparent opposites, servant-leaders are comfortable in paradox. Servant-leaders may even *seek* paradox as they know the best course is contained within. As Neils Bohr stated, "How wonderful that we have

met with a paradox. Now we have some hope of making progress."

TDIndustries: Embodying the Art of Servant Leadership

On average, the companies on *Fortune*'s 100 Best Companies list operate at approximately 50 percent higher return to shareholders than do competitors that did

not make the list.

These organizations perform better than their rivals on Employee retention, morale, worker safety, and other measures as well. Some examples from the inner workings of these companies can bring a clearer insight into how and why servant leadership is so powerful .

TDIndustries (TD) is an excellent specimen – between 1992 and 2012 TD experienced a stock value gain of 641%, outpacing the S&P’s gain of 385%. The financial success of TD is important, but *how* these results were achieved contains the important lessons in servant leadership.

Over 50 years, TDIndustries has evolved into what the company calls a “leaderful” culture. In this organization, leadership is not about having others report to you as a supervisor. TD seeks to help each Employee/Partner to view him- or herself as a valued leader. From this position, each person must take responsibility for nurturing others, initiating ideas, asking for help, collaborating, calling others to action, challenging assumptions, offering suggestions for continuous



TD Partners on-site during construction of AT&T Cowboy Stadium

improvement, and so on. Within this broad definition of leadership, each person becomes infinitely valued and valuable.

How Servant-Leaders Grow More Servant-Leaders

Years ago TD won the contract for building the Dallas Convention Center. Bruce Arapis, a former vice president, was scheduled to serve as the senior project superintendent and the contract was awarded partly due to the Customer’s confidence in Bruce. Bruce was delayed two months completing a previous job. In his absence, David Hollowell served as project superintendent.

Once Bruce was free to join the Dallas job, he saw that David’s performance in leading the team was outstanding. Together, with the approval of the Client, they decided that it would be in the best interest of the project for David to continue in the lead position and for Bruce to go into the field and head up the installation of the ductwork.

In giving up the leadership role on this contract, Bruce renounced not only the personal recognition that he would receive as senior project superintendent but also the nice bonus that accompanies this position. Not long after this event, David took a similar action, stepping aside to give Mike Wilson an opportunity to

expand his experience and leadership.

When Bruce went to another job at Texas Stadium, David pitched in by arranging for extra staff to work overtime as needed. David also helped to assemble roof curbs on his personal time to meet the fast-track schedule for the football season. The project came in on time and beat the original budget.

These memorable stories are examples of the synergy that results when egos and personal self-interest are replaced by the desire to serve others. Greenleaf understood the importance of stepping aside and allowing others to lead. He advised, “It is terribly important that one know, both about oneself and about others, whether the net effect of one’s influence on others enriches, is neutral, or diminishes and depletes.”

Building a Shared Vision of Servant Leadership

Building a shared vision based on servant leadership is an essential piece of TD’s unique culture. Here’s how they approached this challenge.

1. *Build a curriculum of servant leadership tools.*

TD and its training and development partner, Ann McGee Cooper and

Associates, Inc. have worked for over three decades to create and gather materials, DVDs, simulation games, and other resources to create a day-long

learning experience to introduce servant leadership. Subsequent growth in servant leadership is encouraged through three additional sessions that teach advanced skills.

2. *Build a foundation of credibility for the servant leadership process.*

Jack Lowe Jr., when he served as president and CEO, initially introduced every servant leadership class himself to ensure that each person understood TD leaders’ commitment to the program. As he began to plan for his retirement, he delegated this responsibility to other senior leaders. Each has been candid about his or her personal journey, including early skepticism and frequent backsliding. One senior executive known for using power and

intimidation confessed his initial doubts about servant leadership. He found it difficult to change his words and actions, even when he wanted to. Out of frustration, he often fell

back into old behaviors. But he asked for help and expressed deep appreciation for his coworkers’ patience and support. He explained to them, “When I sound the toughest, I’m usually afraid because I don’t know how to get us there. Please hold me accountable when I slip and start bullying. Just remind me of my commitment to work respectfully.”

To give the program further credibility, “sponsors” (servant-leaders) are selected from the field or office to co-teach servant leadership classes. Their presence reinforces the importance of the process and links the subject matter to real business challenges. Managers and supervisors also attend advanced refresher courses.

During the servant leadership course, each participant creates a personal action plan, choosing at least one new skill to practice from each new skill area.

3. Add other levels of servant leadership.

Through the years, TD added sessions on diversity and Stephen Covey's *Seven Habits of Highly Effective People*. Covey's *Four Imperatives of Great Leaders*, as well as his *Inspiring Trust* (a spin off one of the *Four Imperatives*) are now core classes in the servant leadership curriculum. As mentioned above, the organization also offers advanced servant leadership development to fill in skill gaps and deepen understanding of the concepts.

In 1990, TD embraced Total Quality Management as a way to increase operational performance. Every Partner participates



Sponsor handing out certificates after TD Leadership Class

in a full-day workshop, entitled "TD Partners in Quality." The success of this and other change initiatives at TD is built on the foundation of high trust that has resulted from servant leadership. The facilitators for all TD courses reinforce how all these concepts and skills work together seamlessly to build strong teams, effective servant-leaders, and continuous performance improvement. For example, some of the work-process improvement tools help improve the people development processes and vice versa.

4. Solicit feedback and fine-tune the process.

Every participant provides feedback at the end of each day-long session. These comments and suggestions are used to improve future classes. This process models servant leadership in that the class participants teach the facilitators how to make the program even more effective. Because "graduates" of the program reported how valuable it was to return to

teach and coach new Employees in applying these concepts, a sponsor is carefully selected to help to facilitate each class. They review all materials in advance and choose which skills they feel ready to teach and which stories they want to tell, linked to the different servant leadership skill sets. The diversity represented through the sponsors adds credibility for servant leadership in all dimensions of the company.

5. Be accountable for skills learned in class.

Each class is opened by a senior executive sponsor, modeling and giving voice to the importance of servant leadership growth and development. The senior sponsor then turns the class over to the class sponsor and AMCA, Inc. for the remainder of the instruction. During the servant leadership course, each participant creates a personal action plan. In the plan, the individual chooses at least one new skill to practice from each of the six to eight leadership areas covered in the curriculum. They also bring to class their APPLS (TD's evaluation and career development

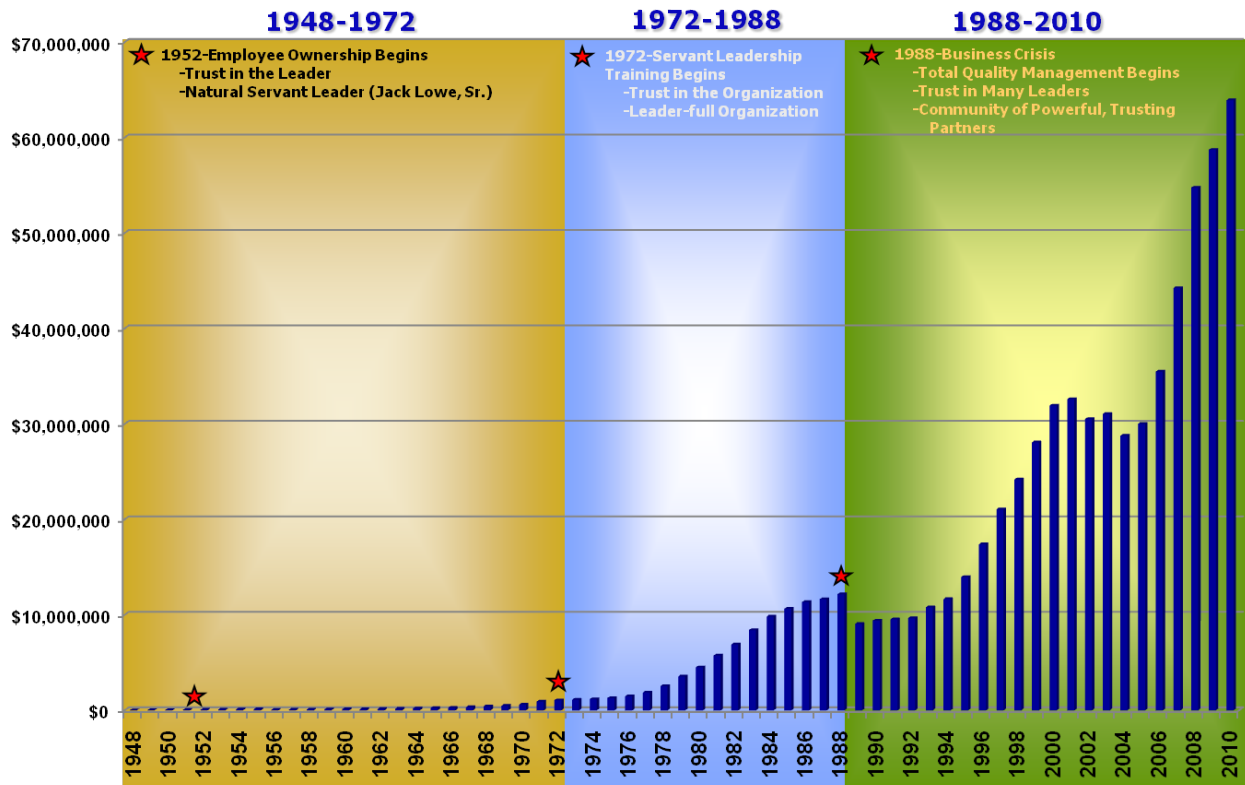
plan), noting skill deficit areas and how they can improve their performance based on what they are learning in class. At the end of class, the senior sponsor returns and asks for a commitment from each participant for a skill improvement action item, challenges them to identify who they will teach one new learned skill within the next twenty-four hours, then awards each participant a certificate to recognize his or her development as a servant-leader.

The Payoff

Jack Lowe Jr., then-CEO and now Board Chair, understood the importance of traditional measurements of success. “In the past, I believed that being a great place to work would limit our ability to pay top wages, grow our business, and have outstanding financial performance,” says Jack. “My paradigm has shifted. I now believe that being a great place to work *allows* us to pay top wages, grow our business, and have outstanding career opportunities” (see “Servant Leadership Success at TD”).

TD now links productivity and profitability with investing in people. Jack explains, “The first 20 years, Partners trusted the leader and founder, Jack Lowe Sr. The next 16 years, we trusted the team. In 1989 the bottom dropped out of the construction market, as the oil and gas and banking industries collapsed. Our bank went under and our bonding company’s support became tenuous. Again, the high trust built on servant leadership was the glue that held us together and allowed us to survive this very threatening situation. At a

Servant Leadership Success at TD Industries



meeting of all Partners with five or more years of service, it was decided we should terminate our defined benefit retirement plan and ask Partners to invest a portion of the distribution back into the company. A ‘fair share’ formula was developed that would have yielded \$1.5 million if everyone participated. Soon, over \$1.25 million was invested, and the company was saved. Some Partners took a severance package and left to slim down the ranks. We were all astounded as we literally discovered the power of all pulling together from whatever we could contribute.

“In 1997, we undertook the most comprehensive strategic rethinking of the company in our history. Once again, trust was the foundation for its success. We decided to sell one regional part of our business, so we let the Employees there choose the new owner. We decided to think and act more like one company—The Power of One. On the surface, we dropped the separate names of several parts of our company and

began using TDIndustries as the umbrella for everything we did. Internally, this helped us realize and leverage all being on the same team. Instead of one part of the company protecting turf, Partners began to extend resources across previous boundaries, and we began to leverage a powerful new level of *interdependence*.

“With this newly discovered flexibility, the company moved rapidly ahead and 1990–2010 showed high levels of profitability and productivity, as we built quality improvement and strategic planning on the foundation of servant leadership. Now we had grown trust in ourselves as owners, servant-leaders, and Partners. We became a

community of powerful, trusting Partners.”

At TD, leaders are accountable for both achieving business results and modeling servant leadership.

Using 360-degree feedback and other instruments, the organization has continued to work to improve commitment, accountability, and performance as a leaderful

organization. One senior leader stated, “If we, each of us, don’t hold ourselves to high standards of continuous performance improvement based on our vision, mission, values, we are not being accountable to ourselves and our Partners.”

Thus, it isn’t enough to build an engaging curriculum. If the majority of the Employees don’t live and reinforce the principles of servant leadership, then it won’t be real. “Early on, we worked hard to be respectful and nice to each other,” said the same leader. “But servant leadership is far more than simply being pleasant. The first measure is, do you grow the people you lead? Do you provide honest, thoughtful feedback and set expectations for meaningful continuous performance improvement? And are they inspired to become servant-leaders?”

TD’s dual-commitment to profitability and servant leadership has been tested. For example, one leader achieved excellent business results, but was leaving behind organizational wreckage. In a situation where many companies may have tolerated poor relational behavior for the sake of profits, TD coached, and then later removed, the leader.

But servant leadership is far more than simply being pleasant. The first measure is, do you grow the people you lead?

A pivotal moment in TD's history came in 2005 when Jack Lowe, Jr. retired from the CEO role. Not wanting senior leadership to become stagnant, Lowe set a target age for retirement, and then started the successor selection process *four years* before his retirement. Lowe and his father were the constant face of servant leadership within TD, and thus servant leadership was a key factor in choosing a successor. "We never wanted to bring someone in from the outside; we should have been developing leaders for succession all along the way" said Lowe.

The four-year selection process was calculated and deliberate, and while the candidates' history of business results was important, indicators of servant leadership were equally considered. From servant leadership assessment tools, to moving candidates within the organization to identify those who can build trusting relationships and teams, Lowe examined every possible angle.

In January 2005, Harold MacDowell was promoted from within to become the company's third CEO. MacDowell's use of combined humor and humility

has been helpful in continuing the heritage of servant leadership, not to mention remain profitable. MacDowell has also continued the application of mutual accountability at all levels. For example, during his tenure he has successfully encouraged the TD Board to transition from mostly company insiders to outside members. Why? Because he wanted a Board that would provide him feedback and hold him accountable to all of the TD Partners he serves.

Linking Learning Organizations into SLLC®

A servant-led organization causes big ripples in the organizational pond. Several other companies and community groups that heard of TD's experience expressed interest in developing a culture of servant leadership. So, AMCA along with TDIndustries and Southwest Airlines (SWA) as role models of servant leadership, formed a learning community around the work emerging at TDIndustries and SWA. In the fall of 1999, the Dallas Servant Leadership Learning Community® (SLLC) was born. To date the fourteen partner organizations include:

- TDIndustries;
- Southwest Airlines;

- Tempo, a heating and air-conditioning business that spun off from TD;
- Celebration Restaurant;
- Coppell, Texas, Police Department;
- Comanche Peak Nuclear Power Plant;
- Parkland Health and Hospital Systems;
- Balfour Beatty Corporation
- Luminant Fossil Generation
- Dallas County Community College District;
- Collin County Community Supervision and Correction Department;
- Publishing Concepts;
- Tex Energy Solutions; and
- Ann McGee-Cooper & Associates.

Participation in this group reminds TD of the special nature of its culture and the critical responsibility of all Partners for keeping this spirit alive in everything they do. Moreover, it exposes outside groups to an advanced culture of servant leadership and provides a wide variety of implementation models. And the learning community creates valuable synergies.

Parkland...Building the Largest Public Hospital in the World Using Servant Leadership

In August 2007, the Dallas County Commissioners Court approved a Blue Ribbon Panel's report to build a replacement hospital for Parkland County Hospital. In 2008, Dallas County voters overwhelmingly approved the bond election. The new Parkland facility would be over 2 million square feet with a budget of \$1.27 billion.

Balfour Beatty formed a coalition of companies including Balfour Beatty, Austin Commercial, Russell, and Azteca and called the team BARA.

Balfour Beatty had worked with Ann McGee-Cooper and Associates on several large projects using servant leadership as a model. They knew that in order to be successful on a project of this size, with this many contractors, an *interdependent* teaming model would be needed. On April 22, 2009 Parkland officials awarded construction of the project to

BARA. Eight weeks later on June 3, 2009, AMCA met with the key leaders of Parkland, BARA, Corgan, and CH2M Hill. On July 16, 2009, the first meeting was held and a Vision and Covenant were created based on the principles of servant leadership. Two phrases stood out which would become the symbols of this project—"the most patient and family-centric facility in the country" and "iconic, timeless, and enduring."



Parkland Hospital under construction

The team knew there would be differences, so AMCA led the team through a process to create a Covenant documenting how they would settle differences and treat one another as they worked using the principles and practices of servant leadership.

Then the work began. Design teams met. Patient advocate groups weight in. Technology

consultants offered expertise...and the vision began to take form. The new Parkland hospital would be a safe, welcoming, patient-centered healing environment, serving as a sustainable green resource for Dallas County. It would promote excellence in clinical care, teaching, and research and a technologically advanced and accessible environment.

Sam Moses was selected by BARA as general superintendent and

construction began. He tells the about the role attitude and teamwork play in creating an environment of Servant Leadership:

"I am a true believer in attitude. It's contagious. I

can get excited about a concrete pour and then the next thing you know, those guys pouring the concrete get excited. In addition to the big goal at the end of finishing the project, you celebrate those many little goals in between and it gets everybody pumped up. I want that excitement and attitude not only for me, those that work around me, but also for those all the way

out to the subs, labor, and gate guards.”

Parkland and BARA knew that waves of talent would be coming on the project across the five years. It would be important to offer on-boarding classes of servant leadership to keep the teaming momentum high.

Kathy Harper, Vice President of Clinical Planning offers inspiration to new team members as they arrive on site and captures the essence of servant leadership on this amazing project:

“We have a greater vision...not just to build the best hospital in Dallas, but we are going to change public healthcare in this country, and nothing less. On the days that it gets a little hard, think about the legacy we are leaving.”

As of 2013, the new Parkland hospital is on schedule, within budget and is scheduled to open in 2015.

Southwest Airlines: Keeping Servant Leadership Alive

Our second example of servant leadership in action centers on Southwest Airlines. In the late 1980s, Southwest Airlines began receiving acclaim for its ability to create a fun culture and keep energy

high and Customers loyal. Much of the media attention on the Company focused on Herb Kelleher, Southwest’s former CEO. Colleen Barrett, Kelleher’s 1970’s legal secretary who rose to President, also gained her own attention and fierce loyalty from both Customers and the ranks of Southwest People.

Kelleher is a natural servant-leader who recruited, rewarded, and surrounded himself with a diverse team of equally committed servant-leaders. “I have always believed that the best leader is the best server. And if you’re a servant, by definition, you’re not controlling. We try to value each person individually and to be cognizant of them as human beings—not just People who work for our Company.”

“Your Employees come first. There’s no question about that. If your Employees are satisfied and happy and dedicated and inspired by what they are doing, then they make your Customers happy and they come back. And *that* makes your shareholders happy. Think about Customer service. Profit is a by-product.”

One of the questions that people frequently asked about Southwest Airlines was, “What

will happen when Herb retires?” Because most people’s view of leadership includes a traditional “in-charge” hero who wields power and calls the shots, they fail to see that, like TD, Southwest is also an abundantly “leaderful” culture. Herb is and always will be loved. Yet servant leadership is so deeply woven into the culture—into the hearts, minds, beliefs, and behavior of every leader at every level—that it has *become* Southwest.

Kelleher’s successor, Gary Kelly, has not wavered from a focus on Employees, explaining the priority should be on Employees, so they can care for the Customer. For sure, Kelly operates in a world that is concerned with profitability, but what is different about Southwest is how they choose to treat their People in pursuing profitability. There is another Southwest hallmark that Kelly has not neglected: “Fun LUVing.” Although he has yet to apply Kelleher’s tactic of challenging an industry peer to an arm wrestling duel, around Halloween time it is not uncommon to see Kelly dressed as a “Kiss” band member or Edna Turnblad from “Hairspray!”

The Power of Internal Motivation

As we noted earlier, a true servant-leader is motivated by contributing to a collective result or vision rather than by personal recognition, power, or material gain. Very often, a servant-leader purposely refuses to accept the perks of a position. So it is with Kelleher and others at Southwest. Kelleher had a reputation as the most underpaid CEO in the airline industry and was the first to work without pay when Southwest faced serious financial threats. For instance, in asking pilots to agree to freeze their wages for five years, he froze his own wages.

In fact, all of the Company's top leaders are paid well below the industry average. As a result, big salaries and attractive perks are not the motivators of this leadership team. Rather, executives stay at the Company because they are making history together. Their purpose is to connect People to what's important in their lives through friendly, reliable, and low-cost air travel. To keep fares low, they must watch their operating costs, which include salaries. But, instead of cutting salaries on the front lines, the top leaders at Southwest choose to serve at salaries significantly

less than their industry average, yet another trait of servant leadership.

Southwest's Employees are equally loyal to the Company. Much of this is derived from the loyalty *they* feel from top leadership, as evidenced in now-President Emeritus Colleen Barrett's leadership philosophy:

Our entire philosophy of Leadership is quite simple: Treat your People right, and good things will happen. When we talk to our People, we proudly draw a pyramid on the chalkboard and tell them: You are at the top of the pyramid. You are the most important Customer in terms of priority. Therefore, I am going to spend 80 percent of my time treating you with Golden Rule behavior and trying to make sure that you have an enjoyable work

environment where you feel good about what you do, about yourself, and about your position within this Company. But, if I do that, what I want in exchange is for you to do the same thing by offering our Passengers – who are our second Customer in terms of priority – the same kind of warmth, caring, and fun spirit (Blanchard & Barrett, 2011).

Loyalty to the organization and its mission is rampant throughout Southwest, regardless of organizational position. People want to feel valued and connected to the mission of the Company they choose to join, and leaders throughout Southwest find ways to consistently do this. It seems that those outside of Southwest also crave loyalty and connectedness: In 2012 Southwest received nearly 115,000 job applications and only hired 2,499!



The Culture Committee

One way that Southwest integrates servant leadership throughout the organization is through the Companywide Culture Committee. Created initially in 1990 by then-Executive Vice President of Customers Colleen Barrett, the Culture Committee is a special gathering of a cross-section of Employees from all ranks and locations. Members of the committee are volunteers, picked because they exemplify the Southwest spirit. The Committee's mission is to help create the Southwest spirit and culture where needed; to enrich it and make it better where it already exists; and to liven it up in places where it might be floundering. In addition to active Members, hundreds of Alumni support the many creative projects that bubble up.

As testament to internal motivation, Members of the Culture Committee volunteer their personal time, often amounting to over a dozen full days per year. Members from around the country travel to Dallas and other locations for several, multi-day meetings per year. At the meetings they build servant leadership skills, work on special projects, and receive important updates on



Southwest Airlines Culture Committee Meeting

initiatives within the Company. They also complete an array of service visits throughout the network, showing care and support to their peers.

The SWA Culture Committee functions as an incubator for servant leadership, especially the building of *trust* across the now 46,000+ (with the acquisition of AirTran Airlines) Member company. Young leaders are mentored and learn to trust the senior members who have a deeper appreciation of the company's history. Intentional trust-building is most evident during the Culture Committee Officer Panel, during which senior executives give Company updates and receive direct questions and feedback from Employees. A dedicated "Culture Services"

staff carefully builds a trusting environment in which Executives appreciate challenging questions that derive from caring about the future of the Company, and Employees are comfortable asking them without fear of retribution. The trust that is built emanates from Committee Members to their thousands of peers; an incredible feat in a highly unionized environment.

How to Begin Practicing Servant leadership

TDIndustries and Southwest Airlines each created a unique culture based on servant leadership owing to the natural persuasion and beliefs of a founding leader. But any kind of organization can successfully adopt and apply these principles. How can you begin to practice the skills and behaviors of servant leadership, especially when such skills have not always been rewarded in your organization? Here are some initial steps you might take:

1. *Listen Without Judgment.*

When a team member comes to you with a concern, listen first to understand. Before giving advice or solutions, practice repeating back what you thought you heard and your

understanding of her feelings. If you have accurately heard her, then ask how you could best help. Did the person just need a safe sounding board, or would she like you to help brainstorm solutions? Listen for feelings (empathizing) as well as for facts (solving).

2. *Be Authentic.* Admit mistakes openly. At the end of team meetings, do a “plus (what worked?), delta (what needs improving?)” process check. Be open and accountable to others for your role in projects that didn’t go so well.

3. *Build Community.* Find ways to show appreciation for those who work with you. A hand-written thank-you note for a job done well means a lot. A servant-leader finds ways to thank team members for every day, routine work that is often taken for granted. Create frequent celebrations and include families to build a network of friendship, fun, and caring. Enjoying recreational activities together helps people get to know each other in a broader and deeper sense and builds a foundation of trust and friendship critical in high-performance teams.

4. *Share Power.* Ask those you supervise or collaborate with, “What decisions or actions could I improve if I had more input from the team?” Delegate meaningful assignments that challenge people and develop their skills. Plan a way to get this feedback into your decision-making process. Ask thoughtful questions that encourage people to come up with ideas and solutions rather than offering an answer for everything. Appreciate even those times when others take issue with your position. These moments will break down mindless obedience and encourage the risk-taking that leads to free-flowing collaboration.

5. *Develop People.* What would happen if you suddenly fell ill and couldn’t work for a year? Have you mentored others

so that they can step into your job? Take time each week to develop others to grow into higher levels of responsibility. Give colleagues opportunities to attend meetings that they would not normally be invited to. Find projects that you can co-lead and coach your Partner through the process. Introduce team members to other leaders to show your respect for their abilities. Invite others’ concerns, ideas, and challenges. Provide honest, thoughtful feedback and make performance reviews two-way. Dare to challenge self and others with high expectations. Expect greatness and provide the conscientious coaching that gives others opportunities to grow into that expectation.

6. *Co-Create Shared Vision.*



Southwest Airline Volunteers help with tornado relief efforts in Oklahoma

As Joseph Jaworski summed up, “Robert Greenleaf, the originator of ‘Servant Leadership’ – one of the most influential business concepts of our time - called foresight ‘the central ethic of leadership.’ ‘To see the unforeseeable’ and ‘know the unknowable,’ Greenleaf said, is the mark of the leader” (2012). Servant leaders strive to practice foresight, but more importantly they involve others in creating the vision of where the organization is going. To be sure, Herb Kelleher always held a vision of growth for Southwest Airlines, but he’ll be the first to tell you that growing from a regional airline to one of the largest in the world was realized because he listened to his People along the way. People are committed to something they have helped build, and this is nowhere more important than building the future.

Why Leadership Styles Matter!

Some management theorists believe that any leadership style is fine as long as it gets the intended results. Robert Greenleaf disagreed. He believed that “The means

determine the ends.” We cannot encourage a flexible organization through inflexible means, nor create a vibrant, productive community through fear and intimidation.

If Greenleaf is right—and it really *does* matter how we lead, whom we choose to follow, and how we come together to address our organizational challenges—then servant leadership can be a powerful avenue for significantly improving the performance of organizations that embrace it. As we noted above, if you look at the *Fortune* list of the 100 Best Companies to Work for in America, their cultures are more characteristic of servant leadership than of traditional power-based models. They distinguish themselves from their competitors by truly valuing people—and their stock market performance over the past 10 years has been double that of the S&P 500. So if your goal is to significantly enhance the performance of your company as a living system, to respect and engage

We cannot encourage a flexible organization through inflexible means, nor create a vibrant, productive community through fear and intimidation.

the full talents of all stakeholders, and to create a culture that nurtures spirit and true community, then growing into the new paradigm of servant leadership provides a clear pathway.

If your company’s survival were at risk, would your Employees sacrifice their own financial security to see the firm through a critical challenge? At various points, the people at both TDIndustries and Southwest Airlines did so. They believe that, when a community stands together, the collective possibilities are endless. This rare shared commitment grows out of servant leadership, which dares to lead by building shared trust and—even more—unconditional love. As more leaders break free from the patterns of the past and find the courage to explore this promising new paradigm, a new vitality will fill our lives and workplaces.



Ann McGee-Cooper, Ed.D., is founder of Ann McGee-Cooper & Associates (AMCA), a small team of futurists who specialize in servant leadership, growing high performance teams, creative solutions, and the politics of change. Since 1976 including 10 years working directly with Robert K. Greenleaf—she and her Partners have worked to understand, become, and grow servant-leaders.



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Matthew Kosec, Adjunct Partner at Ann McGee-Cooper and Associates, Inc., updated and revised this article in 2013.

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