Linking servant leadership to individual performance: Differentiating the mediating role of autonomy, competence and relatedness need satisfaction

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ABSTRACT

How can a servant leader focusing primarily on followers' growth and well-being influence the achievement of organizational outcomes? Despite a growing stream of academic studies exploring positive outcomes of servant leadership practice, little is known empirically about the underlying psychological processes that are activated to enhance individual performance at work. Using the autonomous motivational framework of Self-Determination Theory's (SDT) basic psychological needs (Ryan & Deci, 2000), we propose that a servant leader's attentive focus on employees' development helps fulfill employees' three basic psychological needs, namely for *autonomy*, *competence* and *relatedness*. In turn, satisfaction of each of these three needs fuels employees in a distinct way, either producing an increase in task performance, organizational citizenship behaviors (OCBs) or both. We collected information from 247 supervisor–employee dyads from a large Canadian technology design and manufacturing company. Structural equation modeling results indicate that servant leadership strongly predicted all three needs' satisfaction; autonomy need satisfaction mediated servant leadership's effect on task performance, OCB-Individual (OCB-I) and OCB-Organization (OCB-O); competence need satisfaction mediated servant leadership's effect on task performance only; and relatedness need satisfaction mediated servant leadership's effect on both OCB-I and OCB-O.

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Introduction

In the last decade, in response to recent challenges for leadership, an emerging stream of academic studies has focused on leadership types rooted in ethical, pro-social or people-centered behaviors, and in particular on servant leadership (van Dierendonck, 2011). Servant leadership is characterized by a focus on followers' growth and empowerment, and on leaders' altruism, empathy, sense of ethics and community stewardship (Greenleaf, 1977, 1998; Liden, Wayne, Zhao, & Henderson, 2008). Compared with related leadership styles, servant leadership is unique in that the leader is viewed as a 'servant' attending to followers' needs (van Dierendonck, 2011). Servant leadership's central premise is that servant leaders influence organizational outcomes by fostering followers' growth and well-being, specifically through the process of satisfying followers' needs (Liden et al., 2008; Mayer, 2010). Servant leadership research is still in its early stages and to gain legitimacy as a mainstream leadership theory, research must clarify the processes explaining how a leadership style with such an explicit focus on followers'

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needs and inducing positive individual outcomes can help achieve organizational objectives (Mayer, 2010). The purpose of this article is to address this challenge.

Although the concept of servant leader was introduced in the 1970s in Greenleaf's seminal essays, it is only in the last decade that empirical studies have started to define this construct and develop psychometrically sound measures (e.g., Ehrhart, 2004; Liden et al., 2008; van Dierendonck & Nuijten, 2011). Empirical studies have begun to contribute to our understanding of the impact of servant leadership on employees' attitudes and behaviors. Research has found support for a relationship between servant leadership and important outcomes such as job satisfaction (Barbuto & Wheeler, 2006; Mayer, Bardes, & Piccolo, 2008); organizational commitment (Liden et al., 2008); follower disengagement and turnover intentions (Hunter et al., 2013); creative behaviors (Neubert, Kacmar, Carlson, Chonko, & Roberts, 2008); and task performance or organizational citizenship behaviors (OCBs) (e.g., Ehrhart, 2004; Hu & Liden, 2011; Schaubroeck, Lam, & Peng, 2011).

While researchers are beginning to find support for the relationship between servant leadership and individual task performance or OCBs (Liden et al., 2008; Neubert et al., 2008), little is known about the mechanisms that could explain the link between these variables (Liden, Panaccio, Meuser, Hu, & Wayne, 2014). Although a handful of studies have shown servant leaders' relationships to task performance or OCBs to be mediated by mechanisms such as promotion focus (Neubert et al., 2008) and procedural justice climate (Ehrhart, 2004), research has yet to explore the intra-psychological processes presumably underlying some of these mechanisms and favorably influencing performance-related behaviors. Further, no studies have examined yet the mediating links between servant leadership and the three components of individual job performance *concurrently*: employee task performance, organizational citizenship behaviors toward specific individuals (OCB-I) and organizational citizenship behaviors that benefit the organization in general (OCB-O). Distinguishing these three performance constructs is important because prior research has clearly demonstrated that these three components of performance can have different antecedents (Motowidlo & Van Scotter, 1994; Organ & Konovsky, 1989; Smith, Organ, & Near, 1983; Williams & Anderson, 1991) and different consequences (e.g., Van Scotter, Motowidlo, & Cross, 2000).

Thus, the present work explicitly proposes to deepen our understanding of the servant leadership model by exploring and refining our comprehension of the distinctiveness of this model: servant leaders' focus on satisfying followers' needs as the underlying psychological mechanism to enhance individual performance. The concept of need satisfaction has a long history in social psychology (Deci & Ryan, 2000) and in work and organizational psychology (Gagné, 2003; Latham & Budworth, 2006). Among the various human need theories (e.g., Maslow, 1943; Murray, 1938), Self-Determination theory (SDT; Deci & Ryan, 1985) is one of the most established in the work field. In contrast to early need theories, SDT does not rely on need hierarchies (Alderfer, 1972; Maslow, 1943; Murray, 1938) or drive hypotheses (Adler, 1964; Freud, 1961; Jung, 1959). SDT postulates an innate and universal tendency of organisms to develop by integrating their experiences into a coherent sense of self (Ryan, 1995). More specifically, SDT posits that individuals are naturally active, curious and interested, and that fulfilling their innate psychological needs for *autonomy, competence* and *relatedness* is deemed essential for effective functioning and for actualizing their full potential and growth (Ryan & Deci, 2002). Because one distinguishing and fundamental characteristic of the servant leader is the explicit focus of the servant leader's attention on followers' need satisfaction, research should expect to find a link between servant leadership and satisfaction of employees' specific basic psychological needs. So far, two empirical studies have investigated this link, but regrettably, both have gone no further than establishing a link between servant leadership and *overall need satisfaction* (Mayer et al., 2008; Van Dierendonck, Stam, Boersma, De Windt, & Alkema, 2014), an aggregate of the three basic psychological needs. First, Mayer et al. (2008) found that servant leadership was only related to overall need satisfaction through the mediating effect of justice perception, and that servant leadership did not directly predict overall need satisfaction. Second, Van Dierendonck et al.'s field study showed a strong direct link between servant leadership and overall psychological need satisfaction ($\beta = .60$, $p < .001$). Notably, none of these two studies attempted to predict an effect on employee performance and all variables were self-reported, thus increasing the risk of common-rater bias. Hence, although these studies do provide a preliminary demonstration of the existence of the expected link between servant leadership and satisfaction of employees' needs, there is a need for empirical research to dig beyond this global link and further investigate what we still do not know about servant leadership: which of employees' specific and distinct basic psychological needs are satisfied by servant leadership, and what impact does satisfaction of each need have on employees' performance?

By investigating how servant leadership is linked to employees' performance through the mediating effects of satisfaction of the three basic psychological needs, the current study aims to contribute to the servant leadership literature and SDT literature in several ways. First, this study is the first that aims to support servant leadership's central premise that servant leaders influence organizational outcomes through the process of satisfying followers' needs. Second, it proposes to advance our knowledge of servant leadership's unique feature of servicing followers' needs, because contrary to previous studies, we distinguish the three needs and we propose how servant leaders help satisfy each need and in turn demonstrate the unique contribution of each form of need satisfaction in predicting specific individual performance components. Third, this study intends to contribute to the SDT literature by developing one of its basic theoretical assumptions, namely that satisfaction of each of the three psychological needs — for autonomy, competence and relatedness — possesses different and unique explanatory powers in predicting three critical individual performance outcomes: task performance, OCB-I and OCB-O. Fourth, as a side contribution, this study brings additional empirical support to the job performance literature by continuing to demonstrate the distinction between task performance and OCBs. Globally, this study contributes to theoretical development by integrating the servant leadership literature into the SDT and performance literature, and should help servant leadership gain legitimacy as an important and relevant leadership theory. Additionally, from a practical standpoint, linking servant leadership to performance outcomes through followers' need satisfaction would be useful to managers who want to become more effective servant leaders. Understanding which specific followers' needs servant leaders would need to fulfill to be effective could be useful in the training, selecting, hiring or promoting processes of servant leaders, and would benefit followers by contributing to the actualization of their growth and potential.