Same difference? Exploring the differential mechanisms linking servant leadership and transformational leadership to follower outcomes

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ABSTRACT

This paper aimed to provide insights into the different mediating mechanisms through which servant leadership (SL) and transformational leadership (TFL) affect followers. We also investigated environmental uncertainty as a moderator of the effects of servant leadership and transformational leadership. Based on the results of two experimental studies and one field study, we concluded that both SL and TFL were related to organizational commitment and work engagement; however, the manner in which they exerted their influence differed. SL worked primarily through follower need satisfaction, whereas TFL worked mainly through perceived leadership effectiveness. The moderating influence of uncertainty was inconsistent across the studies.

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1. Introduction

Leadership as a topic in management has generated an abundance of research over the past several decades. Although it would be going too far to suggest that leadership scholars agree on which behaviors and styles are optimal for leadership, it is clear that one style, more than any other, has been found to be effective: transformational leadership (TFL) (see the meta-analysis by Judge & Piccolo, 2004). However, as business environments change, leadership may face new challenges. One particularly important trend in this respect is the growing dependency on people in a knowledge-based economy, which makes attention to the needs of employees essential for long-term success (O'Leary, Lindholm, Whitford, & Freeman, 2002). Consequently, scholars have recently investigated a type of leadership that is particularly oriented to the needs of employees, known as servant leadership (SL), and although research on SL is in a relatively early stage, empirical findings regarding SL are promising (Van Dierendonck, 2011). However, several scholars have emphasized the considerable overlap between SL and TFL. An important aspect for research on SL is, therefore, investigating *whether* SL is actually different from TFL and, if so, *how*.

Several theoretical papers have argued that SL and TFL have different foci and may be suitable to different environments; TFL focuses on organizational effectiveness, whereas SL focuses on follower needs (Bass, 1985; Graham, 1991, 1995; Mayer, Bardes, & Piccolo, 2008; Van Dierendonck, 2011). Graham (1991) argued that where TFL emphasizes the leader's skills, hierarchical power relationships between leader and follower, visions for the organization, and especially performance, effort, and achieving the goals set out by the leader, SL emphasizes the humility and spirituality of leaders, mutual power, visions of a way of life for the leader and followers, emulation of the leader's service orientation, and the autonomy and moral development of followers. Graham (1995) added that while SL accomplishes OCB among followers by causing followers to reason in terms of universal

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principles and justice, TFL does so by applying to utilitarian calculus and cost–benefit analysis for stakeholders. Smith, Montagno, and Kuzmenko (2004) also emphasized that while TFL focuses on change and organizational innovation and is especially effective in times of uncertainty, SL seems more oriented on preserving the status quo and focusing on individual people and is especially effective in time of stability (cf. Choi & Mai-Dalton, 1998). This suggests that SL and TFL affect outcomes through different processes (TFL through processes related to organizational effectiveness and SL through processes related to follower need satisfaction) and are effective under different circumstances (TFL would be especially effective under uncertainty, while SL would be especially effective under stability).

Unfortunately, however, the few empirical studies that have investigated these fundamental differences have gone no further than establishing the divergent validity of SL and TFL and demonstrating that SL explains unique variance in outcomes (such as follower commitment) beyond the effects of TFL (see, for instance, Barbuto & Wheeler, 2006; Liden, Wayne, Zhao, & Henderson, 2008; Peterson, Galvin, & Lange, 2012). Although these studies answer the question of *whether* SL and TFL are different, to test the fundamental differences between SL and TFL (i.e., *how* TFL and SL are different), there is a need for empirical research that goes beyond the correlation between SL and TFL and directly investigates the different underlying mechanisms through which these forms of leadership affect outcomes and the different boundary conditions for these effects. This is what the current research aims to accomplish.

In a series of three studies using a variety of research methods (experiments and survey research), we investigated the relationships between SL and TFL and between commitment and engagement. Importantly, we study whether the effects of TFL are mediated by followers' perception of leadership effectiveness and whether the effects of SL are mediated by followers' need satisfaction. Moreover, we test the moderating effect of times of uncertainty, specifically, whether the effects of TFL are stronger and those of SL are weaker in times of greater uncertainty.

By going beyond investigations of *whether* SL and TFL are different constructs and investigating directly *how* SL and TFL are different, the current research aims to contribute to the leadership literature in various ways. First, prior research has mainly focused on the discriminant validity of measures of SL and TFL. However, the fact that *measures* of two concepts can be discriminated does not imply that the *theoretical concepts* are different. The current research provides a first step to differentiating between SL and TFL based on theoretical models that specify mediating and moderating pathways of effects of SL and TFL and as such provides much-needed support for the notion that SL and TFL are indeed different theoretical concepts that work through different processes. Second, comparing the mechanisms underlying the effects of SL and TFL provides a much better understanding of why these leadership styles are effective. Consequently, this provides the field with insights into *when* and *where* the different leadership styles can be optimally effective (i.e., ideas for moderators to investigate). For instance, the finding that need satisfaction underlies the effectiveness of SL implies that in environments in which need satisfaction is a constraint and cannot possibly be expected to change, SL may not be very effective. Thus, an understanding of the differential mechanisms underlying SL and TFL can form the basis for theorizing about boundary conditions for these styles. In the current manuscript, the moderation of uncertainty is an example of such novel theorizing. Third, our research also has practical value. By showing that SL and TFL work through different processes, we provide information to managers and companies that may affect their decision to promote one style over the other. Organizations that emphasize need satisfaction may choose SL as their preferred leadership style for managers, while organizations that are more oriented to perceptions of effectiveness may prefer TFL. Our research provides the basis for more evidence-based decisions concerning management styles.

In the following, we first detail what TFL and SL refer to, and we subsequently develop a comprehensive conceptual model of the process through which these leadership styles affect the commitment and engagement of followers. Finally, we discuss the studies conducted.

2. Transformational leadership and servant leadership

TFL refers to a multidimensional leadership style that encourages followers to perform beyond expectations and emphasizes collective values and needs rather than followers' individual values and needs (Bass, 2005; Yukl, 1999). The different definitions of TFL have a common primary focus on organizational goals: transformational leaders inspire their followers to perform better for the sake of the organization. Rewards and praise are used to encourage a stronger focus on achieving high outcomes (Rafferty & Griffin, 2004). TFL theory discusses various elements (or dimensions) of leader behaviors. For instance, Bass (1985) includes inspirational motivation (communicating a stimulating vision), idealized influence (serving as a motivating role model), intellectual stimulation (stimulating followers to think outside of the box), and individualized consideration (an emphasis on followers' development). Rafferty and Griffin (2004) add personal recognition (recognizing the performance of followers) to these elements. Although often contrasted with transactional leadership (a leadership style that emphasizes the exchange relationship between leaders and followers and focuses on explaining and setting goals and providing rewards/punishment), TFL is not the opposite of transactional leadership but instead a leadership style that surpasses explanations, goal setting, and providing rewards for follower performance (Bass, 1985).

TFL is generally viewed as an effective leadership style, and studies show that TFL has many positive effects. For instance, TFL positively predicts work motivation (Shamir, House, & Arthur, 1993), employee satisfaction (Podsakoff, MacKenzie, Moorman, & Fetter, 1990), the number of accidents in warehouses (De Koster, Stam, & Balk, 2011), and innovative performance (Nederveen Pieterse, Van Knippenberg, Schippers, & Stam, 2010). For overviews of the effects of TFL, see Lowe and Kroeck (1996) and Bass and Riggio (2006).