

The Role of Servant Leadership in Organizational Agility: A Case Study in Fars Social Security Organization

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Abstract

The present study examined the role of servant leadership in organizational agility. This research method was in this study was a descriptive-survey method. The results of analyzing the data obtained from research questionnaires by the use of LISREL and SPSS Software Packages suggested that the components of servant leadership (e.g. service delivery, love, trust, reliability, and humility and modesty) affect organizational agility. Besides, among the components of servant leadership; reliability was received the highest priority while service delivery, humility and modesty, and finally love were classified as the next higher priority components.

Key words: servant leadership, organizational agility, leadership

Introduction

In the current era in which organizations are facing global competition, the need for radical changes is felt more than ever. Competitive forces has made organizations not to suffice to the same methods that have been used by them continuously over years so they turn to seeking new and dynamic methods (Geijsel *et al.*, 2003).

In order to be able to keep pace with other organizations or to be ahead of them within a competitive environment, organizations turned their attention to the organization's leaders and tried to embark on organizational as leadership is dealing with such changes (Ziaee *et al.*, 2008). Accordingly, servant leadership emerged as an important factor in promoting the goals of the organization.

The basis of leadership is the ability to influence humans. Leadership is trying to influence people without exercising power (Russell and Stone, 2002). Leadership can be defined as the ability of influencing a group to achieve a vision or a set of goals (Robbins, 2002: 68-49). Consequently, servant leadership is regarded as a broad concept and is seen as a multidimensional construct (Herman, 1998). The leader first considers the needs of other people, that is why servant leadership focuses more on others than on him. Leadership and serving are two contrary words but the actions of the servant leadership occur when the characteristics of these two contradictory words are included into a single leadership style. In the servant leadership style, a person called leader serves his followers so that they form a team. Servant leadership focuses on serving others using a collective approach, promoting a sense of collectivism, power sharing, and decision-making. Due to the increasing popularity of servant leadership, it seems necessary to take some steps not only to analyze it but also to evaluate its *effectiveness* (Birkenmeier, 2003).

Servant leadership

Servant leadership theory is of high significance as an effective moral style in the field of leadership and management among theories of leadership; so it can be seen as one of the ideal styles shading light on human factors. The theory was first developed by Greenleaf. He pointed out that

“The servant leadership begins in the first stage with the instinctive feeling of a person to serve other people. Then the informed choice pushes him enthusiastically to leadership (Nadi *et al.*, 2011).

Graham sees servant leadership as an insightful, pragmatic, and inspiring leader. Servant leadership has always been on serving the followers and respecting the positions of employees within the organization. Such leaders always focus on fostering the growth and development of staff and the organization’s progress so that they can achieve the maximum potential of their employees (Bryant, 2003).

Servant leadership focuses on developing potentials of employees such as effectiveness at work, social citizenship behaviors and interactions, spontaneity, and managerial ability to focus on the future. Servant leadership is a servant preferring others’ needs and desires over his needs and wants and makes his employees feel that the leader of the organization pays attention to their needs and enhances the trust in the organization by convincing the employees and not by forcing them to accept their proposed ideas and decisions (Gholipour *et al.*, 2009).

Dimensions of servant leadership examined in this study include service delivery, reliability, love, humility, and modesty.

Organizational agility

Although many definitions have been proposed for agility, no one is against or contradicts each other. These definitions, generally, point to the idea and change and speed in the business environment. Since agility is a new topic, there is no a commonly agreed definition for it (Karwowski *et al.*, 2007).

Agility is the ability to respond and react to environmental changes in a quick and timely manner. To be successful in today's competitive world, organizations and institutions must take steps towards agility. Agility can improve service delivery and organizational efficiency (Abbesi et al, 2013).

Agile organizations are ready to learn and make optimal use of opportunities to improve their performance. Van Assen *et al.*, (2001) have pointed out that agility is the strategic response to changes that occur in a competitive environment. In addition, the search for competitive principles is based on speed, flexibility, and creativity (Ahmadi et al., 2012).

Agility refers to the ability of the organization to supply high quality products and services and thereby serving as a major factor to enhance organizational productivity. An agile organization does not collapse with sudden changes and events; as it is flexible and responds quickly to sudden changes, new market opportunities, and customer needs (Beigi Nia, et al., 2011).

Brayan Maskell (2001) defines agility as the ability of prosperity in an environment of continuous and unpredictable changes. Therefore, organizations should not be afraid of changing their working environment and avoid it, but they must consider change as an opportunity to gain the competitive advantage in the marketplace. Agility may also be defined as the ability of an organization to respond to market changes and to meet customer demands. One of the goals of an agile organization is to provide satisfaction to customers and employees (Ambrose, 2004).

Vernadat believes the agility can be defined as close organizational alignment with changing work needs in order to gain a competitive advantage. In such an organization, the employees’ goals are in line with organizational goals and had two aims are coupled to give an appropriate response to the changing needs of customers (Nick Pour *et al.*, 2010).

Agile organizations are characterized as being based on information, the focus of activities on competence, flexibility, the alimentionation of overhead cost, creativity, the alignment with authorized and non-hierarchical structures (Jackson, 2003).

The dimensions of organizational agility, according to Goldman, will be examined in the present study include:

- Customer satisfaction
- Collaboration
- Leveraging the influence of people and information
- Organizing to cope with change and uncertainty

Gholipour *et al.*, (2009) in a study examined the impact of servant leadership on organizational trust and empowerment in public organizations. To do so, they studied the interrelationship of servant leadership with empowerment and organizational trust through a correlational analysis. The results showed the existence of a strong relationship between servant leadership, organizational trust, and empowerment. It was also noted that there is a significant difference between the employees and managers' perception of servant leadership.

Noori *et al.*, (2010) studied the role of components of servant leadership on employees' empowerment. They tried to assess the role of servant leadership in empowering employees through Thomas Walthouse's four-dimensional model (sense of competence, significance, self-organization, and efficiency) and Patterson's view in relation to servant leadership. The findings suggest that there is a significant relationship between the components of servant leadership and employees' empowerment ($P < 0.01$). The results of stepwise regression also showed that all the variables under study, i.e. service delivery, humility and modesty, trust, and love can be significant predictors of employees' empowerment.

Concerning organizational agility, Arteta and Giachetti (2007) in a study entitled "The impact of organizational structure on organizational agility", introduced complexity as a substitute for agility. They believed that less complex organizations will accept changes more readily and thus are more agile than complex organizations. Conversely, the organizations with greater complexity in their processes have less agility (Sadeghian *et al.*, 2012).

Goldman *et al.*, (1993) in a study on "Technology and agility" suggested that comprehensive communication and information are critical and valuable elements in moving toward the organizational evolution and agility. The results of their study demonstrated that perceived usefulness and ease would affect organizational agility through actual use of information technology and the desire to use technology (Goldman *et al.*, 1993).

Conceptual model of the study

Figure 1 shows the conceptual model of the present study:

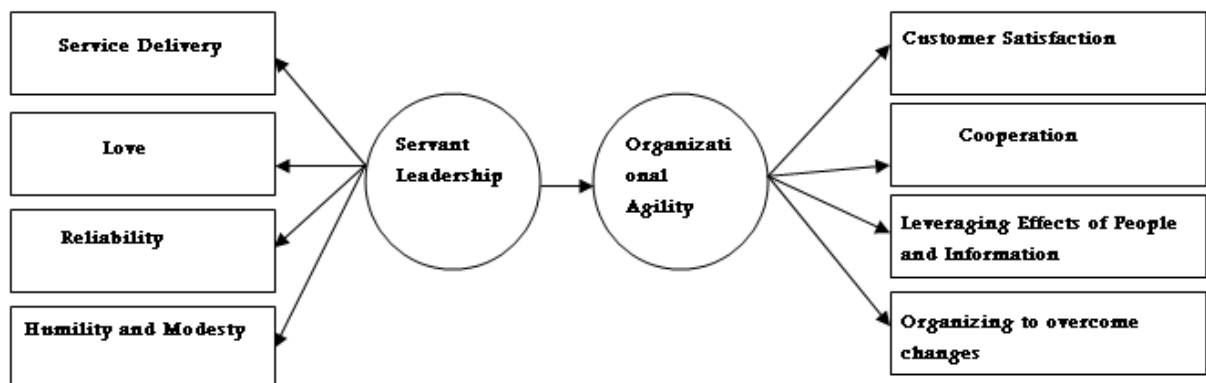


Figure 1: Conceptual Model of the Study

Main research hypothesis

Servant leadership affects organizational agility.

Sub-hypotheses

1. Service delivery affects organizational agility.
2. Love affects organizational agility.
3. Reliability affects organizational agility.
4. Humility and modesty affect organizational agility.

Materials and Methods

The present study is an applied research in terms of the goals it pursues and is a descriptive-survey (non-experimental) research, concerning the method of data collection. The population under study included all employees working in Fars National Gas Department. Total number of the population is 170 employees, of whom 102 employees were selected as the research sample using simple random sampling technique.

The instruments used to collect the data were questionnaires. Standard Servant Leadership Questionnaire developed by Fry *et al.*, (2005) was used to measure servant leadership. Besides, Standard Organizational Agility Questionnaire developed by Goldman *et al.*, (1991) was employed to measure organizational agility. Since these two questionnaires were standard, it can be said that they have an acceptable level of validity and reliability. To be assured further, however, Cronbach's alpha coefficient was used to measure the reliability of the questionnaires. Accordingly, the Cronbach's alpha coefficient of Servant Leadership Questionnaire and Organizational Agility Questionnaire were measured as 0.843 and 0.865, respectively. Since the obtained values are greater than 0.70, it can be said that both instruments are acceptable in terms of reliability and validity. The data related to the indexes and questionnaire items are presented in tables one and two as follows:

Table 1: Components of Servant Leadership Questionnaire

No.	Components	Item No.
1	Service delivery	1-6
2	Love	7-11
3	Reliability	12-19
4	Humility and modesty	20-27
Total items		27

Table 2: Components of Organizational Agility Questionnaire

No.	Components	Item No.
1	Customer satisfaction	1-5
2	Flexibility	6-9
3	Cooperation	10-12
4	Focus on employees and the use of information	13-17
Total items		17

Results

Assessment of the fitness of the conceptual model

To evaluate the impact of servant leadership on organizational agility and to test research hypotheses; confirmatory factor analysis was performed using path analysis technique by LISREL Software. The conceptual model of the study is discussed below in the two modes of significance coefficients and the standard estimation as shown in figures 1 and 2:

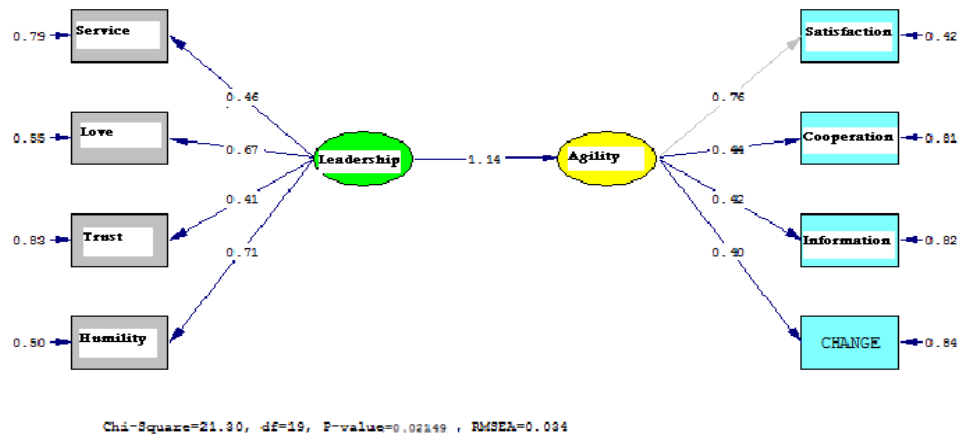


Figure 2: Conceptual Model of the Study in the Standard Estimation Mode

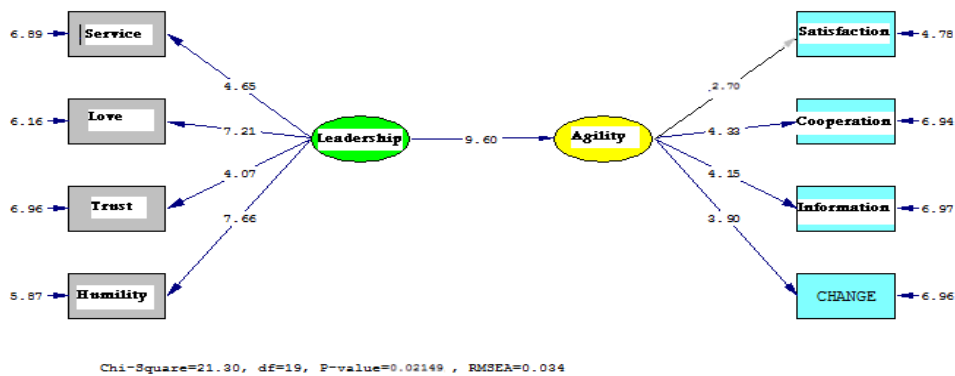


Figure 3: Conceptual Model of the Study in the Significance Coefficients Mode

Table 3: Indicators of the Conceptual Model Fitness

Indicators	RMSEA	P-Value	Df	Chi-Square
Index values	0.034	0.02149	19	21.30

Before testing the research hypotheses, we must first examine the overall fitness of the conceptual model. The best indicator in LISREL is X^2 (Chi-Square) divided by DF. The smaller the resulting value than three do, the more fitted the model. This value for the conceptual model of the study is 1.12, showing an acceptable level of the fitness of the model. The other indicator is RMSEA

(Mean square of model errors) which is constructed based on the model errors. When the value of this indicator is less than 0.05, it shows that the model is well fitted. When this value is between 0.05 and 0.07, the fitness is acceptable, between 0.08 and 0.1, the fitness is medium, and if it is greater than one the fitness is poor. The value of RMSEA for the conceptual model used in the present study is 0.034, which shows that the fitness of the model is acceptable. Concerning the p-value, some scholars believe that it should be higher than 0.5 while others suggest values less than 0.5. In general, there is no consensus on this index.

Table 4: Results of Path Analysis (Structural Equations)

Hypothesis	Path		Standardized coefficients	Sig.
Main	Servant Leadership	Organizational Agility	1.14	9.60
Sub 1	Service Delivery	Organizational Agility	0.46	4.65
Sub 2	Love	Organizational Agility	0.67	7.21
Sub 3	Reliability	Organizational Agility	0.41	4.07
Sub 4	Humility & Modesty	Organizational Agility	0.71	7.66

Standard coefficients and significance level were used in the present study to test research hypotheses. The significance number in LISREL Software is the same as the significance level in SPSS. The only difference is that a coefficient to be significant, its value should be greater than 1.96 or smaller than -1.96 which is used to confirm or reject a hypothesis. The values of significance number higher than 1.96 indicates that the independent variable has greater effects on the dependent variable. Standardized coefficient refers to the value of correlation between two variables. The higher values of this coefficient indicate that the independent variable has greater effects on the dependent variable. The results of the conceptual model in two modes of significant figures and the standard estimation are shown in Table 4. As can be seen in the table, the research hypotheses are confirmed at the 95% significance level and, thus, it can be said that servant leadership as well as its components affect organizational agility.

Prioritization of servant leadership components

H_0 : There is no significant difference between the components of servant leadership.

H_1 : There is a significant difference between the components of servant leadership.

Table 5: Friedman test for significant aspects of servant leadership

Statistical Indicators	Calculated values
Number	102
Chi-square	24.598
df	6
Sig	0.000

As can be seen in Table 5, as the significance level of the test ($P = 0.000$) is smaller than the determined significance level ($P = 0.05$), the null hypothesis is rejected or and the alternative hypothesis is confirmed; suggesting that there is a significant difference between the components of servant leadership.

The components of servant leadership are shown in order of preference in Table 6. As can be seen in the table, reliability has the highest priority while service delivery, humility and modesty,

and finally love are classified as next higher priority components in Fars social Security Organization.

Table 6: Prioritization of dimensions of servant leadership using friedman ANOVA

Priority	Components of Servant Leadership	Average Rating
1	Reliability	4.52
2	Service Delivery	4.17
3	Humility and Modesty	4.08
4	Love	4.05

Discussion

According to the findings of the study, it can be concluded that the components of servant leadership affect organizational agility. Accordingly, it can be said servant leadership paves the way for organizational agility. In other words, the organizations that enjoy servant leadership can motivate employees, providing them with information and giving them power so that they can participate in the decision-making process leading to the employee satisfaction.

Based on the results of the study, the following recommendations are made to improve the position of servant leadership and organizational agility:

- Sharing responsibilities with employees and making them participate in decision making
- The more managers behaviors aligned with servant leadership indicators, the more successful will be the efforts made to improve organizational agility.
- The organization needs make more efforts to strengthen the components of servant leadership for the purpose of the fulfillment of organizational agility.
- Leaders who are able to serve the organization will train empowered employees through an open mind and a clear vision.
- Paving the way to use of employees' hidden talents and their thinking ability
- Arrangements should be made the results of research and evaluation processes related to empowering employees become available to managers and employees working at different levels of the organization, as it is an important step in order to achieve the organizational agility.
- To enhance knowledge and skills of managers, familiarity with various aspects of servant leadership must be considered at the top of the affairs and activities of senior managers of the organization.
- Information sharing among employees in order to gain more understanding of the organization and its activities
- Managers are suggested to reinforce the flexibility spirit within the employees when confronting new changes. They should also be aware that no changes will happen rapidly and they require time to achieve the desired results.
- Organizational structure must be changed from a rigid structure into a flexible, adaptable, and innovative one. Horizontal structures with low complexity will facilitate the change process inside the organization so such structures follow the agility criterion.

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