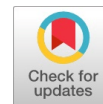# Servant Leadership. Case Study-Starbucks

Ioanna Dimitrakaki

Abstract: The concept of leadership is perhaps the most overused word, which has been harnessed with so many conceptual meanings, stakes and implications. In the various scientific articles, it has been understood as a structural characteristic of the personality, while many times it has been linked to the organizational conditions of the organization. Often, it has been approached as a behavioral characteristic. Given the proven research value of the concept of leadership, a deeper understanding of the nature of leadership can be extremely important. Leadership has been understood as a process of exercising social influence in an organization or group. In the same context, a leading individual (leader) will tend to initiate invisible and overt processes, where other individuals may be supported in starting and completing tasks. According to the above approach, a leader does not simply plan on the safe side, but leads by taking a significant, ongoing risk—of achieving overall goals or approaching total failure. Servant leadership can be an extremely important leadership philosophy to match the complex conditions of the modern environment. This was explored in the current paper, through the analysis of the global success of the Starbucks café chain.

Keywords: Leadership, Servant leadership, Starbucks, Culture, World Economies, Comparative Advantage.

I. INTRODUCTION

"A great leader must first see himself as a servant" – Robert K. Greenleaf This short passage, written in 1970, can capture according to (Smith, 2005, [1]), the essence of the leadership style under study. This simple, yet profound and influential idea has been subjugated in a number of scientific articles and books over the past 35 years. The concept of leadership is perhaps the most overused word/reference, while it has been attached to so many conceptual meanings, stakes and implications. In the various scientific articles, it is sometimes understood as a structural characteristic of the personality. In the same time, it has been linked to the organizational conditions, while it has often been approached as a behavioral characteristic. Given the proven research value of the concept of leadership (it has been found to significantly influence important dimensions of organizational behavior), a deeper understanding of the nature of leadership can be extremely important. Leadership has been understood as a process of exercising social influence in an organization or group. In the same context, a leading individual (leader) will tend to initiate unseen and overt processes, where other individuals are supported in starting and completing tasks.

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At the same time, the leader can uptake a total assumption of risk/responsibility associated with organizational success/failure. According to the above approach, a leader does not simply plan on the safe side, but leads by taking a significant, ongoing risk—of achieving overall goals or total failure. Therefore, it is not simply an "objective", or a statistical approach (where leadership tries to manage data and optimize strategies). One way to understand the above is this: leadership's "mathematical" navigation of holistic problems can be the tip of an iceberg (the visible part). The rest of the success can be based on what can fundamentally define the concept under study, or the part that is difficult to explain. Greenleaf emphasized that a leader is one who "steps forward and shows the way. He/she emphasizes "I am first, follow me" even when he/ she knows the path may be uncertain or dangerous (Don M. Frick,2004,[2]). Characteristics that distinguish leaders from non-leaders or followers may be (among others) the enhanced levels of adaptability, persistence, integrity and self-confidence (Kantharia,2011,[3]). The concept of servant leadership can be extremely profound and misunderstood. It does not in any way mean the "follower of the followers", but the leader who can understand and manage the anxieties/thoughts of the followers (starting from the base) and who can shape them into a course, where himself can take the overall responsibility for success/failure. It should in no way be confused with transformational leadership (explained below). There is a close conceptual linkage between transformational and servant leadership. Transformational leadership occurs when leaders elevate the interests and ideas of employees and create a "higher" awareness and acceptance of the organization's goals and mission. At the same time, employees are encouraged to look beyond their self-interest while being empowered to achieve organizational goals (Bass, 1990,[4]). In transformational leadership, the primary focus is on the organization and its pursuits. The leader's vision is paramount (it is assumed to contribute to the long-term achievement of organizational goals). In contrast, in the leadership style under analysis there is a fundamental focus on the internal side and the followers/employees. Leaders of this type tend to value the people who make up the organization. This is not an emotional targeting, but rather an unconditional concern for the well-being of those who make up the organization. According to (Stone et al.2004,[5]), the transformational leader's focus is on the organization and through various behaviors, followers' commitment to organizational goals is developed, while the servant leader's focus is on the employees themselves (the achievement of collective goals is of secondary importance). The status of leadership in organizational success cannot be ignored, as the impact of employee leadership on employee performance can be a source of developing competitive advantage for any organization.

The roots of this style of leadership can be very deep, as the leader tends to transform into a servant and vice versa (in line with the Christian perspective). Servant leadership has attracted researchers in the field of management sciences to better understand the role of leadership in organizational performance (Liu, 2019,[6]). (Greenleaf 1977,[7]) emphasized that the servant-leader must have a natural sense of wanting to serve first, before ruling. Therefore, the ideal leader of this type does not have as his primary purpose to rule, but to serve (he may in theory not even want to rule, but it may be a necessary step in order to serve in an essential way). (Malone and Fry, 2003,[8]) argued that leadership of this style is not about the characteristics of a leader's personality, but the leaders' attempt to be led to a fuller understanding of followers' needs/requirements, in order for them to develop certain attitudes and behaviors (ideally these attitudes are not preconceived, but tend to be imposed by the given approach framework of the leader). Therefore, given that the true conditions for the development of work attitudes and behaviors, can be important, all of the above can be durable and significantly affect organizational performance. In essence, the most important element is probably the sincere trust in the organizational base (provided that the attitudes / behaviors that will lead to organizational success (under the influence of leadership) can be effortlessly / naturally and spontaneously created). Otherwise, shapes and patterns of control and direction of the above should be adopted, so that they can align with the thinking of the top of each organization. (Barbuto and Wheeler ,2006,[9]) argued that leadership of this kind, although thoroughly analyzed in the literature, has not been adequately understood in the context of contemporary organizations. (Laub, 2005,[10]). argued that what essentially differentiates transformational and servant leadership is the importance placed on the interest of the workers (in the first instance the interest of the top leadership is everything, while the workers can be "enlightened" by deeply understanding the vision of the leadership and taking advantage of the spiritual/psychological resources given to them). According to many authors, the concept needs to be better understood and more intensive research needs to be conducted(Patterson, 2003,[11]) showed an integrated model that reflected the cause-and-effect relationship between different variables that provide a conceptual direction towards understanding servant leadership, while they further suggested that followers showed more loyalty to their leaders and organizations, than others. Patterson also claimed that employees' primary emphasis was on leadership, which was shown in the positive relationship between this leadership style and employee engagement. Servant leadership is considered a relatively new concept in the field of management and organizational behavior, therefore there is a relative lack of adequate research and empirical data. According to (Northouse ,1999,[12]), the concept requires stronger research support, as well as increased efforts in terms of its further understanding For example, (Drury,2004,[13]), attempted to analyze the relationship between servant leadership, job satisfaction and organizational commitment, but concluded that there is a need to further investigate the dimensions of servant leadership

II. LITERATURE REVIEW

The concept of "Servant Leadership" was fist coined by Robert K. Greenleaf, the1970. As previously noted, a leader is a servant first. The author referred to 2 extreme forms of creating leadership tendencies/directions-leadership as a primary need and serving others as the second. At the same time, he emphasized that these archetypes constitute 2 extreme values and that there can be many intermediate stages and combinations, due to the infinite diversity of human nature.

Something important that may require clarification is the understanding of the concept of follower/employee. He can be regarded as a person who voluntarily and actively participates in the above processes in response to the leader's initiatives (Banutu-Gomez 2004,[14]), emphasized that "to succeed, leaders must teach their followers not only how to lead, but also how to be good followers." Followers must learn to follow so that they can later become effective leaders. The concept has been applied to some extent by organizations, while according to (Arkin, 2004,[15]), companies that apply servant leadership comprise between 33-50% of Fortune magazine's 100 best companies. These companies include Starbucks Coffee Company, Southwest Airlines, etc.

However, the theory's focus on the leader's internal values versus external technique makes this view difficult to adopt. Commonly (as with transformational leadership), the problem is that there are leaders who either completely transform an organization (from the outside in), or from the inside out. The problem may be in how all the above are recognized, or measured. The answer can be important for companies to grow on a practical level. As (Russell, 2001,[16]) pointed out, "this leadership style can succeed or fail based on the personal values of the people who use it"

Each of the central tenets of the servant leadership philosophy is explored below:

1. Servant-Leadership is strengthened when a leader takes the position of a servant during their interactions with followers. Authentic, legitimate leadership arises not from the exercise of power or from serving selfish ends, but from a fundamental desire to help others. Greenleaf noted that this simple fact is the key to achieving leadership excellence. The primary motivation is to encourage the greatness of others, while organizational success is an indirect component.

2. Holistic Approach- This leadership style holds that "the work exists for the person as much as the person exists for the work" The above may pose a challenge to organizations and the tacit assumptions of top leadership, as the theory promotes a perspective in which individuals should be encouraged to be authentic ('be who they are'), both professionally and personally. This direction may have the strongest long-term results

3. Promoting a sense of community - Greenleaf called the reduction of this effort "lost knowledge". Therefore, only the instillation of a sense of community within an organization can induce the true satisfaction of the deepest aspirations of the community.

Moreover, this can only be achieved by the action of respective leaders 4. Distribution of Decision-Making Power. Effective leadership can achieve maximum results only when it fosters appropriate conditions within the organization. Through the development of participatory conditions, employee talent and motivation can be nurtured. As emphasized by Russell "leaders enable others to act, not by accumulating power, but by sharing it."

Greenleaf has been called "the father of the empowerment movement" because empowerment is one of the most important characteristics of servant leadership (Russell & Stone 2002). Empowerment is trusting others with authority, really helping them go forward and includes meaningful listening, making people feel important, while emphasizing teamwork, etc.

The same authors considered this leadership style as a service to others where the focus is on the development and well-being of employees, as central means of achieving organizational goals. These leaders tend to trust employees and their capabilities, holding the belief that they are giving their best to the organization and emphasize employees rather than the goals (Rosnani, 2018,[17]).

At the same time, these leaders can be presented as role models and can be a source of inspiration for others, in order to develop an environment of trust. They can encourage employees to make decisions autonomously, which can lead to fostering an environment that heartens innovation and creativity.

In the same context, the performance of managers is more effective, in relation to the operational and financial objectives, when there is a focus on people. In order to implement this style of leadership, employees and their contributions should be valued in practice.

(Nair, 1994,[18]) observed that "Doing menial jobs does not necessarily mean that one is a servant leader. Rather, a leader is one who invests in himself or herself to facilitate, refine, and empower others, helping them to be and to do their best" (p. 14). And "As long as power dominates leadership thinking, we cannot move individuals to a higher level."

Several views on this style of leadership have suggested that in order to learn servant leadership, individuals must undertake a journey of self-discovery. Leaders of this type can be a group of people who interact with employees and are not a source of stress for them. According to (Russell & Stone, 2002,[19]), leaders of this style should develop certain traits, such as (among others): empathy, active listening, self-awareness, proactivity, commitment to personal development.

In relation to the above, 3 Images will be presented. The first concerns the dimensions of the concept being studied, while the other 2 relate to the various relationships between servant leadership and organizational performance. In the first Image, the dimensions are mentioned: Love (the most important concept that can be perceived by employees, as it can balance their demands and needs), altruism, empowerment, trust and a sense of service (in relationship with employees).
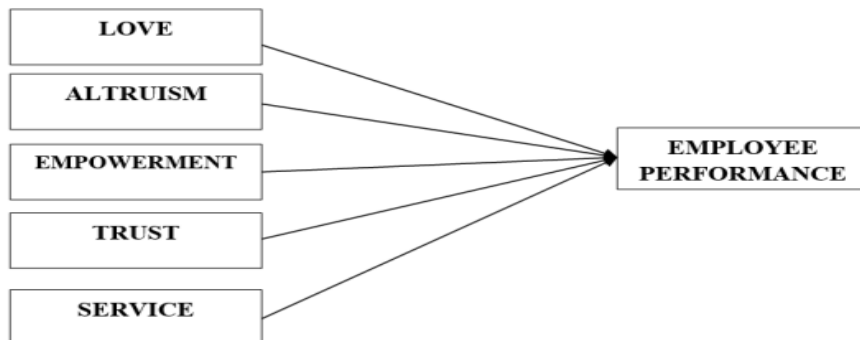
Figure 1: Servant Leadership Dimensions
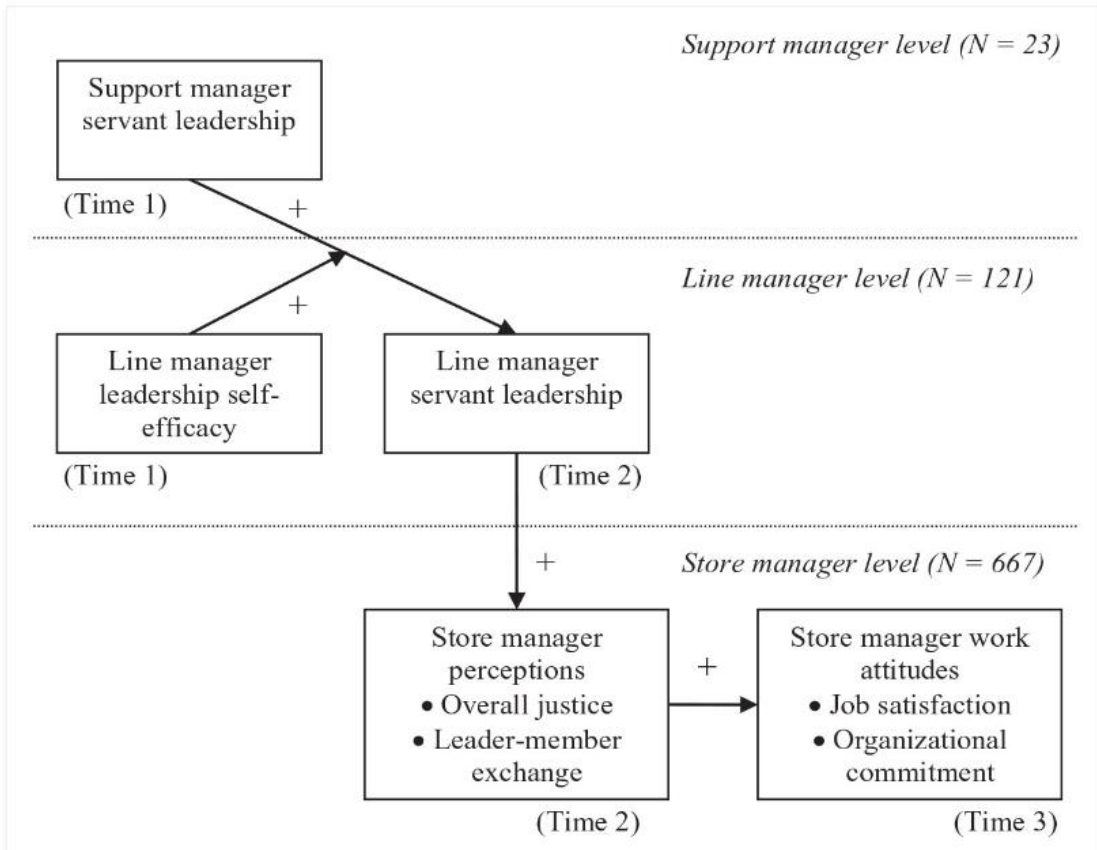**Source**: (Sarwar et al., 2021, [20])

In Figure 2 below, the model of (Bieńkowska et al., 2022, [21]) is shown.
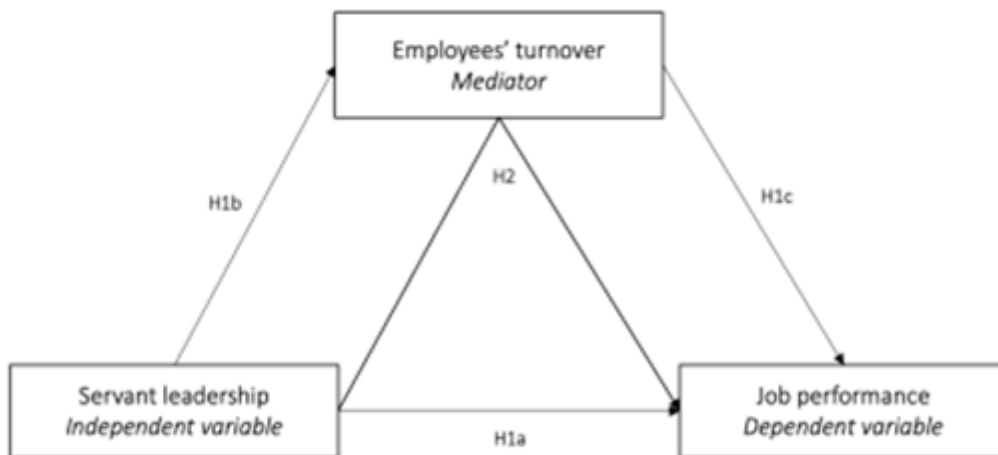
Figure 2: Servant Leadership and Organizational Performance

Therefore, the variable under study has a significant effect on work performance, through the turnover variable (it explains the strong relationship between the other variables).

Figure 3: Servant Leadership and Organizational Performance
Source: (Kauppila et al., 2022, [22])

Finally, the above model shows how this leadership can ultimately affect job satisfaction (through perceived fairness, quality leadership-employee exchanges, etc.).

III. ORGANIZATIONS PROFILE

Starbucks Corporation is a multinational coffee chain based in Seattle, United States It originally opened as a small shop in 1971 and has grown into a huge, multinational organization, revolutionizing the coffee industry in the United States. Howard Schultz was hired in 1982 to manage the company's retail sales and marketing. It was then that he made a trip to Italy, where he had an epiphany about the coffee industry. He visited the famous espresso bars of Milan and was enthralled by the culture and romance of the Italian shops. Returning, he decided to implement in the United States what he had experienced, but at first, he encountered many difficulties, at the level of bureaucracy. As a result, he left the original company and decided to follow his own vision. His departure from initial Starbucks company, was so amicable that the founders subsequently invested in his vision after he revisited Italy for research purposes. After a while, Schultz began to succeed, while Starbucks had a disappointing performance. He then approached the "mother" company and acquired it, changing its name to Starbucks Corporation. It is worth emphasizing that nothing would have happened if Schultz had not maintained a friendly relationship with his former partners. This may be the key to the analysis of servant leadership. It is an ethical philosophy in relation to business, where healthy, long-term, human relationships are developed (as far as possible). At the end of 1993 the chain had 275 stores and 425 a year later. In 1997, the total number of branches was 1,412, while in 2022 it has 34,317 stores worldwide.

IV. RESEARCH

Howard Schultz's leadership style at Starbucks has been admired and studied by a number of scholars. Schultz is one of the rare examples of a successful implementation of the servant philosophy of leadership. He managed to ensure the empowerment of the staff and indirectly the global success of the organization This practice led to a positive culture that continues to drive the company's performance. Starbucks has managed through a number of ways, to successfully implement the main principles of servant leadership internally. The leadership of this style is a strong philosophy that seems to support the business model of the company under study. This management style has been reinforced by the existing organizational culture. Leaders of Starbucks, tend to guide staff in order to add value to the company at every level (in terms of relationships within/outside the organization, products offered, etc.). Consumers can benefit indirectly from this management style as they can enjoy high quality products/services The main principles that have been adopted by the company under study are empathy,

Commitment to the needs of employees and their development, awareness at many levels, achieving transparency and sensitivity. The concept of openness has helped Starbucks achieve its goals. The organization developed and implemented open communication forums several years ago, in order to improve the quality of communication between employees and managers. This practice created a positive environment and climate in relation to work motivation and fostering creativity (Ng et al., 2016,[23]). Additionally, employees were empowered in terms of leveraging their capabilities to meet the changing needs of different customers. The principle of empowerment appears not only to have been implemented, but to have produced spectacular results.

Another principle that has been taken seriously is that of cooperation. Employees and managers communicate effectively and share ideas. Employees are encouraged to adopt an attitude of inquiry and to identify new ways of increasing customer value.

In relation to the HRM strategy, a philosophy of eliminating differences/discriminations, strengthening tolerance and increasing the strength of relations with the various communities has been adopted. This strategy has led to the development of a thriving culture, where on the one hand different ideas are promoted, but on the other hand they can be applied in different parts of the world. For example, managers at Starbucks "routinely" offer effective guidance to subordinates.

Starbucks leaders have been always ready to respond to the needs of its stakeholders, including employees, communities and customers. Motivated employees find it easier to deliver superior service to their respective customers. Community members are motivated by the help of numerous opportunities and programs that can meet their needs.

Essentially, the company has fostered a positive culture that empowers employees, from diverse backgrounds. This can be an extremely important task, as strong positive feelings of employee recognition and willingness to give back, can develop. This may explain the significant profitability of the company in recent years. In addition, the company has shaped its culture by introducing policies and programs that can enhance performance. Healthy work environment combined with performance enhancing measures can work wonders (whereas adopting performance enhancing measures through incentives alone can lead to complicated situations and misunderstandings). The company has finally adopted and effectively communicates corporate social responsibility (CSR) initiatives, while providing scholarships and other services to various members of the community.

V. ANALYSIS

Starbucks leaders have been always ready to respond to the needs of its stakeholders, including employees, communities and customers. Motivated employees find it easier to deliver superior service to their respective customers. Community members are motivated by the help of numerous opportunities and programs that can meet their needs. Essentially, the company has fostered a positive culture that empowers employees, from diverse backgrounds.

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VI. CONCLUSIONS AND IMPLICATIONS

As world economies develop, they move into the information age, while the service sector is continuously strengthened . Modern, complex organizations are increasingly expected to have to compete in delivering meaning to an ever-increasing share of consumers and employees (future and existing). Therefore, success for businesses depends on fulfilling the elements of learning and innovation. Organizations must become "learning organizations of the future", which may involve a total shift in organizational emphasis from the production of goods/services to the development of workers who can learn, innovate or support innovation. Therefore, the question is which leadership styles or which organizational variables in general, can lead to the achievement of the above. The question, then, is how can an organization implement the above considerations? How can an organization implement servant leadership? The answer might be simple—**maybe it can't**. What it can do is to deeply understand what makes these leaders so effective and try to develop the "matching conditions", depending on the context (country of operation, culture, employees, etc.), in order to achieve these positive outcomes.

Organizations may be in such a volatile/fluid environment that the "original thinking" of some capable leaders may not be enough. The accumulated knowledge of employees who are in daily contact with customers (electronically, physically, etc.), can be the future source of achieving comparative advantage. However, to mobilize and utilize this amount of knowledge, perhaps the type of leadership discussed above is needed. It is easy to dismiss this form of leadership as "idealistic," but it is increasingly favored. It's easy to be cynical, and argue that "that's not the way the world is" or that businesses don't think that way. This may be the reason why modern companies face significant problems of attracting/retaining talent, of reduced satisfaction, etc., while the younger generation tends to be more and more informed and cynical. Servant leadership may be the future for organizations looking to gain an edge, and the more the knowledge of employees is harnessed, the greater the chances of achieving organizational success are developed.

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Ethical Approval and Consent to Participate	No, the article does not require ethical approval and consent to participate with evidence.
Availability of Data and Material/ Data Access Statement	Not relevant.
Authors Contributions	I am only the sole author of the article.

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