

# AN EMPIRICAL STUDY OF OTHER-ORIENTED AND RATIONAL SELF-INTEREST LEADERSHIP APPROACHES

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Other orientation is defined as “the extent to which individuals are concerned with the welfare of others” (Meglino & Korsgaard, 2007, p. 59). Other-oriented leaders focus their attention on organizational objectives coupled with a human resource emphasis, whereas rational self-interested leaders concern themselves with organizational objectives coupled with self-emphasis. This quantitative study examines philanthropic and servant leadership, which are other-oriented leadership approaches, and transactional leadership, which is a rational self-interested leadership approach, to determine the effectiveness of the approaches in the 21st century. This study further examines the results of a hermeneutic phenomenological study of philanthropic leadership that introduced a new other-oriented leadership model. This study focuses on leadership preferences of leaders, employees, and third-year undergraduate business students to determine if there is a significant difference between preferences among groups for other-oriented and rational self-interest-oriented leadership approaches.

The increased competitive nature of the global marketplace is causing leaders to evaluate the feasibility and effectiveness of various leadership approaches. The purpose of this study is to examine two other-oriented leadership approaches and one rational self-interest leadership approach to determine which approach is plausible for 21st-century global leaders to consider as they seek to adopt leadership characteristics that enable

them to create highly competitive, collaborative, and innovative learning organizations. According to Senge (1990), learning organizations are organizations “where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together” (p. 3). To compete in

the 21st century successfully, organizations will need to expand their capacity to include the knowledge, skills, and creativity of employees.

Since the Industrial Revolution, the relationship between leaders and employees has been primarily dependent on economic exchange. The employees perform tasks, and leaders monetarily reward employees for their efforts. The leader-and-employee relationships rely on behaviors of rational self-interest. Meglino and Korsgaard (2007) defined rational self-interest behavior as “thinking and acting in a manner that is expected to lead to an optimal or maximum result for a person on the basis of consideration of the person’s values and risk preferences” (p. 946). With the increase in global competition and the need for more employee involvement in organizational efforts, some leaders are reconsidering the effectiveness of rational self-interested leadership approaches in the 21st century. Though rational self-interested leadership approaches may have been effective in the 20th century, with the challenges leaders face in the 21st century, such approaches may not be as effective today or for the future. Leaders are beginning to examine the effectiveness of other-oriented leadership approaches as they seek to compete in the global marketplace and to address the challenges of leading in the 21st century. These leaders understand that the success of their organizations is dependent upon the employees and want to ensure that they are relying on leadership approaches which motivate employees to excellence, and ultimately, lead to the achievement of desired organizational objectives and a stronger global competitive position.

The theory of other-orientation enables leaders to focus on organizational objectives and the well-being of employees. Meglino and Korsgaard (2007) defined other orientation as “the extent to which individuals are concerned with the welfare of others” (p. 59). Leaders who rely on other-oriented attitudes and behaviors seek to pursue objectives that are inclusive and not exclusive. These leaders pursue objectives that will benefit all parties, instead of pursuing objectives solely benefiting themselves. Other-oriented leaders do not rely on systematic reasoning in pursuing objectives; they rely on the internalization, adherence, and enforcement of societal norms (Meglino & Korsgaard).

Over a 10-year period, Lombardo and Eichinger (2002) conducted research on competitive-edge

competencies and compiled a list of 67 competencies known as the Leadership Architect competencies. They collected data from 6,000 respondents, representing 140 companies. Results revealed that respondents valued other-oriented competencies such as caring about others, caring about direct reports, compassion, and listening. Lombardo and Eichinger suggested that these competencies, along with additional other-oriented competencies, were critical to the development of leaders. The next section presents an in-depth discussion of two other-oriented leadership approaches and one rational self-interested approach.

## Philanthropic Leadership

Philanthropic leadership originates from the word *philanthropy*, which means a love for humanity that promotes the well-being of others (Barrow, 2004). Maude (1999) defined philanthropy as a “surrender of the spirit” and *spirit* as one’s response to his or her “Thou” or “beloved other” (p. 14). Philanthropic leadership is a model that encourages leaders to surrender their spirit in an effort to promote the well-being of others. When leaders rely on attitudes and behaviors that reflect a love for humanity, they promote the well-being of others. They understand that promoting the well-being of others leads to the strengthening of leader-employee relationships. The stronger the relationships, the stronger and more competitive the organization becomes.

To examine the leader-employee relationship in greater detail, a hermeneutic phenomenological study was conducted with leaders from the United States and Canada to determine if love, compassion, caring, altruism, and perceptive listening, which represent the characteristics of philanthropic leadership, influenced their leadership approaches and interactions with employees (Barrow, 2004). This study focused on the leaders’ lived experiences. A lived experience is an “immediate, pre-reflective consciousness of life: a reflexive or self-given awareness, which is, an awareness, unaware of itself” (Van Manen, 1990, p. 35). Lived experiences are the world as we experience it every day; they are the starting and end point of phenomenological research (Van Manen, 1984).

The findings of the hermeneutic phenomenological study revealed that love, caring, compassion, altruism,

and perceptive listening had varying degrees of influence on the leadership approaches adopted by leaders. Perceptive listening had the most influence on the leaders' approaches. This characteristic gave leaders the opportunity to come to know employees so that they could assist in personal growth and development. It was through the process of listening that respectful, trusting, and empowered relationships were developed. Employees were more inclined to collaborate with one another and become involved in the organizational efforts.

Judging from networks created using ATLAS-ti (a qualitative data analysis software program), Barrow (2004) found that love, compassion, caring, and altruism did not have the same degree of influence that perceptive listening had on the relationships between leaders and employees. Some of the participants acknowledged that love played a role in their interactions with employees, while others did not. The leaders who acknowledged that they introduced love into their interactions with employees did so to demonstrate to employees how much they were valued and respected. Through their efforts to display compassion, the leaders revealed their humanness. By giving of themselves, they displayed altruistic attitudes and behaviors.

## Servant Leadership

Greenleaf first introduced the concept of servant leadership in an essay he wrote in 1970 titled "Servant as Leader." Greenleaf presented the elements of servant leadership out of a desire to change how leaders in organizations interacted with employees. Herman Hesse's novel *Journey to the East* (1956) was a source of inspiration for Greenleaf as he crafted the tenets of servant leadership. In particular, Leo, a servant in Hesse's novel, possessed characteristics that were attractive and effective, but lacking in many leaders. Greenleaf concluded from Leo's character that effective leaders were those leaders who sought to lead by putting others first. Hence, an attitude of service was the platform from which servant leadership was derived. Greenleaf (1977) wrote:

The servant-leader is servant first. . . . It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. He or she 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. For such it will be a later choice to serve—after leadership is established. The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature. The difference manifests itself in the care taken by the servant—first to make sure that other people's highest priority needs are being served. (pp. 13–14)

Characteristics associated with servant leadership include incorporating listening skills, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people, and community building (Spears & Lawrence, 2002).

Servant leadership challenges the individualistic position of most leaders by suggesting that leaders become more communal in their thinking through incorporating selfless service into their leadership approach. Tomasko (1993) suggested,

A servant leader allows [employees] to feel as if they don't have to "go to great lengths" making sure they are getting their fair share of resources or rewards, that they don't have to waste time watching their backs—because they know their [leader] is doing these things for them. (pp. 160–161)

Servant leadership, according to Adler (2004), essentially inverts the traditional top-down and transactional approach to leading. A paradigm shift occurs when leaders begin to put the needs of the organization and others before their own. Leaders in organizations such as Southwest Airlines, Herman Miller, TDIndustries, ServiceMaster, Starbucks, and Men's Wearhouse have discovered the value of embracing the principles of servant leadership. These leaders understand the positive effect servant leadership can have on the organization's performance and effectiveness. Servant leadership enables an organization to deliver quality products and services; an example is North Mississippi Medical Center, the largest rural hospital in the United States, awarded the coveted 2006 Malcolm Baldrige National Quality Award, and the hospital attributed its success to the leaders' adoption of servant leadership principles (Goonan, 2007).

## Transactional Leadership

Transactional leadership has been in existence for centuries and has influenced countless leader-employee relationships and interactions. With transactional leadership, leaders and employees enter into a psychological contract. Both parties expect that neither will breach the contract. Transactional leadership is a social exchange leadership approach that many leaders today embrace as they seek to influence the attitudes and behaviors of employees. Transactional leaders and employees rely on mutually beneficial transactions and exchanges in order to fulfill the obligations of the psychological contract. Transactional leadership gives leaders benefits such as status, privileges of authority, influence, and prestige; it also gives employees benefits that are extrinsic and intrinsic (Bass, 1990). The primary motivating factor influencing transactional relationships is preservation of rational self-interest on the part of leader and employee. Both groups seek to benefit from the transactions that occur as a result of the relationship and act in a manner that supports their self-interest. The transactional relationship offers value for all parties. Bass suggested that the transactional leader “gives things of value to followers such as sense of direction, values, and recognition, and receives other things in return such as esteem and responsiveness” (p. 319). Transactional leaders rely on contingent rewards and management by exception. They offer rewards when employees meet agreed objectives or perform at a satisfactory level. When employee performance is unsatisfactory, punishment of some nature replaces rewards. In transactional relationships, leaders may turn to positive and negative reinforcement as a way of influencing employees’ attitudes and behaviors. If necessary, the leaders monitor employee performance and introduce corrective action by incorporating management by exception (Bono & Judge, 2004). Transactional leaders may invoke management by exception prior to or after the employees’ failure to meet the expectations set forth. Because of the nature of transactional leadership, leaders who subscribe to this approach tend to foster and support rational self-interested activities rather than other-oriented activities. With transactional leadership, transactions and exchanges between leaders and employees are more important than development and preservation of their interpersonal relationships. Though transactional leadership has been

effective, with today’s ever-changing demands it may be more difficult for leaders to sustain this approach as organizations seek to compete in the global marketplace.

## Research Questions and Hypotheses

To gain an understanding of the leadership preferences of leaders, employees, and third-year undergraduate business students, a set of research questions and hypotheses became the focus of this study. Regarding the characteristics of philanthropic, servant, and transactional leadership:

1. Is there a difference in men and women’s preferences?
2. Is there a difference in leadership preferences based on leadership role versus nonleadership role?
3. Is there a difference in leadership preferences according to participants’ age?
4. Is there a difference in leadership preferences that is based on participants’ employment status?
5. Is there a difference in leadership preferences based on participants’ current roles?

The hypotheses for this study are:

H<sub>01</sub>: There is no difference in the mean philanthropic, servant, and transactional leadership preference scores for males versus females.

H<sub>02</sub>: There is no difference in the mean philanthropic, servant, and transactional leadership preference scores for leaders versus nonleaders.

H<sub>03</sub>: There is no difference in the mean philanthropic, servant, and transactional leadership preference scores by age level.

H<sub>04</sub>: There is no difference in the mean philanthropic, servant, and transactional leadership preference scores by employment status.

H<sub>05</sub>: There is no difference in the mean philanthropic, servant, and transactional leader preference scores for leaders versus employees versus third-year undergraduate business students.

## Method

The purpose of this study is to examine two other-oriented leadership approaches and one rational-self-interest leadership approach to determine which

approach is plausible for 21st-century global leaders to consider. A total of 258 individuals from Canada and the United States were invited to complete an 18-item on-line leadership preference survey. Of those, 213 (83%) accepted the invitation and completed the survey. The survey consisted of statements representing the characteristics of philanthropic, servant, and transactional leadership. There were 5 statements representing the characteristics of philanthropic leadership, 10 statements of servant leadership, and 3 of transactional leadership. The participants rated the characteristics using a 5-point Likert-type scale ranging from *strongly disagree* (1) to *strongly agree* (5). SPSS was used to determine means, significance of differences, and analysis of variance.

## Results

The participants were asked to furnish demographic information for this study. The data collected show that 65% of the participants of this study were female and 35% were male. Table 1 represents the demographic information given by participants.

A *t*-test was conducted to respond to research questions one and two, as well as their corresponding hypotheses (research question one: Is there a difference in the preferences of men and women pertaining to the characteristics of philanthropic, servant, and transactional leadership?  $H_{01}$ : There is no difference in the mean philanthropic, servant, and transactional leadership preference scores for males versus females; research question two: Is there a difference in the preferences of individuals in a leadership role versus non-leadership role as it pertains to the characteristics of philanthropic, servant, and transactional leadership?  $H_{02}$ : There is no difference in the mean philanthropic,

	<b>Frequency</b>	<b>Percentage</b>
Female	139	65
Male	74	35
18–30	52	24
31–45	87	41
46–65	74	35
Leader	133	62
Nonleader	80	38
Full-time	151	71
Part-time	21	10
Retiree	7	3
Student	30	14
Unemployed	4	2

servant, and transactional leadership preference scores for leaders versus nonleaders).

Independent samples were used to test the significance of differences between mean scores for gender and leadership role regarding leadership preferences. The mean scale range was 0 to 5, with 5 being the highest. Table 2 represents the findings of the *t*-test pertaining to gender, leadership role, and preferred leadership approaches.

All the leadership scores were found to have a significant difference with men and women; therefore, the null hypothesis was rejected. Transactional leadership had the greatest difference. Only the servant leadership score was found to have a significant difference, with those in leadership roles giving it a higher score

	<b>Philanthropic</b>	<b>Servant</b>	<b>Transactional</b>
Males	M = 4.20	M = 4.20	M = 2.81
Females	M = 4.07	M = 4.18	M = 2.87
<b>Significance (two-tailed)</b>	<b>SD = .208</b>	<b>SD = .054</b>	<b>SD = .345</b>
Leader	M = 4.19	M = 4.25	M = 2.75
Nonleader	M = 4.09	M = 4.10	M = 2.96
<b>Significance (two-tailed)</b>	<b>SD = .191</b>	<b>SD = .014</b>	<b>SD = .065</b>

than those in nonleadership roles. Therefore, the null hypothesis for servant leadership was rejected.

To determine if there was a leadership preference based on age, participants identified an age range that best reflected their current age. The overall age range was grouped into three segments, 18–30 years old, 31–45, and 46–65. The age ranges were grouped according to their relationship to participants' experiences in the workplace. Those participants in the 18–30 range typically have less experience in the workplace than those who are in the 31–45 and 46–65 ranges. The results were as follows: 24% of the participants were in the age range of 18–30, 41% were in the age range of 31–45, and 35% were in the age range of 46–65, as indicated in Table 1. Participants were asked to identify themselves as being in a leadership or nonleadership role in order to determine if there was a significant difference in leadership preferences on the basis of their current role. The data show 62% of the participants currently in a leadership role (see Table 1). To determine if there was a difference in leadership preferences on the basis of employment status, the participants were asked to supply their current employment status. The data collected as represented in Table 1 show 71% of the participants were full-time employees, 10% were part-time employees, 14% were students, 3% were retirees, and 2% were unemployed.

An analysis of variance was conducted to determine if there was a significant difference between mean scores based on age, employment status, current role (leader, employee, or student), and preferred leadership approaches. The research questions and null hypotheses addressed were: Is there a difference in leadership preferences based on age level as it pertains to the characteristics of philanthropic, servant, and transactional leadership?  $H_{03}$ , there is no difference in the mean philanthropic, servant, and transactional leadership preference scores by age level (addresses this issue). Is there a difference in leadership preferences on the basis of employment status as it pertains to the characteristics of philanthropic, servant, and transactional leadership?  $H_{04}$ , there is no difference in the mean philanthropic, servant, and transactional leadership preference scores by employment status (addresses this question). Is there a difference in leadership preferences regarding current role as it pertains to the

characteristics of philanthropic, servant, and transactional leadership?  $H_{05}$ , there is no difference in the mean philanthropic, servant, and transactional leadership preference scores for leaders versus employees versus third-year undergraduate business students (addresses this question).

Relating the findings (see Table 3) to  $H_{03}$ , which pertains to age level and leadership preferences, the null hypothesis is not rejected for servant leadership with a significance value of .118, which is greater than .05; and philanthropic leadership with a significance value of .837, which is greater than .05. However, the null hypothesis is rejected for transactional leadership with a significance value of .000, which is less than .05. There is insufficient evidence to conclude a difference in preferences for philanthropic and servant leadership on the basis of age. Post hoc tests showed that younger respondents (under 30) had a significantly higher preference for transactional leadership than did older respondents (over 45). The older the respondent, the less preferred transactional leadership was. Further analysis by individual question showed that older respondents had a significantly higher mean score than the younger respondents on "I seek to gain a better understanding of others' needs, concerns, and aspirations." In answer to research question three, there is some evidence to suggest that younger people preferred transactional leadership more than did older people, but there was insufficient evidence to suggest a difference in how age plays a part in viewing philanthropic or servant leadership.

The university environment, by nature, is highly transactional, and this may account for the significant difference between scores for younger and older participants in this study. Students' limited exposure to leadership approaches other than transactional leadership may be another factor influencing their preferences. Because students are focusing on their personal growth and development, which is more in alignment with rational self-interest, they may not fully understand or appreciate the benefits of other-centered leadership approaches. More likely than not, older participants have had extensive exposure to transactional leadership and may prefer leadership approaches that are more other-oriented, especially if their experiences with transactional leaders have been negative. Perhaps the maturity level of the participants played a role in their choice of leadership

**Table 3. Analysis of Variance**

	<b>Philanthropic</b>	<b>Servant</b>	<b>Transactional</b>
18–30	M = 4.12	M = 4.10	M = 3.15
31–45	M = 4.18	M = 4.20	M = 2.84
46–65	M = 4.14	M = 4.26	M = 2.59
<b>Significance (two-tailed)</b>	<b>SD = .837</b>	<b>SD = .118</b>	<b>SD = .000</b>
Full-time	M = 4.15	M = 4.21	M = 2.77
Part-time	M = 4.39	M = 4.28	M = 2.80
Retiree	M = 4.37	M = 4.40	M = 2.76
Student	M = 3.97	M = 4.01	M = 3.18
Unemployed	M = 3.85	M = 4.17	M = 2.67
<b>Significance (two-tailed)</b>	<b>SD = .036</b>	<b>SD = .073</b>	<b>SD = .132</b>
Leaders	M = 4.20	M = 4.25	M = 2.73
Employees	M = 4.15	M = 4.16	M = 2.88
Student	M = 3.97	M = 4.01	M = 3.18
<b>Significance (two-tailed)</b>	<b>SD = .121</b>	<b>SD = .021</b>	<b>SD = .019</b>

preferences. Because older participants have more experience in the workplace, they have a better understanding of workplace interactions and which ones are most effective. If their basic needs have been met, the older participants' rational self-interest may have decreased while their efforts to focus on others increased, which would be an indication of their level of maturity.

$H_{04}$  relates to employment status and leadership preferences. The null hypothesis is not rejected for servant leadership characteristics with a significance value of .073, which is greater than .05, the null hypothesis and transactional leadership characteristics, with a significance value of .132, which is greater than .05. The null hypothesis is rejected for philanthropic leadership with a significance value of .036, which is less than .05 (see Table 3). Post hoc tests showed that students had a significantly lower preference for philanthropic leadership than did full-time employees, part-time employees, and retirees. So those who currently work or have worked have a significantly higher preference for philanthropic leaders than those not yet in the workforce.

Further analysis by individual question showed that students had a significantly higher mean score than employees on "I depend on coercion and persuasion to

achieve goals" and "I believe control is important." As stated earlier, the nature of the university environment may play a role in influencing the students' leadership preferences. This is a testimony to how students often need coercion in the form of a grade to do their required assignments, but this is merely conjecture. Individuals who have been employed in some capacity may have a better understanding of how coercion and persuasion can influence attitudes and behaviors in the workplace. Their experiences may have been negative, and therefore, the individuals prefer leadership approaches that do not rely on coercion and persuasion but are more respectful and other-oriented. In answer to research question four, there is some evidence to suggest that employees, unemployed individuals, and retirees preferred philanthropic leadership more so than students; however, there was insufficient evidence to suggest a difference in how one's employment status plays a part in viewing servant or transactional leadership.

$H_{05}$  relates to participants' current status and leadership preferences. The null hypothesis is rejected for servant leadership characteristics with a significance value of .021, which is less than .05, and transactional leadership with a significance value of .019, which is less

than .05. The null hypothesis is not rejected for philanthropic leadership characteristics with a significance value of .121, which is greater than .05 (see Table 3). There is insufficient evidence to conclude a difference regarding leader, employee, and student preferences for philanthropic leadership characteristics. The results further showed that students had a significantly lower preference for servant leadership than did leaders, which could be an indication of the leaders' understanding of the importance of focusing on those whom they support because it is vital to their own success along with that of the organization. It could be indicative of the students' lack of work and leadership experiences.

Further analysis by individual question showed that students had a significantly higher mean score than employees on "I am committed to the growth of all individuals." Perhaps this is because students are focusing on their personal growth as they seek to obtain a degree whereas employees may be content with their current position and believe they have achieved their highest growth potential. Post hoc tests also showed that students had a significantly greater preference for transactional leadership characteristics than did leaders. Once again, this may be because of the university setting and lack of work and leadership experience on the part of students.

The analysis by individual question showed that students had a significantly higher mean score than the leaders on "I believe control is important." This may be directly related to the relationships students have with faculty members and other university representatives. Thus students and leaders have differing views of leadership preferences, with students having a significantly higher inclination toward transactional leadership, while actual leaders have a higher inclination toward servant leadership. In answer to research question five, there is some evidence to suggest that leaders prefer other-oriented leadership characteristics more so than students, and students prefer rational self-interested leadership characteristics more so than leaders; however, there was insufficient evidence to suggest a difference in how being a leader, employee, or third-year undergraduate business student plays a part in viewing other-oriented or rational self-interested leadership characteristics. Table 3 presents the findings for the analysis of variance.

The leadership preference survey consisted of statements pertaining to the individual characteristics of

philanthropic, servant, and transactional leadership. Table 4 presents a categorization of participants' responses to the statements representing each leadership model.

The philanthropic leadership statements in Table 4 reflect the five characteristics associated with this leadership model (love, compassion, caring, altruism, and perceptive listening). The mean scale range was 0 to 5, with 5 being the highest. According to the data collected, caring had the highest mean score (4.49) of the philanthropic elements. In contrast, the lowest mean score (3.69) was altruism. The responses differ within each subscale pertaining to philanthropic leadership, but the hypothesis tests will identify the reasons for the differences.

The servant leadership statements in Table 4 reflect the 10 characteristics representing this leadership model: listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people, and community building. The data collected show awareness of self and others' needs having the highest mean score (4.54) for the elements of servant leadership. In contrast, the two lowest mean scores (3.97) were intuitive/foreseeing outcomes and serving others. The responses differ within each subscale pertaining to servant leadership; the hypothesis tests will identify the reasons for the differences.

The transactional leadership statements in Table 4 reflect the three characteristics representing this leadership model: coercion, extrinsic and intrinsic rewards, and management by exception. The data collected show that motivating others by reward and punishment had the highest mean score (4.06). In contrast, the importance of control in the leader-employee relationship had the lowest mean score (3.69).

## Discussion

There is insufficient evidence to conclude a difference in preferences of men and women for philanthropic, servant, or transactional leadership characteristics. In response to research question one, there is no evidence that men and women differ in their views of any of the three leadership approaches. These findings suggest that the typical portrayal of women as being more nurturing than men may not necessarily translate to willingness to embrace leadership approaches that are other-oriented, even

**Table 4. Leadership Statements**

<b>Philanthropic Leadership</b>	<b>Mean Score (M)</b>
1. I have a genuine love for others.	4.06
2. I demonstrate a compassionate spirit toward others.	4.24
3. I seek to gain a better understanding of others' needs, concerns, and aspirations.	4.28
4. I care about others.	4.49
5. I am willing to sacrifice my needs for the needs of others.	3.69
<b>Servant Leadership</b>	<b>Mean Score (M)</b>
1. I am committed to listening intently to others.	4.41
2. I believe self-awareness and being aware of the needs of others is important.	4.54
3. I strive to understand or empathize with others.	4.36
4. I seek to make others whole and to heal relationships between myself and others.	4.02
5. I am forward thinking and think "outside of the box" when addressing issues.	4.11
6. I seek to convince others rather than coerce others to respond.	4.08
7. I am intuitive and can foresee the outcome of a situation.	3.97
8. I am committed to serving others.	3.97
9. I am committed to the growth of all individuals.	4.15
10. I believe creating a sense of community is important.	4.34
<b>Transactional Leadership</b>	<b>Mean Score (M)</b>
1. I depend on coercion and persuasion to achieve objectives.	4.06
2. I believe people are motivated by rewards and punishment.	4.24
3. I believe control is important.	3.69

though the approaches are more in alignment with their assumed natural tendencies. Perhaps the reason there was not any evidence to suggest a difference between men's and women's preferences is because female participants chose to embrace leadership approaches more in alignment with those traditionally adopted by their male counterparts. Comparing the results of this study to the results of the hermeneutic phenomenological study of philanthropic leadership (2004), gender did not play a role in leaders' efforts to value others. However, male participants in the phenomenological study openly discussed how they incorporated the elements of philanthropic

leadership into their interactions with others whereas some female participants were reluctant to acknowledge that they embraced philanthropic leadership characteristics. More in-depth qualitative research is needed to gain a better understanding of why there appears to be no significant difference between leadership preferences of men and women.

There is insufficient evidence to conclude a difference in leader and nonleader preferences for philanthropic and transactional leadership. Individuals in a leadership role have a significantly greater preference for servant leadership than those not in a leadership role. Further

analysis by individual question showed that those in a leadership role had a significantly higher mean score than nonleaders for two statements in particular: “I am intuitive and can foresee the outcome of a situation” and “I am committed to serving others.” Because leaders are seen as the individuals who are creating the vision for others, setting the course for achieving the vision, and inspiring others to embrace the vision, on some level they must rely on their intuition and have the ability to foresee the results of efforts. The leaders realize that a commitment to serve others will have a positive effect on the overall performance and strength of their organizations. They understand the importance of upholding the value of employees and attending to their needs.

## Conclusion

The purpose of this study was to determine if there is a significant difference between the leadership preferences of leaders, employees, and third-year undergraduate business students when considering leadership characteristics that are other-oriented or rational-self-interest-oriented. The findings suggest that there is not a significant difference between leadership preferences of men and women; however, there are significant differences on the basis of age, leadership role, and employment status. This information is important for leaders seeking to determine which leadership approaches would be most and least effective for leading employees in the 21st century. With many baby boomer leaders opting to leave their organizations for other opportunities, younger employees are assuming the vacated roles. The new leaders have to ensure that they adopt a leadership approach that is in alignment with the core values of the organization and that will enable them to effectively lead others. From the findings of this study, we conclude that university students will need to transform their rational-self-interest mind-set into one that is more other-oriented in order to successfully lead in the 21st century. To assist them with the transformation process, organizations can conduct mandatory leadership training programs for newly hired undergraduate students. The leadership training programs will supply students with the knowledge and skills needed to interact with others in a more other-oriented fashion. After completing the training program, the new hires

will become more effective leaders as they respond to the needs of employees ever more positively.

The findings of this study are important because they reveal insights into the leadership preferences of employees. Having an understanding of employee leadership preferences helps leaders assess the effectiveness of their current approaches. For example, transactional leaders may want to reconsider their leadership approach according to the responses of the nonleaders and employees in this study. The evidence shows that employees prefer leaders who are other-oriented rather than rational and self-interested. As stated earlier, perhaps this is due to the negativity that is often associated with transactional leadership. Just as processes have evolved over the years, so have employees. Today’s employees expect more from their organization and their leaders, and they respond well to leaders who are sensitive to the employees’ needs and aspirations. Transactional leaders have not been able to address successfully the needs of employees because their focus has been on their personal needs and the transactions that support those needs. Employees in the 21st century expect more from their leaders and are embracing those leaders who adopt leadership approaches in alignment with the overall societal trend toward other-oriented interactions. Those leaders who choose to rely solely on transactional leadership characteristics may find it challenging to inspire and lead today’s employees, thus rendering them ineffective. Organizations seeking to compete successfully in the global marketplace cannot afford to have ineffective leaders at the helm.

Though transactional leadership has been the leadership approach of choice for many leaders in years past, the findings of this study suggest that a paradigm shift is occurring as leaders adopt leadership approaches that are less transactional and more other-oriented. Because leaders and employees must rely on transactions in order to perform tasks and achieve organizational objectives, transactional exchanges will continue to exist. What is changing is how leaders and employees choose to interact with each other. Leaders who subscribe to leadership approaches such as servant leadership and philanthropic leadership seek to create an entrepreneurial milieu in which all employees feel responsible for creating an organization that inspires them. Introduction of these approaches into the workplace can

result in transformation of an organization from an ineffective bureaucratic, transaction-based organization to an effective other-oriented, learning organization. Successful 21st-century organizations will rely on employees more as a way of achieving a strong global competitive position. Individuals leading these organizations will be forward thinkers, other-oriented, and able to inspire employees. A capacity for forward thinking and the ability to inspire others represent the characteristics of a superior leader (Kouzes & Posner, 1990). Philanthropic and servant leaders are forward-thinking, other-oriented, and able to inspire employees to excellence. They are leaders who possess an evolved consciousness that challenges them to consider others' needs before their own. The results of this study suggest that other-oriented leaders are extraordinary individuals who possess a level of psychological maturity that enables them to acknowledge the value of others. To compete in a highly competitive global marketplace, organizations will need leaders who can demonstrate their psychological maturity by embracing leadership approaches that are other-oriented.

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