EXPLORING SOCIAL ENTERPRISE ORGANIZATIONAL CLIMATE AND CULTURE

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I certify that I have read this manuscript and that, in my judgment, it is fully adequate in scope and quality as a dissertation for the degree of Doctor of Philosophy.

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DEDICATION

To Stephen, who helped make it possible for me to take this journey ~ in so many ways.

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To all who accompanied me along the way providing support and encouragement.

ABSTRACT

This exploratory research investigated whether two intriguing and emerging phenomena, servant-leadership and social entrepreneurism, intersect to create a new model of servant organization. Using the lens of organizational climate for servanthood, this study explored social enterprise climate, culture, and job satisfaction. The methodological paradigm was quantitative; the unit of analysis was organization. Twenty social enterprises across North America participated in the study; useable data were gathered from 16 of these enterprises. The Organizational Leadership Assessment (OLA) was used to measure an organizational climate for servanthood, assess job satisfaction, and profile organizational health (Laub, 2003a). This study also introduced agreement statistics into the interpretative dimension of the OLA, enhancing the empirical rigor of its use. Accordingly, based on perceptual agreement of the workplace experience, the concept of climate for servanthood as “normative collective servant-leadership behavior” was established.

The results revealed that the social enterprises under study offer a compelling new workplace proposition. To a considerable extent, enterprise members co-create healthy organizational environments. Almost one half of the study enterprises (44%) enacted an organizational climate for servanthood. An additional 12.5% were fractionally below the threshold climate for servanthood measure, suggesting that they too materially share the attributes of healthy, servant organizations. Two OLA subscales, *building communities* and *displaying authenticity*, trended upward in servant enterprises, marking these characteristics more distinctive among the six OLA subscales. Interestingly though,

enterprise ratings trended lower on questions that focused specifically on leader behavior versus questions pertaining to all enterprise members or questions specific to the respondents. This outcome acknowledges the centrality of the role organizational members play in shaping climate and culture, and simultaneously draws attention to the opportunity for social enterprise leaders to grow into a more complete model of servant leader.

The demographic attributes captured in this study did not materially affect the organizational expression of servanthood. In general, no interaction effect was found between organizational or individual demographics and enterprise climate on OLA ratings. Additionally, the enterprise-related inquiry into job satisfaction produced mixed results. Positive and negative correlations between satisfaction and climate, as measured by the OLA, were found. These findings, however, were subject to data aggregation limitations. Finally, the results also supported the argument that the "organization" grouping-factor is critical in establishing meaningful conclusions in OLA-related research about the workplace experience.

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CHAPTER I

INTRODUCTION

In many workplaces today, individuals experience deep personal struggle in decision-making processes, often being most challenged by a perceived mutual exclusivity between the bottom line and their personal beliefs. As a result, they are venturing outside organizational boundaries in search of renewal and rejuvenation. When individuals compartmentalize their lives only a part of their being is brought forth into business, personal, and spiritual experiences. This can negatively impact employee morale, discourage both individual and organizational creativity, and ultimately stifle marketplace innovation. The demands of this century compel us to envision a future where the bottom line stands in service to social good, not in competition.

While the profit motive has significantly shaped the language and practice of business and bounded the interpretative frame of entrepreneurship, a profoundly new form of entrepreneurial organization is emerging, the social enterprise (Drayton, 2002). Inspired by a social purpose and fuelled by an entrepreneurial drive, social enterprises leverage commercial success to achieve social justice (Alter, 2004; Emerson, 2000; Social Enterprise Coalition, 2003). Considered hybrid organizations, social enterprises serve societal needs by using a blend of market and mission-driven methods (Alter; Emerson). Social enterprises hold the promise of redefining our mental model by demonstrating the "both - and" perspective, challenging the perceived dichotomy between commerce and social mission, and reconciling the paradox of competing bottom

lines. Individuals fluent in the language of business are creating positive social impact and, at the same time, striving for commercial excellence.

Social entrepreneurs are reimagining the capitalist paradigm, reinventing the field of entrepreneurship, and redefining the social sector in promising new ways. Whether by pioneering the business of micro-lending, distributing fair-trade products, or employing at-risk adults, social entrepreneurs are passionate about addressing otherwise unmet societal needs. They target the gaps where public service and private markets fail to deliver critical goods and services, particularly for those most marginalized by society (Hartigan, 2003). Social entrepreneurs recognize that the complex and systemic problems facing society must be met by radically transformed mindsets and new institutional arrangements.

Yet it is in transforming individual drive into collective purpose and commitment that the critical challenge of entrepreneurship emerges (Pettigrew, 1979). In attempting to master this transformation leaders have learned that dictating vision, no matter how heartfelt, is counter-productive (Block, 1993; Senge, 1990). The command and control model of leadership inhibits people from working together in meaningful ways and is out of step with the requirements of a dynamic world marketplace (Wheatley, 1999). There is, however, a compelling alternative. Servant-leadership calls forth a genuine vision, a vision sourced from voluntary articulation of all voices. This leadership practice fosters a mutual relationship of commitment and dedication to one another, the organization, and its mission.

Leadership is a dynamic and emergent property of interpersonal interaction (Day, 2001). Servant-leadership animates this dynamic, inviting members to be personally accountable for the success of their organization. In this model, leadership excellence becomes manifest in the productive spirit of self-management. The practice of servant leadership nurtures autonomy and self-responsibility in all organizational members by cultivating their critical thinking skills, expanding their capacity for moral reasoning, and enhancing their participative competence (Graham, 1991). Servant-leaders enact this form of participatory and transforming (Burns, 1978) social engagement by seeking to value and develop others, building community, behaving authentically, and sharing power and status for the good of others (Laub, 1999). When organizational members participate in the expression of servant-leadership they co-create a lived experience of "servanthood."

In theory, what renders servant-leadership distinct from other leadership models yet akin to social entrepreneurship is the ethical motivation that inspires individuals to act. In practice, questions remain. Do social entrepreneurs internalize their service commitment, modeling leadership behaviors that inspire full participation, self-responsibility, and interdependence? Do the pillars of social justice and service bind together social entrepreneurship and servant-leadership in an extraordinary relationship of servanthood? This research used the lens of organizational climate for servanthood to investigate whether two intriguing and emerging phenomena, servant-leadership and social entrepreneurism, intersect to create a compelling new model of servant organization. Servant organizations embody an authentic ethic of service coupled with

key attributes of great workplaces: fairness, respect, credibility, and camaraderie. In servant organizations, members demonstrate servant-leadership behavior and characteristics, enacting an organizational climate and culture of servanthood (Laub, 2003a).

The following section provides a brief introduction of the background to the problem, including an overview of the primary theoretical constructs of the research study: (a) social enterprise and the corresponding field of social entrepreneurship; (b) organizational climate, as an embedded construct of culture; and (c) servanthood, as an organizational expression of servant-leadership.

Background to the Problem

As the social entrepreneurship field and social enterprise practice have evolved, business and academic literatures have shifted in response to the practical realities of incorporating this movement into a world bounded by existing patterns of thought, behaviors, and structures. A search revealed a fluid vocabulary; the terms social entrepreneurship, social entrepreneur, and social enterprise were used interchangeably, creating overlapping interpretations. Furthermore, a mixture of organizational structures has emerged in the marketplace, extending the interpretation of social enterprise. The social enterprise landscape is dynamic and diverse, and differing legal structures (i.e., for-profit and non-profit) and financing mechanisms both characterize and complicate the enterprise typology (Alter, 2004).

A social enterprise is distinguished by the embeddedness of its business structure into its social mission, not by its tax or legal status (Dees, 1996b; Social Enterprise Coalition, 2003). Therefore, standard industry classification codes cannot be utilized with any certainty to identify these organizations. These ventures transcend traditional geographic and sector-specific boundaries, further complicating the task of sizing the population. In order to describe the field, researchers rely on the insights of social enterprise thought and practice leaders from academic institutions, professional associations, and philanthropic networks.

Social Entrepreneurship and Enterprise

Entrepreneurship is an activity that involves the discovery and exploitation of opportunities that were previously nonexistent (Shane & Venkataraman, 2000). Social entrepreneurship, the application of entrepreneurship to social issues, is "the art of persistently and creatively leveraging resources to capitalize upon marketplace opportunities in order to achieve sustainable social change" (Social Enterprise Alliance, 2004, ¶). Prabhu (1999) defines social entrepreneurs as leaders who "create and manage innovative entrepreneurial organizations or ventures whose primary mission is the social change and development of their client group" (p.140). Yet human agency, individuals' generative impulses that transform an idea into commercial use, is distributed across several actors not just a single entrepreneur (Garud & Karnøe, 2003). This study advocates a theory of socialized agency and describes social entrepreneurs as social enterprise leaders and members who endow their organizations with passion, innovation,

and inspiration to create social change and achieve commercial success. They institutionalize this passion through their organization's mission, values, and practices.

In the context of this research, social enterprise is a revenue-generating venture serving a primary mission of social change through a blend of market and mission-driven methods (Alter, 2004; Dees, 1996b; Emerson, 2000; Social Enterprise Alliance, 2004). Innovative and entrepreneurial practices distinguish this venture from other hybrid organizations (Alter; Boschee & McClurg, 2003). A social enterprise is distinct in its design to meet social needs and achieve commercial viability; market mechanisms serve to ensure enterprise self-sufficiency and underpin the creation of social value (Alter).

To achieve and sustain the highest levels of organizational health (Laub, 2003a), social enterprises must become servant organizations. Servant organizations tap the wisdom of their employees, contribute to their sense of greater purpose, and reinforce their personal and professional values in a manner that invites full participation, self-responsibility, and interdependence. Yet ever since the introduction of scientific management methods into the workplace, many organizations have unwittingly lost sight of the most essential elements of being human: spirit, imagination, and the desire for meaning (Wheatley, 2002). Disappointingly, more than 65% of organizational change efforts fail and organizational members at all levels have grown deeply cynical (Wheatley, 1999). Have the research discoveries concerning human motivation been so readily cast aside in favor of the dominant economic argument of extrinsic rewards? Has it been forgotten that "people are motivated by work that provides growth, recognition,

meaning, and good relationships" (Wheatley, 2005, p. 151)? Spears (1998b) articulates this,

> There is a deep hunger in our society for a world where people truly care for one another, where people are treated humanely and helped in their personal growth, where workers and customers are treated fairly, and where our leaders can be trusted to serve the needs of the many, rather than a few. (p. 11)

Fortunately, the future looks promising. Take for example Austin and Grossman's (2002) research showcasing Pura Vida Coffee. Pura Vida social entrepreneurs are courageously constructing a new worldview, daring to integrate market discipline, social values, and faith in the workplace. Founded by two Harvard Business School alumni, Sage and Dearnley, Pura Vida's mission is grounded in the conviction that business can be driven by good rather than greed, capitalism can be an agent for compassion, and faith can be an engine for action (Pura Vida Coffee, 2004).

> Chris and I are very much business people, says Sage. We're aggressive, competitive, we want to win, we want to put out a good product. But we define our shareholders--the kids--differently than any other gourmet-coffee company. Business can be about something more than what's classically defined by business schools. (cited in Dunn, 2001, p. 39)

The demands of this century call for a leadership paradigm that rekindles the spirit, supplants self-promotion with service, and acknowledges that meaning and purpose arise out of the dynamism of relationships (Covey, 1994; Jaworski, 1996; Pollard, 1996). Subscribing to a view of leadership as a position of rank implies that

leadership is for the privileged few who maintain ownership and responsibility for others, be they employees, citizens, or the greater society. Yet focusing power and purpose at one point in an organization, typically the top, has destroyed the very culture and outcomes that are so desired (Block, 1993).

Creating and managing the social enterprise culture is arguably one of the biggest challenges social enterprise leaders face (Flannery & Deiglmeier, 1999). The struggle stems from bringing together differing, and at times opposing, mindsets endowed by legacy non-profit and for-profit underlying belief systems. While some social enterprises may incorporate the best elements of both worlds, others experience weak integration, negatively affecting the overall health of the enterprise (Roberts Foundation, n.d.).

Perhaps in the future these paradigms will no longer hamper social enterprises with the dichotomous thinking that has come to characterize this discourse. Though many social entrepreneurs endeavor to escape the constraints imposed by bounded worldviews, they remain practical about the limitations of the current market economies and persistent about ways to leverage existing structures for the betterment of others (Hartigan, 2004b). Social entrepreneurs experiment, perfecting structures and systems to meet the needs of a shifting landscape (Hartigan; Fourth Sector Network [FSN], 2005).

To be successful in the post-capitalist society, organizational rank will mean responsibility, not authority (Drucker, 1999). Success will come not from the practice of a single set of values, but because an organization's values and practices are authentic (Kouzes, 1999).

Organizational Climate and Culture

The topic of organizational culture features prominently in workplace discussions; organizational members at all levels want to know how to change it, manage it, or influence it. Schein (2000) suggests that when one scrutinizes what is being discussed, much of it relates to the construct of climate, not culture. Michela and Burke (2000) assert that culture determines individuals' orientations to one another, to their work and to their environment; climate unfolds as individuals experience these orientations through actions and interpretations. In other words, the degree to which the cultural phenomenon is visible depends on the level at which it is manifest, ranging from tangible expressions to unconscious assumptions (Schein, 1992). Behavior and espoused values comprise the surface and intermediate levels of organizational culture (Schein), which are measurable through the construct of climate (Denison, 1990). Climate and culture reciprocally shape and influence each other (Turnipseed, 1988).

Climate is a cultural artifact resulting from organizational members' espoused values and shared tacit assumptions (Schein, 2000). It is embedded in the physical and psychological environment, perceptible through a myriad of overt expressions often evident in daily organizational life, including rituals, ceremonies, language, and dress (Schein). In other words, organizational climate can be described as "configurations of attitudes and perceptions by organization members, that, in combination, reflect a substantial part of the context of which they are a part and within which they work" (Ashkanasy, Wilderom, & Peterson, 2000, p. 8). Climate describes how members

experience their organizations by measuring their perceptions of their workplace (Koys & DeCotiis, 1991).

Deeper levels of organizational culture are characterized by the pattern of shared beliefs held by organizational members (Louis, 1980; Morgan, 1986; Schein, 1992). These shared meanings and assumptions are largely tacit (Louis; Schein), particular to a group or subgroup (Louis; Morgan; Schein), and create some level of structural stability within a group (Schein). New members become indoctrinated into the organizational culture through a socialization process; hence, culture is passed on to others (Louis). Organizational culture determines both individual and collective behavior, ways of perceiving, thought patterns, and values (Schein, 1999). It is significant because cultural elements determine strategy, goals, and modes of operating (Schein).

Climate for Servanthood

The organizational practice of servant-leadership becomes manifest in an organizational climate for servanthood. Servant-leadership invites moral dialogue. By living the practice, servant-leaders legitimate the moral imperative, sending clear signals about their openness to conversations about the ethics of their own, as well as organizational, practices and policies (Graham, 1991). The moral minimum requires that organizational actions benefit, or at least not harm, all stakeholder groups. Greenleaf (1977) explains,

> By working for the good of all stakeholders, both inside and outside of the organization, the servant-leader recognizes his/her moral responsibility not only to the success of the organization but also to his/her subordinates, the organization's

customers, and all other groups that are affected by the organization, down to the least privileged in society. (p. 14)

It is supposed that servant organizations demonstrate the highest levels of organizational health, thereby enhancing their overall human and economic sustainability (Laub, 2003a). While empirical research remains limited, plausible testimony exists to support Laub's thesis, including notable examples from the business sector (e.g., TDIndustries and Starbucks Coffee). Despite escalating market complexity, these servant organizations earn the honor of being among the greatest places to work (Great Place to Work© Institute, 2005).

Moreover, research shows a positive correlation between servant-leadership and job satisfaction (Girard, 2000; Laub, 1999; Thompson, 2002). Job satisfaction relates to an individual's affective feelings about his/her job in the organization (Payne, Fineman, & Wali, 1976). It is a complex emotional reaction to the job (Locke, 1969), argued to be the reflection of a more fragile and changeable employee attitude (Mowday, Porter, & Steers, 1982). This study investigated whether job satisfaction levels differed among servant and non-servant workplace environments.

Purpose of the Study

The social entrepreneurship movement has catalyzed a fundamental shift in the architecture of civil society over the last twenty-five years (Drayton, 2002). The social sector has profoundly changed from bureaucratic to entrepreneurial, launching new careers that focus on instrumentally addressing the economic and social divide (Emerson,

2004; Drayton 2002). Yet scientific study of the social enterprise workplace experience has not been a target of inquiry. Instead, the research focus has been primarily directed toward the structural and programmatic factors concerning social enterprise growth and replication (Dees, Anderson, & Wei-Skillern, 2004) or toward individuals as a rare breed of entrepreneur (Dees, 2001). Consequently, the unique relationships between social enterprise members and their associated shared patterns of interaction have been overlooked.

Rendall's (2004) research confirms that social entrepreneurs espouse the integration of non-profit and for-profit values, creating a distinct value system particular to the social entrepreneur cohort. Furthermore, it is supposed that social enterprises represent a new organizational paradigm, a "hybrid" (Alter, 2004; Emerson, 2000) or "for-benefits" organization (FSN, 2005). Some hypothesize that these enterprises embody the best attributes of other organizational forms and strive to be democratic, inclusive, open, accountable, cooperative, and holistic (FSN). This description depicts attitudes and behaviors that characterize how organizational members interact and the nature of the organizational environments in which they work (i.e., climate and culture). Others contend that the challenge of delivering against commercial and social outcomes, often perceived as conflicting, risks creating cultural tension not harmony (Emerson, 2000; Flannery & Deiglmeier, 1999).

General characterizations of social enterprise organizational culture as a hybrid blend of non-profit and for-profit cultures, found in business periodicals and to a lesser degree in academic literature, were not substantiated by empirical investigation. This

study addresses this research gap, contributing to emerging social enterprise theory and practice, extending servant-leadership empirical research, and offering new insights into the more developed corpus of organizational climate literature.

The purpose of this exploratory empirical research was to investigate whether two intriguing and emerging phenomena, servant-leadership (Greenleaf, 1977) and social entrepreneurism, intersect to create a compelling new model of servant organization. Using the lens of organizational climate for servanthood, this study explored social enterprise climate, culture, and job satisfaction. Conceptually embedding climate in the more complex model of organizational culture allowed for broader exploration of the organizational experience. The research examined the extent to which social enterprise members (e.g., employees and volunteers) perceived collective servant-leadership behavior and characteristics and investigated associated levels of job satisfaction. The behavioral practices that stem from and reinforce leaders' values and beliefs are of central importance to organizational life and were core to understanding this research.

The following Research Questions articulated this purpose and guided the collection and analysis of data.

1. To what extent do social enterprises enact an organizational climate for servanthood?
2. Are there significant differences in social enterprise organizational climates based on organizational and individual characteristics?
3. Are the organizational climates and job satisfaction levels of social enterprises significantly correlated?

This study acknowledged the climate and culture constructs as integrated and complementary. Culture is manifest at varying levels and forms of expression; climate is a cultural artifact unfolding through a myriad of perceptions. The perceptions of observable attitudes and practices are positioned closer to the surface of organizational life (Guion, 1973; Jones & James, 1979). Thus, organizational climate is descriptive of the nature of organizational members' perceptions of their experiences within an organization, which offer insight into the larger context of culture.

Overview of Research Methods

This study was designed as exploratory research employing a survey research method. Exploratory studies are essential "whenever a researcher is breaking new ground, and they almost always yield new insights into a topic for research" (Babbie, 2004, p. 89). This study used the Organizational Leadership Assessment (OLA) survey instrument (Laub, 1999). The OLA model of servant organization is a comprehensive construct of servant-leadership applied to organizational life; it examines the distributed aspects of leadership by measuring perceptions across all organizational levels (Laub, 2003a). The OLA is an English-language survey, requiring approximately twenty minutes to complete via the Internet. This research used the OLA to measure an organizational climate for servanthood, assess job satisfaction, and profile organizational health (Laub, 2003a).

To address the research questions of this exploratory study and to gain a better understanding of the variables and their relationships, descriptive statistics, intraclass

correlations, and estimates of agreement and reliability were run. Social enterprise OLA results were compared to prior OLA research results. Within-group agreement was calculated using alternative variants of the r_{wg} statistic (James, Demaree, & Wolf , 1993; Lindell, Brandt, & Whitney, 1999; Lindell, 2001). Finally, correlations were computed between social enterprise organizational climate and job satisfaction.

Forty-nine social enterprises were invited to participate in this study; twenty organizations agreed to take part. The organizations were situated throughout the United States and Canada, representing different sectors and diverse lines of business. From this sample, useable data were collected from 209 social enterprise members representing 16 enterprises. Participants represented all organizational levels and roles: (a) executive leader/director, (b) manager and supervisor, (c) staff, member, or worker, (d) board member, and (e) volunteer. Participation in the research study was voluntary and confidential. Demographic information about the organizations and individual participants was sought.

A review of the literature identified only three research instruments that explicitly target servant-leadership in an organizational context. Abel (2000) identified the work environments in which servant-leaders are effective or ineffective. However, Abel's theory of workplace effectiveness focused exclusively on the servant-leader cohort in the context of the environment and empirical validation was not conducted. Ehrhart (2001) developed a general measure of servant-leadership based solely on a literature review and validated by a field test consisting of 254 university students averaging 19 years of age with limited work experience. Furthermore, he defined leadership as a "unit-level

cognition about how unit members as a whole are treated by the leader" (p. 36). This definition overlooks the reciprocal and relational nature of social exchange in the servant-leadership paradigm. Laub (1999) constructed a survey instrument, the Organizational Leadership Assessment, based on a Delphi process consisting of 14 servant-leadership experts. The instrument was field tested with 828 people from 41 organizations. The organizations, situated throughout the United States and one in the Netherlands, represented diverse sectors (i.e., public, private, and civil) and legal structures (i.e., for-profit and non-profit).

The Organizational Leadership Assessment (OLA) examines whether the servant-leadership ethic of service is enacted through the behavioral expressions of organizational life. The OLA model of servant organization is a comprehensive construct of servant-leadership applied to organizational life; it examines the distributed aspects of leadership by measuring perceptions across all organizational levels (Laub,2003a). The instrument's validated servant-leadership dimensions focus on respondents' perceptions about how they experience their organization, enabling a diagnostic picture to emerge from the survey data. It measures whether members from all organizational levels perceive an environment of servanthood and it explores the impact of their environment on their job satisfaction (Laub, 1999). Therefore, in addition to measuring the characteristics of a servant organization, the OLA contains six questions pertaining to job satisfaction. Laub's research shows a positive correlation between servant-leadership and job satisfaction. These finding were validated by additional research conducted by Girard (2000) and Thompson (2002). Drury (2004) extended the research in this domain

by including hourly worker data, confirming the existence of a positive correlation between servant-leadership and job satisfaction at all organizational levels.

Over the past six years researchers have used this instrument to study servant-leadership in a variety of settings, including education (Miears, 2004), healthcare (Freitas, 2003), public service (White, 2003), law enforcement (Ledbetter, 2003), non-traditional college (Drury, 2004), religious college (Thompson, 2002), and women-led businesses (Braye, 2000). Horsman (2001) expanded this tool to include the dimension of spirit, a fundamental antecedent to the belief and practice of servant-leadership.

The OLA was a superior choice for use in this study based on Laub's (1999) Delphi process, its strong psychometric properties, the extensive field test, and the instrument's subsequent use in numerous research studies. Furthermore, the OLA supported the multilevel construct of climate for servanthood, aligning theory with measurement.

Significance of the Study

Three theoretical models underpin this research: social entrepreneurship and enterprise, organizational climate and culture, and servant-leadership. Organizational climate and culture are more developed in the literature and have been more vigorously studied than the other two. The contribution of this study lies in interlinking these models to test for a uniquely human experience of organization, a climate of servanthood, in a new form of enterprise, the social enterprise.

Individuals yearn for the chance to create a life that has both purpose and possibility, in a manner that allows them to be fully human (Henning, 1993; Shore, 1995; Wheatley, 2002). Sadly, the control myth, so pervasive in contemporary workplace settings, has taken a toll on contemporary organizations. For the past decade, some scholars have forcefully argued that people never act like machines, and attempts to control behavior create an entangling cycle of control exertion and failure (Block, 1993; Wheatley, 2002, 2005). Improving organizational outcomes is a worthy endeavor when achieved through willful, not manipulative, intent. Positive organizational results can create economic and social good for all stakeholders. "Our task is to create organizations that work" (Block, 1993, p. xix). Yet Laub's (2003a) research revealed only 12 % of the organizations he studied were servant organizations, achieving the highest levels of organizational health. Examining whether the social enterprise call to service is internalized and enacted in the practices of organizational life illuminates whether social enterprises are servant organizations. This helps inform social enterprise leader and leadership development along with organization development initiatives.

Too often nonprofit employees stand alone at the intersection between traditional forms of social ventures and the emerging form of social enterprise. In turn, the nonprofit paradigm is overshadowing the potentialities of this field by neglecting to engage individuals from the business world. A vast pool of resources from the private sector remains largely untapped and unincorporated into this discourse. If these organizations offer a compelling new workplace proposition, this new venture may inspire and attract talented, entrepreneurial business practitioners in search of the very

things they can no longer muster in their corporate experience: passion, purpose, and commitment to something larger than themselves. By tapping into this source, business practitioners can also behold an extraordinary opportunity to co-create this field.

Finally, this study is the first to apply multilevel research composition and consensus methods to the OLA. Composition theory refers to how a construct is operationalized at one level of analysis and related to another form of that construct at a different level of analysis (James, 1982). By aggregating the data to the organization-level, patterns emerge that reveal contextual influences of the organization; these patterns can not be detected in any single individual's (lower-level) responses. Therefore, as a theoretical model, organizational climate is a unit-level construct with shared unit properties; the properties originate in the individual unit members' experiences, attitudes, and perceptions and emerge as a consensual, collective aspect of the unit as a whole (Kozlowski & Klein, 2000).

In estimating agreement as a method of consensus, group members' responses must be more similar to each other than would occur by chance (Bliese, 2000). Agreement and reliability indices play an important role in establishing construct validity of this research measurement model. Yet agreement is both conceptually and mathematically distinct from reliability, which is a measure of proportional consistency among raters. For example, it is possible to have low agreement and high reliability when one survey participant uses response options 1, 2, and 3 on a 5-point scale and a second uses 3, 4, and 5 on the same scale. A rating value of 3 from the first participant is equivalent to a rating of 5 from the second; this results in low agreement but high

reliability because the responses are proportionally consistent (Bliese, 2000). The distinction between agreement and reliability holds important implications for conducting and interpreting organizational multilevel research (Bliese). James and Jones (1974) argue that homogeneous perceptions can be aggregated to represent climate as an organizational property; however, perceptual agreement is a precondition for use of aggregated mean scores as a meaningful indicator of this organization-level construct (George & James, 1993).

This study introduced agreement statistics into the interpretative dimension of the OLA, enhancing the empirical rigor of its use. Accordingly, based on perceptual agreement of the workplace experience, the concept of climate for servanthood as "normative collective servant-leadership behavior" was established. Moreover, by distinguishing between the organizational climate and culture phenomena, this study brings greater refinement to the more general claims made in prior OLA-related research concerning servant-leadership cultural implications.

Laub (1999) explicitly designed the OLA to capture all organizational members' perceptions (i.e., across diverse roles and levels) as a measure of the collective organizational experience. Furthermore, Laub's (2003a) Autocratic-Paternalistic-Servant (A-P-S) model establishes an interpretive framework for diagnosing organizational health as measured by the OLA. Since the OLA specifically investigates individuals' perceptions of all organizational members in their workplace, it contextually bounds the phenomenon under study. In other words, the OLA instrument situates the observed behavior in the organization within which the experience and perceptions are co-created.

Ignoring these organizational boundaries may result in a fallacy of composition theory. Additionally, if there is a lack of perceptual agreement (i.e., ratings are not homogeneous) within an organization, then mean scores would not be useful indicators of an organization-level construct (George & James, 1993) and the applicability of the A-P-S model would be unsupported. This research makes a significant contribution to the use and interpretation of the OLA instrument by introducing multilevel research composition and consensus methods.

Definition of Key Terms

Based on the literature review in Chapter II, the following terms relevant to the study are operationally defined below.

1. *Job satisfaction* relates to an individual's affective feelings about his/her job in the organization (Payne et al., 1976). It is a complex emotional reaction to the job (Locke, 1969), argued to be the reflection of a more fragile and changeable employee attitude (Mowday et al., 1982).

2. *Organizational climate* is described as "configurations of attitudes and perceptions by organization members, that, in combination, reflect a substantial part of the context of which they are a part and within which they work" (Ashkanasy et al., 2000, p. 8). Climate perceptions describe an individual's organizational experience rather than characterizing his/her affective or evaluative reaction to the experience (Koys & DeCotiis, 1991).

3. *Organizational health* suggests a number of key organizational characteristics, including: (a) a sense of identity, (b) the capacity of the organizational system to adapt to internal or external changes, (c) boundary integrity, and (d) the capacity to perceive and test reality (Schein, 1996; White, 1997). Laub (2003a) hypothesizes that servant organizations demonstrate the highest levels of organizational health.

4. *Servant-leadership* requires new terms of engagement between individuals in a leadership relationship. Servant-leadership enables people to work together in meaningful ways by cultivating a mutual relationship of commitment and dedication to one another, the organization, and its mission. Servant-leaders nurture autonomy and self-responsibility in all organizational members by cultivating their critical thinking skills, expanding their capacity for moral reasoning, and enhancing their participative competence (Graham, 1991). In a servant-leadership relationship, responsibility is dispersed throughout the organization, empowering each member to be personally accountable for the success of a group or organization.

5. *Servanthood* is defined as the practice of servant-leadership, distributed throughout the organization and evident through individuals' attitudes and behaviors. This study introduces servanthood as a new organization-level construct that can be described as the shared perception of the collective of servant-leadership behavior occurring in an organization. Accordingly this construct emerges as "normative collective servant-leadership behavior." Laub (1999) measures this by the perceived presence of six dimensions, including: (a) shares leadership, (b) builds community, (c) values people, (d) displays authenticity, (e) develops people, and (f) provides leadership.

6. The *servant organization* enacts the characteristics of servant-leadership, servanthood, through the behavioral expressions of organizational life. Laub (2003a) suggests that these characteristics are "displayed through the organizational culture and are valued and practiced by the leadership and workforce" (p. 6).

7. *Social entrepreneurs* are defined as leaders who "create and manage innovative entrepreneurial organizations or ventures whose primary mission is the social change and development of their client group" (Prabhu, 1999, p.140). Social entrepreneurs are: mission driven, opportunity exploiters, relentless innovators, risk takers, and value accountable (Dees & Economy, 2001). This study adopts Garud and Karnøe's (2000) theory of socialized entrepreneurial agency. Hence, social enterprise leaders and members are considered social entrepreneurs when they endow their organizations with passion, innovation, and inspiration to create social change and achieve commercial success. They institutionalize this passion through their organization's mission, values, and practices.

8. *Social entrepreneurship*, the application of entrepreneurship to social issues, is "the art of persistently and creatively leveraging resources to capitalize upon marketplace opportunities in order to achieve sustainable social change" (Social Enterprise Alliance, 2004, ¶). The ultimate goal is the creation of sustainable economies, ecology, and equity that will benefit all individuals within communities and regions around the world (Emerson, 2004).

9. A *social enterprise* is a revenue-generating venture serving a primary mission of social change through a blend of market and mission-driven methods (Alter, 2004;

Emerson, 2000). Innovative and entrepreneurial practices distinguish this venture from other hybrid organizations (Boschee & McClurg, 2003). A social enterprise is distinct in its design to meet social needs and achieve commercial viability; market mechanisms serve to ensure enterprise self-sufficiency and underpin the creation of social value. Legal structure is a descriptive, not intervening, variable.

Overview of Dissertation

The dissertation chapters are arranged in a traditional manner. Chapter II contains an extensive review of the literature. Topics covered, relevant to the core of this study, include: (a) social enterprise and the corresponding field of social entrepreneurship, (b) organizational climate, as an embedded construct of culture, and (c) servanthood, as an organizational expression of servant-leadership. While these topics are presented in a sequential fashion to facilitate clear interpretation of the theoretical models, the inter-relationship between the constructs is multi-dimensional. The organizational climate construct served as the research tool to investigate whether servant-leadership practices were enacted in the social enterprise organizational context. The methods of study are presented in Chapter III. The methodology includes the design of the study, the sample, the instrument used, and the data collection procedures. Data analyses and results are found in Chapter IV. Finally, a concluding discussion section in Chapter V interprets the study's findings, identifies implications for the field, and offers suggestions for further research.

CHAPTER II

LITERATURE REVIEW

The purpose of this study was to explore the interior life spaces of social enterprises using the lens of organizational climate. A review of the literature centered on three primary theoretical models: (a) social enterprise and the corresponding field of social entrepreneurship, (b) organizational climate, as an embedded construct of culture, and (c) servanthood, as an organizational expression of servant-leadership. This first section includes a review of entrepreneurship theory, the emerging field of social entrepreneurship, entrepreneur and enterprise integration, and social enterprise models, outcomes, and challenges. The following section provides a review of the organizational climate and culture literatures, integrated constructs of climate and culture, and the measurement protocols used to assess climate. The third section presents the philosophy of servant-leadership, specifically the defining attributes of servanthood, and the servanthood climate survey instrument. The closing section concludes with a summary of the literature review.

Entrepreneurship Framework

Entrepreneurship and Innovation in the Workplace

Entrepreneurship is the language of innovation. Shane and Venkataraman (2000) define entrepreneurship as an activity that involves the discovery, evaluation, and exploitation of opportunities (e.g., goods, services, markets) through previously nonexistent organizing efforts. Entrepreneurial innovation can emerge in

Schumpeterian's grand pattern of creative destruction and creative accumulation or in milder forms such as those posited by Kirzner (Shane, 2003). Innovation is a concept most easily measured in relative rather than absolute terms (Martin, 2004). Martin proposes a working definition of innovation as the "adoption of an idea or behavior that is new to some social system" (p. 17).

Ahmed (1998) advocates the view that successful innovation requires an organizational climate conducive to creativity, whereby innovation is "a pervasive attitude that allows business to see beyond the present and create the future" (p. 30). Innovation is both elusive and material; it is a feeling that is rooted in the prevailing organizational psyche that reflects both the organizational climate and culture (Ahmed). Ahmed presents a set of organizational norms, culled from multifarious research studies, that promote an organizational climate of innovation, including: (a) organic rather than mechanistic structures; (b) open ended, non-structured tasks; (c) acceptance of mistakes; (d) empowered people; (e) trust and openness; (d) a sense of pride and ownership; (e) congruence between espoused and enacted values; and (f) celebration and encouragement.

Based on a review of the managerial sciences literature, Martins and Terblanche (2003) suggest that internal and external environmental circumstances influence creativity and innovation. They describe several organizational culture variables as determinants in promoting creativity and innovation. Martins and Terblanche define culture as the expressive character of organizations, communicated through symbolism, behavior, feelings, physical settings, and artifacts. They group the cultural determinants

into five categories: strategy, structure, support mechanisms, behavior, and communication. The key determinants include: (a) purposefulness of organizational goals and objectives (strategy); (b) cooperative teamwork, empowerment, and autonomy (structure); (c) resource diversity, time to think creatively, and intrinsic rewards for creative risk-taking behavior (support mechanisms); (e) tolerance of mistakes and constructive conflict handling (behavior); and (d) open and transparent communication based on trust (communication).

How individuals and organizations respond to innovation is influenced by the social context into which the change is introduced. Success requires that entrepreneurs frame innovative ideas within the set of existing understandings and patterns of action that constitute the environment, while at the same time, acknowledging the novelty required to change the environment (Hargadon & Douglas, 2001). Hence, innovation both emerges from and reshapes the institutional environment (Hargadon & Douglas).

Socialized View of Entrepreneurial Agency

Entrepreneurship fundamentally requires differences in people. Shane (2003) suggests that in the absence of variations across individuals, everyone would be able to identify and act upon opportunities. "Entrepreneurship requires the preferential access to or ability to recognize information about opportunities, both of which vary across people" (Shane, 2003, p. 7).

While innovation is germane to the entrepreneurial process, it is in transforming an idea into application that the essence of entrepreneurship, economic value creation, is achieved (Shane, 2003). Individuals must exercise entrepreneurial agency, deciding to

act upon an opportunity as opportunities themselves lack agency (Shane). Garud and Karnøe (2003) extend the interpretation of entrepreneurial agency by arguing that agency is distributed across several actors not just a single entrepreneur. They adopt a socialized view of entrepreneurship grounded on the belief that human agency is enacted across a social network of individuals. The main hypothesis is that individuals distributed throughout an organizational or social network each possess essential, but incomplete, information. By combining skills and information in a manner that leverages resourcefulness and improvisation an entrepreneurial network is able to co-create innovation (Garud & Karnøe). Hence, entrepreneurship requires that a multiplicity of individuals actively participate in the transformational process. This study supports the notion that an organization consists not of a single entrepreneur, but rather a coalition of entrepreneurs (Casson, 1995).

Underlying Motives of Entrepreneurship

Economic theory attempts to explain two basic societal issues, the creation and distribution of wealth. Schumpeter argues that specific motives drive economic action (Ebner, 2003). His idea of an entrepreneur is one who acknowledges that entrepreneurial profits, and the corresponding attributes of economic success, are means to achieve further ends. Schumpeter posits that all economic development activities create extra-economic effects in the social realm, which have a consequential impact on the economy (Schumpeter, 2003).

Entrepreneurship may be concretized via a new business venture or through use of market mechanisms, such as licensing agreements (Shane, 2003). Sombart (as cited in

Ebner, 2003) argues that entrepreneurial activities, structured as a business, were a form of economic development best understood in the context of a capitalist market. Capitalism, underpinned by the production and distribution of goods and services, is increasingly becoming the economic structure of choice around the world (Dees, 1997). Dees suggests that cross-national variations of capitalism may reflect different normative assumptions about the role of businesses in a capitalist society. What purpose a business should serve and whether a single standard should be set for all businesses are questions that trigger considerable debate. While the profit maximization motive holds a dominant position, critics argue that a sole profit seeking objective is uninspiring, narrow, and possibly counterproductive (Bowie, 1990). Bowie contends that businesses which demonstrate a genuine interest in the well being of others cultivate trust, achieve greater cooperation and ultimately benefit from reduced costs and higher productivity. Profit maximization critics propose diverse business purpose alternatives, including: serving customers, creating meaningful employment, honoring the stakeholder fiduciary responsibility, and serving public interest (Dees).

The recent emergence of the social entrepreneurship phenomenon suggests a move toward the integration of business and social purpose objectives. Advocates and practitioners of this field challenge the artificial demarcation between public and private interest and endeavor to link the two in a manner that is socially, ethically, and environmentally responsible (FSN, 2005).

Emerging Field of Social Entrepreneurship

The institutionalization of social entrepreneurship, considered a phenomenon of recent history, was shaped by key events unfolding in a larger story (Hartigan, 2004b; Martin, 2004). In the late 1980s, Bill Drayton founded Ashoka, an organization dedicated to developing the profession of social entrepreneurship by shaping a citizen sector that is entrepreneurial, productive, and globally integrated (Ashoka, 2005a). Drayton travelled the world in search of individuals using innovative methods for advancing social change. Through Ashoka, Drayton assembled a global fellowship of social entrepreneurs and created a thriving social innovation community of practice.

In the ensuing years, the social entrepreneurship movement drew wider public attention as citizens became increasingly aware of exploding social and economic inequality occurring in the world (Martin, 2004). Corporate social responsibility and citizenship agendas emerged in parallel, largely motivated by anti-globalization sentiment and heightened media attention on social issues (Martin). Alongside these events, the rising legitimacy of commercial entrepreneurship, particularly evident in the United States, stimulated a new enterprising model. Social entrepreneurs leveraged these events, constructing a radical new worldview that combined social activism with business discipline (Martin).

Today, citizen organizations across the globe are experiencing explosive growth rates (Drayton, 2002). Drayton claims that the social entrepreneurship movement catalyzed a fundamental shift in the architecture of civil society over the last twenty-five years. He argues that the social sector has profoundly changed from bureaucratic to

entrepreneurial, replicating the three hundred-year transformation in business society and irrevocably passing the tipping point. Martin (2004) posits that social entrepreneurship is "rapidly becoming shorthand for the performance revolution in the social sector" (p. 5).

The supposition is that this historic transformation now provides a bounty of compelling new careers that focus on instrumentally addressing the economic and social divide (Emerson, 2004; Drayton 2002). Further, others acknowledge that civil and business societies now share the common language of entrepreneurship, enabling radically new patterns of collaboration and ushering in new organizational forms (FSN, 2005).

Alvord, Brown, and Letts (2002) point out that three overarching perspectives characterize the variations in contemporary social entrepreneurship applications. One view holds that social entrepreneurship is a vehicle to catalyze large-scale social transformation (Ashoka, 2005b). This perspective claims that small local changes reverberate across the social system network, producing larger long-term change (Alvord et al.). Accordingly, this process demands an understanding of the complex social system interdependencies, permitting the introduction of new paradigms at critical junctures "that can lead to cascades of mutually-reinforcing changes that create and sustain transformed social arrangements" (Alvord et al., 2002, p. 137).

A second perspective describes social entrepreneurship as innovating for social impact (Alvord et al., 2002). Innovations and social arrangements are the key mechanisms to advance social change and little emphasis is placed on commercial

viability (Dees, 2001). This view endorses the idea that unique traits of social entrepreneurs enable the discovery and exploitation of novel forms of organizing.

A third perspective defines social entrepreneurship as the combination of commercial enterprise with social outcomes. Often the organizing form takes the shape of social enterprise. From this view, social entrepreneurship is "the art of persistently and creatively leveraging resources to capitalize upon marketplace opportunities in order to achieve sustainable social change" (Social Enterprise Alliance, 2004, Lexicon section, ¶). Skoll Centre for Entrepreneurship (2004) expands and augments this conception of social entrepreneurship as:

> A professional, innovative, and sustainable approach to systemic change that resolves social market failures and grasps opportunities. Social entrepreneurs engage with a wide range of business and organisational models, both non- and for-profit, but the success of their activities are measured first and foremost by their social impact. (http://www.sbs.ox.ac.uk/html)

While this study is particularly interested in researching the view of social entrepreneurship as the combination of commercial enterprise and social impact, I concur with Alvord et al. (2002) that all three approaches offer considerable utility to the field.

Integrating the Entrepreneur and the Enterprise

Unlike purely commercial enterprises that predominately attract and retain employees via monetary rewards, social enterprises have limited access to financial incentives. Instead, these firms rely on individuals' intrinsic motivations, personal values concerning social justice, and fundamental beliefs about the ability to make a difference

in the world. The organizational commitment discourse partly illuminates what binds these entrepreneurs to their chosen enterprise. Kanter (1972) and Buchanan (1974) define commitment as the willingness of participants to offer energy and loyalty to an organization. Porter, Steers, and Mowday (1974) claim that organizational commitment has three main characteristics: (a) a strong belief in and acceptance of organizational goals and values, (b) a willingness to exert considerable effort on behalf of the organization, and (c) a desire to be a member of the organization. Pettigrew (1979) applied a cultural lens to the commitment discourse and concluded:

> The role of commitment mechanisms is partly to disengage the person from some of his preexisting attachments and to redirect his system of language and beliefs and the patterning in his social relationships toward the organization's needs and purposes. In this way, a set of disparate individuals are fashioned into a collective whole. (p. 577)

The integration of entrepreneur and enterprise may also be viewed through the attachment mechanism of involvement. Involvement tends to refer to an individual's attachment to both the organization and the job (Beyer, Hannah, & Milton, 2000). Lodahl and Kejner (1965) claim that bonds develop between individuals and organizations to the degree that their self-conceptions are engaged in their jobs and organizations. Etzioni (1975) argues that moral involvement occurs when individuals accept and identify with organizational goals. Denison's (1990) research on organizational climate and culture suggests that organizational effectiveness is a function of members' level of involvement and participation in their organization.

Social identity is yet another enduring form of integration between the entrepreneur and enterprise. Identification occurs when individuals categorize themselves as members of the organization and then internalize these social memberships (Beyer et al., 2000). Dutton, Dukerich, and Harquail (as cited in Beyer et al.) suggested that the strength of an individual's identification with his/her organization depends on the extent to which the individual's self-concept includes characteristics that are perceived to be central and distinctive to the organization. Mead (1934) viewed identity as a relational construct, which develops through a process of social experience and activity, and which forms in a given individual as a result of his/her interaction with the process and other individuals in the process. Hatch and Schultz (2002) generalized Mead's individual-level identity theory to organizational phenomena and concluded that practices of expression, such as corporate programs and rituals, help to construct organizational identity. They argued that when organizational members are "in sympathy" with these expressions, their sympathy connects them with the organizational culture and creates a socially constructed sense of belonging; a sense of collective identity.

As the social entrepreneurship movement garnered mainstream attention, existing organizations and individuals hastened to embrace a new, more appealing identity, recasting their image as social enterprises and social entrepreneurs (Martin, 2004). Martin points out that social entrepreneurship is as much about "the changing self-awareness and identity of leaders in the social sector as it is about the way their organizations operate" (p. 24). Although unexplored, it is conceivable that the idea of

being a social entrepreneur creates a unifying identity for individuals who share this particular practice of business.

Social Entrepreneurship Studies

Research studies were principally focused on social enterprise organizational practices; these are included in the dissertation section on social enterprise research. However, two related social entrepreneurship studies were sourced in the literature.

Srivastva's (2004) research introduced a grounded theory of noble organizing, the dynamic process uniting noble intentions and social action through processes that challenge conventional norms. Using discourse analysis, Srivastva uncovered six universalistic principles characterizing a social entrepreneurship ethos, including: intentionality, serendipity, values-led governance, unconventional wisdom, reinvention, and reverberation.

Dorado-Banacloche (2001) introduced a research model she termed social entrepreneurship to study organizations that challenge the existing institutional boundaries between for-profit and non-profit providers of financial services. Dorado-Banacloche's social entrepreneurship process model integrated three research streams, collective strategy, institutional theory, and evolutionary entrepreneurship. The focus of her study was the process of creating microfinance organizations in Bolvia.

Social Enterprise Construct

Hybrid Organizations

Organizations may be distinguished from one another according to their business purpose and conceptually aligned along a spectrum of motives (Alter, 2004; Emerson, 2000; Dees, 1996b). Purely philanthropic organizations (e.g., church pantry) that serve the public interest and solely rely on capital, labor, and in-kind donations anchor one end of the spectrum. Purely commercial enterprises that operate in a rational self-regarding interest, and exchange goods, services, and payments through economic markets, anchor the opposing end. In purely philanthropic organizations, money is neither the primary medium of exchange nor the measure of value creation. By contrast, pecuniary motives and measures are salient features of the purely commercial enterprise. Each of these organizations tends to be referenced by their legal status, non-profit versus for-profit, or colloquially described mission-driven versus profit-driven organizations. However, shorthand use of legal status or motive, in isolation from other organizational variables is only partially informative (Dees).

Hybrid organizations operate in the middle ground between purely philanthropic and commercial enterprises and serve differing aspects of both social and commercial value creation (Alter 2004; Dees 1996b; Emerson 2000). As depicted in Figure 1, a social enterprise is but one of four different hybrid organizations that uses a blend of market and mission-driven methods to achieve social impact. Hybrid organizations adjacent to social enterprises include non-profit organizations with income-generating activities and socially responsible businesses.

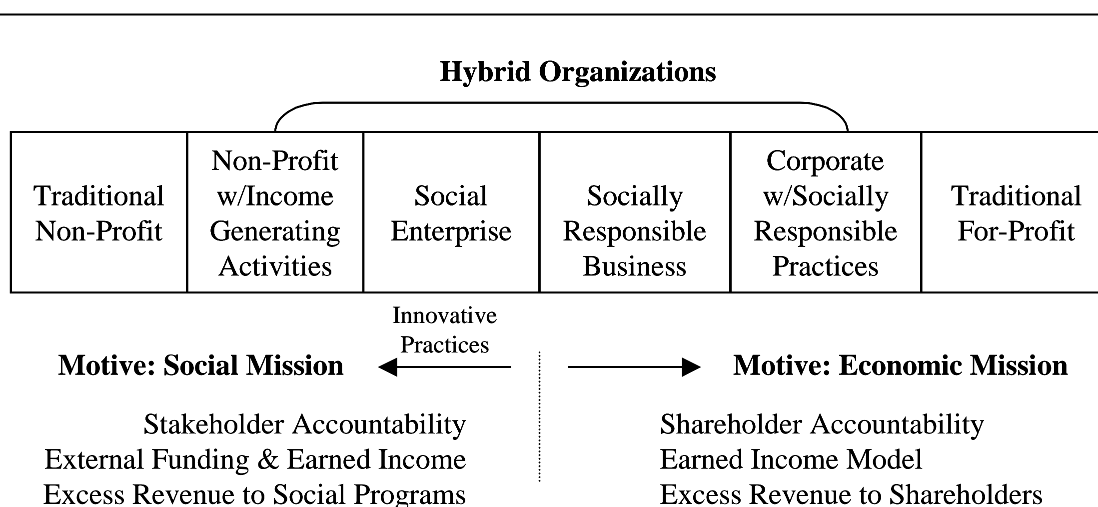

Figure 1. Spectrum of Hybrid Organizations

Note: Adapted from *Social Enterprise Typology*, (p. 7), by K. Alter. Copyright 2004.

Dees (1994) asserts that social enterprises share many characteristics with business but pursue goals that cannot be measured simply by profit generation or market penetration. He emphasizes that social enterprises are "organizations whose first priority is not economic performance or even the satisfaction of paying customers, but social betterment" (p. 3). Dees posits that social enterprises differ, by matter of degree, from traditional businesses on the basis of six dimensions: two core (i.e., enterprise objective and method) and four amplifying (i.e., financial returns, workforce motivation, consumer pricing, and governance). First, a social enterprise's primary objective is to maintain or improve social conditions in a manner that extends beyond the financial benefits created. Second, a social enterprise achieves this objective by relying on the goodwill of at least

some of its key stakeholders. Third, social enterprise founders and funders will accept less than market-rate investment returns, including a zero threshold, in order to advance the enterprise's social purpose. Fourth, social enterprise workers are significantly motivated by non-pecuniary rewards associated with the organization's social mission. Fifth, social enterprises tend to price their goods and services below cost. Sixth, social enterprise board governance embodies a sense of stewardship for the organization's social mission.

The legal structure of a social enterprise may vary, therefore distinguishing between a non-profit social enterprise and a non-profit organization with income generating activities is subtle and subject to debate (Alter, 2004). Alter argues that income-generating activities, when operated as a business, differentiate social enterprises from other non-profit organizations. Dees (2005) augments this definition, incorporating a requirement for entrepreneurial and innovative methods for creating social change. For this reason, non-profit hospitals and other similar non-profit institutions are classified as non-profit income-generating organizations, not social enterprises (Dees). Innovative methods for delivering against a social mission, supported by entrepreneurial self-financing activity, render social enterprise unique. Entrepreneurship scholars and practitioners are becoming increasingly particular about making these attributes requisite components of the social enterprise construct (Boschee & McClurg, 2003; Dees, 2005). This is due in part to honor the remarkable contributions of social entrepreneurs and to call attention to the risk of endorsing exaggerated claims absent evidence of fundamental change (Boschee & McClurg).

A socially responsible business, situated on the commercial end of the spectrum, serves a primary goal of economic value in a way that respects ethical values, people, communities, and the environment (Dees & Anderson, 2003). Notable examples of this type of hybrid organization include Ben and Jerry's and The Body Shop. Emerson (2004) claims that "the work of social entrepreneurship and the creation of social enterprise is also the work of a for-profit manager striving to drive the practice of corporate social responsibility into her firm" (p. viii). Hence, a corporation with socially responsible business practices constitutes the fourth hybrid form. These businesses typically achieve social impact through the work of their corporate foundations or employee volunteer activities.

Advancing toward the commercial end of the organizational spectrum offers no guarantee for success, and Dees (1996b) cautions that social enterprise leaders should be judicious when exploring this territory. Embedded in each structural option are management implications that warrant consideration. Subscribing to a market-discipline approach may be beneficial, but it may also risk diverting attention away from an enterprise's social mission.

> Philanthropic methods are not always morally superior to commercial methods. People commonly regard donors and volunteers with a certain admiration. However, altruistic motivations do not always yield good results. In any case, there is nothing morally objectionable about commercial exchange, even if it appears to rely on less-noble motivations. It is essential to any healthy economy

and may be a more mission-effective way of organizing some social enterprises. (Dees, p. 6)

Determining the most promising structure is a balancing act that requires ongoing creativity and flexibility (Dees, 1996b; Dees & Anderson, 2003). Dees presents four determinants that call for thoughtful examination prior to deciding on a structural option: resource effectiveness, economic robustness, political viability, and fit with key stakeholders' values. Ultimately, the social enterprise structure should enhance the organization's ability to serve its mission. There is no optimal standard for all social enterprises; structures may vary according to mission effectiveness requirements.

Social Enterprise Models

Alter (2004) mapped the social enterprise landscape, creating a comprehensive enterprise typology and categorizing social enterprises as: (a) mission-centric, (b) mission-related, and (c) mission-unrelated. As the naming convention implies, an enterprise may wholly embed its business practice in its mission, it may associate its business activities with its mission, or it may choose to pursue activities unrelated to its mission in order to underwrite social goals via economic surplus earned. Mission-centric models fall into Alter's rubric of *embedded social enterprises*. Mission-related models are classified as *integrated social enterprises*, and mission-unrelated models comprise the *external social enterprise* taxonomy (Alter).

Embedded social enterprises employ a model where social programs and business activities are the same (Alter, 2004). In order to protect against mission drift, most embedded social enterprises are structured as non-profit organizations. Additionally, an

embedded social enterprise's target population is a direct recipient of social services (beneficiaries) and may also be the employees and owners of the enterprise (Alter).

In the instance of integrated social enterprises, social programs overlap with business activities (Alter, 2004). This model leverages synergies between social and economic activities, such as cost-sharing. The target population is a direct beneficiary of earned income from the enterprise by way of social program funding; members of the target population may be involved in enterprise operations as employees or customers.

External social enterprises apply a model whereby social programs are distinct from business activities (Alter, 2004). This enterprise form may be structured as a profit center within a parent organization, or separately as a non-profit or for-profit venture. Legal status is often dictated by the external regulatory environment or by capital access requirements (i.e., loans or investments). The relationship between the business activities and social programs is supportive; commercial activities advance the social mission by providing economic funding. The target population is a direct beneficiary of economic surplus but is infrequently involved in enterprise operations.

Despite the conceptual distinction between these models, separating social enterprises by definitional categories remains somewhat elusive. This is partly because measures for evaluating entrepreneurial and innovative practices are relative in nature; the mental model of the assessor governs the evaluative stance. Furthermore, while some social enterprise dimensions may appear less vulnerable to interpretative differences (e.g., legal status), the social construction of organizational identity complicates the task. Enterprise founders and members co-create their own organizational identity, injecting

another interpretive dimension into the analysis (Martin, 2004). Acknowledging interpretative frames is critical to understanding the various social enterprise expressions.

Interpretative Frames and Mindsets

Social entrepreneurship is a key interpretive frame for elucidating the present-day construct of social enterprise; however, the non-profit management and for-benefits perspectives also inform this practice. While the various interpretative frames define similar social enterprise characteristics, the perspectives reflect implicit assumptions about differing individual and organizational mindsets. The supposition as that these assumptions shape the behaviors of social enterprise practitioners and their workplace environments.

When social enterprise is conceptualized as the institutional expression of social entrepreneurship then the individual and organizational mindsets reflect the trademark characteristics of entrepreneurship. Schneider (1987) argues that people behaving in organizations make organizations what they are. It follows then that social entrepreneurs embrace the exploitation of novel opportunities, using innovative methods and distributed entrepreneurial agency. Furthermore, they pursue opportunities to deliver against a dual mission without regard to resources at hand, consequently bearing more risk than would be associated with more secured forms of access to resources (Dees, 2001). These behaviors distinguish entrepreneurial management from administrative management (Dees).

In contrast, when social enterprise becomes a vehicle for non-profit self-sufficiency, then the non-profit mindset informs individual and organizational behavior.

The Institute for Social Entrepreneurs (2005) suggests that attitudinal differences embedded in traditional non-profit and for-profit mentalities often elicit profoundly contradictory behaviors. Flannery and Deiglmeier (1999) point out that the differences stem from conflicting underlying assumptions concerning risk taking, time, human relationships, and purpose for existence. For example, the "nonprofit arena is set up to minimize risk" (p. 5), creating a risk averse mindset. These underlying assumptions manifest in activities ranging from everyday decision-making to strategic planning.

Some suggest (Alter, 2004; Boschee & McClurg, 2003) that non-profit organizations recently adopted the social enterprise construct to mitigate the consequences of declining funding sources. Dees (1996b) posits that increasing popularity of market-based solutions to social problems artificially accelerated non-profit organizations into this form of commercial activity. The non-profit vocabulary and mindset are now embedded in the social enterprise discourse. Nevertheless, the nonprofit paradigm may obscure the potentialities of this field by overshadowing the entrepreneurial influence that ignited the movement. While non-profit organizations have a long history of generating revenue to supplement or complement their social mission (Sealey, Boschee, Emerson, & Sealey, 2000), the application of market-based approaches for non-profit organizations has sparked critical debate. The recent literature now employs a cautionary tone when discussing the use of commercial methods for non-profit revenue generation (Dees & Anderson, 2003).

Fourth Sector Network (2005) proposes a fundamentally new paradigm for understanding the social enterprise. The underlying argument is that simultaneous to a

blurring of sector lines (i.e., public, private, and social), a forth sector is evolving, the for-benefits sector. The archetypal fourth sector model, referred to as a for-benefits organization, is a new class of organization driven by social purpose, economically self-sustaining, and socially, ethically, and environmentally responsible (FSN). A social enterprise characteristically depicts this archetypal model, however other hybrid organizational forms are also conceptually situated in this new sector, including: sustainable enterprises, community wealth organizations, and chaordic organizations (FSN).

The assumption of this interpretative frame is that the unique composition of a for-benefits organization requires an entirely new sector ecosystem (i.e., capital markets, regulation, support services) to promote the advancement of the for-benefits cohort of organizations (FSN, 2005). This view suggests a mental model unencumbered by preexisting beliefs and practices. It is suggested that for-benefits organizational members embrace rapid and practical experimentation in their search for innovative methods for creating social impact (FSN).

The significance of each interpretative frame lies in the degree to which the frame accurately characterizes materially different underlying values that are expressed through different attitudes and behaviors. This study conceptually leans toward the social entrepreneurship and for-benefits interpretive frames, emphasizing entrepreneurial and innovative methods for achieving social impact. However, the study acknowledges the relative nature of these characteristics, treating legal status as a descriptive variable only.

Social Enterprise Studies

Edwards (2003) used grounded theory research to investigate social enterprises in two United Kingdom cities, London and Bristol, concluding that social enterprises were significant within the welfare reform domain. Based on the embodiment of attributes desirable to reform advocates, including empowerment, effectiveness, and efficiency, Edwards claimed that the social enterprise discourse may be instrumental in changing the welfare culture. However, she argued that in practice social enterprises appear unlikely to materially impact the mainstay of the welfare state.

Warm (2004) empirically tested institutional and resource dependency theories to predict the circumstances under which a non-profit organization would engage in entrepreneurial activity. The study was administered to selected non-profit organizations in the Kansas City metropolitan area. Warm's hypotheses concerning the ability of these theories in predicting entrepreneurial organizational behavior were supported with mixed results.

After years of interview research with social entrepreneurs and social sector experts, Dees, Anderson, and Wei-Skillern (2004) concluded that social entrepreneurs, foundation officers, and policymakers require a more strategic and systematic approach for spreading social innovations. Their collective research contribution was framed as practical advice for evaluating strategic options for scaling social innovation.

Massarsky and Beinhacker (2002) surveyed the landscape of enterprise in the non-profit sector to identify the factors that impede or facilitate successful development

of new ventures. Their survey results indicated that sound business planning, the most remarkable factor reported, significantly affects organizational success.

Organizational Climate and Culture

Historical Framework

The climate and culture literatures address the creation and influence of social contexts in organizations and reveal considerable conceptual and definitional similarity (Denison, 1996; McMurray, 2003), offering crucial building blocks for organizational analysis (Schein, 2000). Climate and culture scholars seek to uncover the mysteries of organizational life, to distinguish between what is manifest or latent, the cognitive from the social, and the objective from the subjective (Denison, 1996). Both perspectives: (a) examine the internal social psychological organizational environment; (b) entertain the possibility of a shared social context, which emerges in response to adaptation, individual meaning, and social integration; (c) acknowledge the leader role as a central determinant, and (d) describe a multilayered typology (Denison, 1996).

Until recently, few scholars acknowledged a relationship between the climate and culture constructs, yet some scholars agree (Denison, 1996, 1997; McMurray, 2003; Pettigrew 2000; Schein, 2000; Schneider, 2000) that the two literatures are both compatible and complementary. Both areas of scholarship attempt to create a conceptual language that deciphers the patterns of human conduct and incorporates divergent or convergent attitudes, perceptions, values, and behavior (Pettigrew, 2000). A review of the literature revealed numerous instances where climate and culture studies were

interchangeably classified as one or the other. For example, Litwin and Stringer's (1968) study on risk-taking was labeled organizational climate while Chapman's (1991) research, involving questions on organizational risk-taking, was considered an organizational culture study (Denison, 1996). Scholars are often unable to establish a clear distinction between climate and culture (Payne, 2000). Seemingly, the historical context, embedded with prevailing scholarly attitudes, influenced how the climate and culture constructs were understood and classified. The instrumental question is whether organizational climate and culture differ in the experience of phenomena or in the points of view that attempt to define and describe the characteristics (Denison, 1996). The literatures reveal that the distinction between the two domains predominately reflects theorist and researcher interests (Denison; Schneider, 2000).

Organizational climate research, the elder sibling to organizational culture, made early strides in research and literature but was quickly eclipsed by significant interest in the culture phenomenon (Schneider, 2000). Set against the changing landscape of global competitive markets in the 1980s, academics shifted focus from climate to culture, targeting a rising commercial market of business practitioners and positioning culture as a vehicle for competitive advantage (Deal & Kennedy, 1982; Pascale & Athos, 1981; Peters & Waterman, 1982). Organizational culture, with its emphasis on underlying values and assumptions, captivated an audience eager for a new language to understand an elusive aspect of organizations, organizational behavior. Concurrent with the growing prominence of organizational culture, culture researchers trained in ethnographic

techniques leveraged this opportunity to reassert the qualitative paradigm as scientifically legitimate (Martin, 2002).

Over the past fifteen years quantitative studies of culture reappeared as a method for facilitating comparative assessment of cultural dimensions (Chapman, 1991; Denison & Mishra, 1995; Kotter & Heskett, 1992). This sparked critical debate, which some scholars chose to circumvent by introducing new labels, such as corporate character (Goffee & Jones, 1998), while retaining the subtext of culture. Still others (Denison, 1990) capitalized on the benefits of both methodological paradigms and conducted hybrid studies using survey research and case study methods.

Perceptions of climate and culture as incongruent constructs are predominately rooted in dichotomous approaches for conceptualizing culture. When culture is viewed as an organizational variable (i.e., something that an organization *has*), then the two constructs concur that the social environment can be measured and compared. However, when culture is conceived of as a social construction, then all social action is contextually situated and not distinctly separate from the social actors (Geertz, 1973). Hence, culture cannot be quantitatively measured nor compared. This conception of culture contradicts the climate construct and challenges the integration of the two.

Furthermore, climate and culture research respond to the notion of managerial research interests in different ways. Martin (2002) outlined three categories of research interests: (a) managerial, (b) critical, and (c) descriptive. The managerial research agenda improves organizational efficiency through systems of control. Critical research interests reveal that the privileging of some organizational voices is at the expense of suppressing

others. Descriptive interests claim a value neutral position. A number of theorists have criticized managerial interests, arguing that organizational effectiveness is achieved via cultural manipulation of organizational members (Alvesson, 1993; Kunda, 1992; Martin, 1992, 2002). The climate literature seldom addresses this concern. However, it appears that the critics of managerial ideology co-mingle the issues of how organizational outcomes are pursued with the question of whether the social environment is analytically separate from the social actors (Denison, 1996). This has created the image of conflict between the climate and culture constructs. Nearly all of these issues "are rooted in the inherent diversity of social construction rather than the tidy distinction between person and environment provided by the Lewinian framework" (Denison, 1996, p. 640).

Organizational Climate and the Workplace

Historically, organizational climate research was situated at the intersection between field theory and the quantitative study of attitudes (Pettigrew, 2000). Lewinian social psychology, particularly studies of experimentally created social climates, led to the development of the organizational climate construct (Denison, 1996; Pettigrew, 2000). Lewin's field theory, which emphasized context, was linked to Gestalt psychology of perception (Ashkanasy et al., 2000). Lewin (1951) theorized that individual behavior was a function of the interrelationship between an individual and his/her environment. Organizational climate is therefore a gestalt based on perceived patterns of behaviors set in specific situations or organizations (Ashkanasy et al.).

Lewin, Lippitt, and White (1939) introduced the terms social climate and social atmosphere into the social psychology lexicon. They believe that social situations are

shaped by leaders, and they are particularly interested in the consequential impact of leader behavior on others. According to Lewin, autocratic, democratic, or laissez-faire leadership styles produce a certain climate context and particular leadership interventions created different outcomes depending on the climate (Ashkanasy et al., 2000).

The underlying theoretical assumption of Lewinian field theory is that individuals are analytically separate from the social worlds in which they exist (Denison, 1996). The original climate research (Lewin et al., 1939) positioned the role of leader as central in creating the climate context and the social and interpersonal issues emerging from different leadership styles. Scholars at University of Michigan's Center for Group Dynamics (Morse & Reimer, 1956; Likert, 1961; Katz & Kahn, 1966) extended the scholarship, advancing the notion that work atmosphere and climate have important consequences on organizational performance, in terms of both work productivity and human outcomes (Schneider, Bowen, Ehrhart, & Halcombe, 2000). Similarly, McGregor's (1960) Theory X and Theory Y motivation studies centered on the leader's role, elaborating the principle that leaders enact their beliefs in others through their behavior, which in turn reflexively reveals their attitudes towards others and creates the climate of relationship (Schneider et al., 2000).

Likert (1961) contributed to the advancement and modification of the climate construct by creating a measure of organizational climate based on the aggregation of individual attitude scales (Ashkanasy et al., 2000). Despite ensuing controversies, climate was subsequently operationalized and measured through survey instruments

using the Likert scale, shifting the emphasis from climate and leadership to climate and attitudes.

Early organizational climate literature broadly conceptualized climate as ranging from an objective set of organizational conditions to the subjective interpretation of individual and organizational characteristics (Tagiuri & Litwin, 1968). Later literature introduced a construct of climate that stressed the impact of climate on individual factors such as motivation (Litwin & Stringer, 1968). Additional scholars (Likert, 1967; Campbell, Dunnette, Lawler, & Weick, 1970) entered the early discourse, thereby extending the most relevant dimensions thought to characterize organizational climate, including: structure, responsibility, reward, risk, conflict, and identity (Denison, 1996).

Successive literature attempted to refine the vocabulary and integrate it into the larger context of organizational studies. Psychological climate and organizational climate, outgrowths of this movement, were viewed as multi-dimensional phenomena descriptive of the nature of individuals' perceptions of their experiences within an organization (Koys & DeCotiis, 1991). Psychological climate is studied at the individual level of analysis and measures individual perceptions of organizational attributes; organizational climate aggregates individual perceptions of organizational attributes. There is general agreement that multiple climates may exist simultaneously since organizational life can be perceptually different for different members (Litwin & Stringer, 1968; Payne & Mansfield, 1973; Schneider & Hall, 1972). In other words, the climate construct is a lens into the internal organizational environment yielding both individual and organizational insight.

The most widely used definition claims that climate refers to common perceptions held by individuals in reaction to a situation (Denison, 1990, 1996).

> Organizational climate is a relatively enduring characteristic of an organization which distinguishes it from other organizations: and (a) embodies members' collective perceptions about their organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation and fairness; (b) is produced by member interaction; and (c) serves as a basis for interpreting the situation; (d) reflects the prevalent norms, values and attitudes of the organizations' culture; and (e) acts as a source of influence for shaping behavior. (Moran & Volkwein, 1992, p. 20)

Climate perceptions describe an individual's organizational experience rather than characterizing his/her affective or evaluative reaction to the experience (Koys & DeCotiis, 1991). The significance of distinguishing between experiential description and evaluation serves to differentiate climate from job satisfaction (Glick, 1985; Schneider, 1975).

Studies confirm (O'Driscoll & Evans, 1988; Zohar, 1980) that organizational climate exists as an empirically-verifiable organizational phenomenon (Moran & Volkwein, 1992). While the climate construct typically leans toward the structural realist ontology (Ashkanasy et al., 2000), Moran and Volkwein (1992) point out that other theoretical approaches (i.e., perceptual, interactive, and cultural) also attempt to explicate how organizational climates are formed. Moran and Volkwein construct the following summary of the alternative approaches. The structural perspective suggests that members

are exposed to common structural characteristics of an organization, which trigger similar perceptions constituting their organization's climate. The perceptual approach claims that climate is a psychological-processed description of organizational conditions since individuals respond to situational variables in a psychologically meaningful way. The basic contention of the interactive view is that organizational climate manifests from shared agreement between individuals interacting in response to their situation. Finally, Moran and Volkwein posit that organizational climate is created by "a group of interacting individuals who share a common abstract frame of reference, i.e., the organization's culture, as they come to terms with situational contingencies, i.e., the demands imposed by organizational conditions" (p. 35).

Moran and Volkwein (1992) contend that each theoretical approach holds a distinct view; however, they do not argue a hypothesis that the views are mutually exclusive. Moran and Volkwein describe the theoretical models in response to the question of how organizational climate is formed; implications concerning measurement methods were not presented. Ashkanasy et al. (2000) assert that definitions of climate also reflect three epistemological approaches: deductive, inductive, and radical. They claim that climate studies usually employ a deductive approach based on researcher constructed analytic categories. Available methods of study include surveys, key informant interviews, focus groups, participant and non-participant observation, artifact analysis, and direct interaction (Ashkanasy et al.). Some configurations of ontology, epistemology, and methods are more compatible and frequently used. Ashkanasy et al. cite a typical example of structural ontology coupled with deductive approach using

survey methods. This study leans more heavily toward the perceptual, interactive, and cultural approaches and away from the structural perspective. A deductive epistemology, supported by a survey method to examine where organizations fall on a predetermined scale of dimensions, was employed.

Dimensions of Organizational Climate

Climate research targets issues of interest, referred to as dimensions, such as a climate for service, or innovation, or empowerment (Schneider, 1975). The dimensions of climate are described differently throughout the literature. Some scholars incorporate objective (e.g., absenteeism) measures (Denison, 1996), others exclude them (Koys & DeCotiis, 1991). Koys and DeCotiis were stringent in eliminating all measures that were objective, evaluative, and affective (e.g., satisfaction), or that named properties of organizational structure (e.g., size or structure). Other scholars (Jones & James, 1979; Pritchard & Karasick, 1973; Schneider & Bartlett, 1968) retained these measures in their empirical climate constructs. Some scholars (Denison; Schneider et al., 2000) note that there is no natural limit to the dimensions characterizing the climate domain. Ultimately, the development of climate measures should specify a theoretically meaningful and analytically practical universe of all possible dimensions, from which a salient subset can be used (Koys & DeCotiis). Choosing a subset does not deny the existence of a larger universe of facets; rather it indicates relevance of some particular dimensions within a given context.

Through empirical testing, Koys and DeCotiis (1991) derived eight universal climate dimensions sourced from the eighty dimensions found in the literature, enabling

standardized comparison, replication, and theory validation of the climate construct. Psychological climate, the basis of their analysis, is the presumed point of origin for defining organizational climate. The eight universal climate dimensions include: autonomy, cohesion, trust, pressure, support, recognition, fairness, and innovation (Koys & DeCotiis). Because any given organizational experience may be described in more than one way, there exists an overlap in meaning between dimensions. In factor analytic terms, this constitutes an oblique structure among the eight dimensions of climate (Koys & DeCotiis). For example, some individuals might describe their leaders as supportive while others might be more conscious of the trust they place in them. Hence, an individual's experience may be characterized according to multiple dimensions, yet stem from a single source (Koys & DeCotiis).

When climate is conceptualized at an organization level, the underlying universal dimensions are often embedded in organization-related phenomena. Newman's (1977) organizational climate research of a large multi-line insurance company was based on six general facets of the work environment, including: tasks, people, interpersonal relationships, organizational norms or standard operating procedures, physical settings, and opportunities-rewards-incentives.

Denison (1990) reported that the Survey of Organizations (Taylor & Bowers, 1972), the basis of his hybrid climate-culture research, used the following indexes: decision-making practices, communication flow, human resources primacy, motivational conditions, lower level influence, and technological readiness. Denison noted that the Survey of Organizations also drew from Bowers and Seashore's (1966) four-factor theory

of leadership, centering on both the peer and supervisory leadership domain of: support, team building, goal emphasis, and work facilitation. Several additional content areas were added for the 1980 edition, including: organization of work, absence of bureaucracy, coordination, work interdependence, and emphasis on cooperation (Denison). A single grouping convention for organizational climate dimensions was not located in the literature. Rather, each research study utilized a slightly different set of dimensions.

Integrated Constructs of Climate and Culture

Payne (2000) argues that despite difficulty distinguishing between culture and climate definitions, it is possible to claim that climate is a way of measuring culture. Members' interaction produces organizational climate, which reflects the prevalent norms, values and attitudes of the organization's culture (Moran & Volkwein, 1992). The degree to which the cultural phenomenon is visible depends on the level at which it is manifest, ranging from tangible expressions to unconscious assumptions (Schein, 1992). Schein used a three-part typology to describe the cultural phenomenon, consisting of: artifacts, espoused values, underlying assumptions. Payne (2000) augments Schein's framework by introducing additional facets of culture: pervasiveness, psychological intensity, and strength of consensus (depicted in Figure 2). Payne defines pervasiveness as the range of beliefs and behaviors that a culture attempts to define and control. A wide pervasiveness scale suggests that the culture broadly determines workplace protocols for behaving. For example, the culture of traditional Asian manufacturing firms in the 1980s

typically attempted to influence a greater range of employee behaviors than did similar Western firms (Payne).

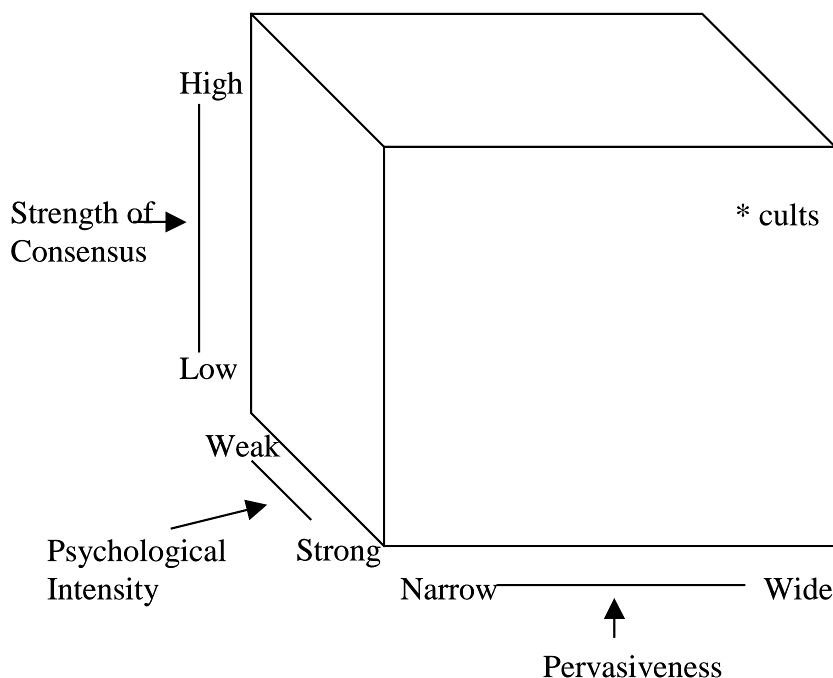

Figure 2. Three Dimensional Model of Culture

Adapted from *Climate and Culture: How Close Can They Get?* (p. 169) by R. Payne (2000). In Handbook of Organizational Climate and Culture. N. Ashkanasy, C. Wilderom, & M. Peterson, Eds.

The second facet, psychological intensity, directly relates to Schein's (1992) levels of culture, which Payne (2000) expands to include: expressed attitudes, behavior, values, articulated beliefs, and unarticulated beliefs. Psychological intensity increases as influence moves from attitudes and behaviors (i.e., artifacts) toward articulated values and beliefs (i.e., espoused values), and finally to unarticulated beliefs (i.e., underlying

assumptions). Payne suggests that attitudes and behaviors are subject to influence through external mechanisms such as rewards and punishments. Furthermore, some beliefs and values can be open to rational evaluation and therefore changed. However, when beliefs are so fundamental to a person's view of reality and identity that they are undiscussable, then change is unlikely, although possible (Payne; Schein, 1992).

Payne (2000) uses the third facet, strength of consensus, to emphasize the point that cultures vary in strength. While some scholars claim that strong cultures (i.e., high strength of consensus) achieve higher levels of performance (Kotter & Heskett, 1992; Peters & Waterman, 1982), others dispute this (Martin, 1992). Strength of consensus, measured by interrater agreement, is foundational in assessing organizational climate (Payne; Schneider et al., 2000).

Using Payne's three-dimensional illustration, climate dimensions may range from narrow to wide in pervasiveness and result in high to low measures of strength of consensus. However, behaviors lean toward the weaker end of the psychological intensity range. Payne contends that quantitative culture and climate studies intersect when they systematically examine whether the target description is about attitudes, behaviors, values, or taken-for-granted beliefs, something often absent from the research.

Schneider, Gunnarson, and Niles-Jolly (1994) offer an alternative perspective for viewing climate and culture as integrated phenomena. They support the claim that climate is the organizational atmosphere that members perceive is created by daily practices, and they acknowledge that perceptions are largely shaped by how leaders behave and what actions they reward. However, they suggest that culture stems from

organizational members' interpretations of the assumptions and values that produce the climates they experience. For example, an employee's cultural interpretation might be that company executives create a climate for service excellence because they value customer and employee satisfaction (Schneider et al., 2001). Schneider et al. posit that the "cultural characteristics attributed to the organization actually become the organization's characteristics when employees share their beliefs about management" (p. 19). Perceptions constitute climate and interpretations of these perceptions give shape to culture. These shared attributions create a perceived cultural reality for organizational members. Conceptually, this view creates a reinforcing relational construct of climate and culture, which differs slightly from models that distinguish the phenomena using typological levels or varying levels of intensity.

This study integrates the constructs by identifying climate as an intersubjective cultural product (Poole, 1985). Intersubjectivity is "the process by which a supra-individual linkage of organizational members' perspectives, interpretations, values, beliefs, etc., are constituted" (Moran & Volkwein, 1992). Findings from this exploratory study of social enterprise organizational climate may be used, with caution, to draw inferences about stronger levels of psychological intensity (i.e., deeper levels of organizational culture).

Measuring Organizational Climate

Organizational climate is a measurable phenomenon that reflects a social psychological reality that is shared by organizational members and impacts organizational behavior (Evan, 1968). The most basic characteristic of an organizational

climate index is its referent, the organization (Denison, 1990, 1996). As a theoretical model, organizational climate is a unit-level construct with shared unit properties; the properties originate in the individual unit members' experiences, attitudes, and perceptions and emerge as a consensual, collective aspect of the unit as a whole (Kozlowski & Klein, 2000). The aggregation of lower-level variables into higher-level variables creates an aggregate-level construct that is both related to and different from its lower-level counterpart; it is partially isomorphic (Bliese, 2000). Bliese refers to this aggregation as a "fuzzy composition process." He argues that the aggregate variable maintains close links to its lower-level counterpart but differs in subtle yet important ways. In the case of climate, the aggregate variable (organizational climate) contains higher-level contextual influences that emerge from the lower-level (psychological climate) construct, although not directly captured by the lower measures.

Chan (1998) proposed a systematic framework to further refine multilevel construct development. Chan's typology includes: additive, direct consensus, referent-shift consensus, dispersion, and process models. In additive composition models the relationship between constructs at different levels is straightforward; the higher level is a summation of the lower level regardless of lower level unit variance. Chan cautions that if individual perceptual agreement is central to the theoretical construct, then the additive composition model would be inappropriate. The direct consensus model, the most commonly used, the lower level is functionally isomorphic to the higher-level construct and within-group agreement justifies aggregation. Referent-shift consensus is similar to direct consensus except the referent is shifted from an individual focus (e.g., self) to a

collective (e.g., team). Estimates of agreement also justify data aggregation in this model. The dispersion model focuses on variance of scores rather than agreement. By definition, it is a group model that specifies the nature of the higher level construct based on the dispersion of a lower-level variable. Process models differ from the other four models in that they focus on non-static attributes. In contrast, process models focus on the change or emergence from one state to another. Chan cites the example of composing an organization-level process investigating the emergence of a climate for safety. Inherently, there is greater complexity in conceptualizing and measuring a process composition model.

Agreement and reliability indices play an important role in establishing construct validity of a climate model, and are particularly relevant in detecting emerging phenomena in both direct consensus and referent-shift models (Bliese, 2000; Chan, 1998). Bliese points out that agreement and reliability indices are conceptually and mathematically distinct; they are based on materially different ideas about what constitutes greater than chance similarity. This holds important implications for conducting and interpreting organizational multilevel research. James, Demaree, and Wolf (1993) argue that agreement is a special form of interrater reliability. James et al. use the term agreement to connote similarity on participants' rank orderings of target ratings and the differences in the level (i.e., the mean) of each participant's ratings. A correlational form of interrater reliability (i.e., consistency index) only examines whether participants' scores correlate with one another, regardless of whether the scores are the same (James et al.).

James and Jones (1974) argue that homogeneous perceptions can be aggregated to represent climate as an organizational property; however, perceptual agreement is a precondition for use of aggregated mean scores as a meaningful indicator of this organization-level construct (George & James, 1993). In establishing agreement, it must be evident that organizational members' responses are more similar to each other than would be expected by chance. One method is to calculate a group variance around some construct of interest. If the outcome is small, relative to a theoretical random variance, high agreement is presumed to exist. If the result is relatively large then low agreement is presumed. The alternative approach contrasts within-group to between-group variance, using analysis-of-variance designs. This later approach is generally used to calculate reliability and non-independence measures.

The most widely accepted measures of within-group agreement in the organizational climate domain are the r_{wg} for a single-item index and $r_{wg(j)}$ for a multi-item index (James et al., 1993). This agreement statistic compares observed group variance to an expected random variance, typically based on a uniform distribution. Lindell et al. (1999) argue in favor of a variant of the multi-item agreement index, $r_{wg(j)}$, for 5-point response scales. Specifically, they advise using the $r^*_{wg(j)}$ index that eliminates the Spearman-Brown correction embedded in the James et al. (1993) multi-item index. Lindell et al. present the calculation of this variant in Equation 4 of their publication. This equation yields an index that mitigates the potentially problematic overstatement of agreement associated with multi-item rating scales with large numbers of items (Lindell et al.). Lindell (2001) expanded this argument in a later article,

presenting several new variants of the index, each behaving differently depending on number of items in the scale and the average variance and covariance of these items. Of specific application to this study is Lindell's index, $r'_{wg(B)}$, defined in Equation 12.

A one-way random-effects ANOVA is used to calculate reliability in both of the two major forms of the intraclass correlation coefficient, the ICC(1) and ICC(2) (Bliese, 2000, p. 354). "Reliability-based measures provide estimates of the reliability of a single assessment of the group mean, ICC(1), or an estimate of the reliability of the group means, ICC(2)" (p. 367). ICC(1) is used as a measure of the extent to which raters are substitutable (Bliese, 2000). Principally, Bliese argues that reliability measures not only establish construct validity of a researcher's measurement model, they are key to detecting emergent phenomena.

Payne suggests that despite the introduction of a within-group interrater agreement measure, climate studies use a mean score often unaccompanied by a test for degree of agreement. This study will utilize the procedure for estimating agreement based on the indices presented by Lindell (2001).

Service and Servanthood

Climate for Service

A dominant theoretical position held in vocational psychology suggests that people are "differently attracted to careers as a function of their own interests and personality" (Schneider, 1987, p. 441). It is Schneider's (1980) supposition that individuals who choose service-related jobs desire to offer good service, work with

people in face-to-face relationships, and are likely to be concerned with the organization's success. Service is the occupation or function of serving (Merriam-Webster Online, 2005). Services are acts or processes that yield experiences, which are intangible, produced in present time, and co-created (i.e., shaped by the giver and receiver) (Schneider, 1997).

Management sciences and marketing literatures are replete with books and articles professing the competitive advantages of providing service excellence, service quality, and exceptional customer service. In service organizations, a climate for service, expressed through both word and action, is an organizational imperative (Schneider, 1980). Schneider's research showed that the extent to which an organization demonstrates a climate for service is antecedent to creating both positive employee and customer outcomes. An organization's long-term effectiveness depends on service, and Schneider argued that those who are served are the most appropriate judges of performance.

When Kaplan and Norton (1992) introduced the balanced scorecard, they reframed the business performance model and formally acknowledged employees and customers as critical stakeholders in driving and measuring organizational outcomes. Linkage research conducted over the years by Schneider and colleagues revealed a significant relationship between climate experiences of employees and customers (Schneider et al., 2000). "The climate experiences reported by employees were validated by the experiences of the customers they served" (p. 26). Thus, the service experience begins with the employee and extends outward to others. This finding gives new

meaning to the mantra of "listen to the voice of the customer," a critical component of the total quality management methodology. Employees are the first customers of the organization.

A climate for service refers to perceptions held by all who encounter the organization concerning an organization's emphasis on service quality (Schneider et al., 2000). It is measured by identified activities, behaviors, and experiences; the specific elements that connote the gestalt rather than some form of direct measurement (Schneider et al., 2000). Climate is inferred from the presence of its parts, thus service climate is based on the attributes relevant to service (Schneider et al.). Leader behavior is an important facet of the identification and causes of climate, as postulated by Lewin and McGregor, and is distinguished by specific item measures (Schneider et al.).

Service is the core of servant-leadership (Block, 1993; Greenleaf, 1977, Spears, 1998a); service is the moral dimension of prime importance (Nair, 1994; Vaill, 1998). Servant-leadership is a philosophy and practice of leadership that places the good of those led over the leader's self-interest (Laub, 2004). In order to enact servant-leadership, leaders and followers voluntarily engage in an interrelating process to realize a shared vision. The notion of service is both attitudinal and behavioral; it combines a concern about accomplishment with attention to the needs of those doing the work (Vaill).

Servant-Leadership: A Construct of Servanthood

Leadership theory attempts to deal with the tension resulting from a perceived "means – ends" dilemma. Can the leadership process deliver against the task while being

mindful of the human dimension? This paradox is reconciled through service (Greenleaf, 1977). In introducing a theory of servant-leadership, Greenleaf intentionally applied the philosophy of service to the practice of leadership. He articulated this through his vocabulary of *servant as leader* and *servant as organization*. Greenleaf (1970) encouraged individuals to be custodians of society. His vision for a more caring society would be realized by individuals living, and modeling, an ethic of service.

> I believe that caring for persons, the more able and the less able serving each other is what makes a good society. Most caring was once person-to-person. Now much of it is mediated through institutions – often large, powerful, impersonal; not always competent; sometimes corrupt. If a better society is to be built, one more just and more caring and providing opportunity for people to grow, the most effective and economical way, while supportive of the social order, is to raise the performance as servant of as many institutions as possible by new voluntary regenerative forces initiated within them by committed individuals; servants. (Greenleaf, 1970, p. 51)

What renders servant-leadership distinct from other leadership theories, yet akin to social entrepreneurship, is the ethical motivation that inspires individuals to act. Action, generated from a stance of service, is a duty and responsibility of servant-leaders. Human beings possess the unique ability to align intentions with actions; it manifests from will in the expression of leadership (Hunter, 1998).

Servant-leadership requires new terms of engagement between individuals in a leadership relationship. This philosophy calls each member to be personally accountable

for the success of a group or organization, dispersing responsibility throughout the organization. The mental model shifts from a mechanistic to a quantum paradigm (Zohar, 1997). Mechanistic perspectives embed hierarchy, structure, and control in the organizational environment (Wheatley, 1999, 2005). The quantum mindset claims that unity is the fundamental truth; relationships are processing structures that function best when there is participation, empowerment, autonomy, and the unobstructed generation and exchange of information (Wheatley).

Greenleaf (1977) proposed the organizing concept of primus inter pares, first among equals, to facilitate the creation of dynamic and agile organizational systems guided by a conceptual leader who "sees the whole in the perspective of history-past and future-states and adjust goals, analyzes and evaluates operating performance, and foresees contingencies a long way ahead" (p. 66). This organic system leverages the diversity and capacities of each individual, enabling the group to anticipate and create the future (McCollum, 1995). Wheatley (1999) claims that self-managed teams are more productive than any other organizing form and exceptionally successful in adapting to uncertainty.

Greenleaf's (1960, 1970, 1977, 1996) inspired servant-leadership writings did not materially circulate among leadership scholars and practitioners until the last ten years. Mainstreaming this literature has been a slow process. In an attempt to operationalize this philosophy, characteristics, behaviors, and attitudes were extracted from Greenleaf's original work by other writers and scholars. So far, the research remains principally directed toward the servant-leader contextually situated in religious and educational

systems, which bounds the field of investigation and overlooks the vital relational dimension of leadership. Examples of recent studies include: Letting's (2004) survey research investigating the basis and praxis of servant-leadership in Christian institutions of higher education; Milligan's (2003) quantitative study of Alabama public school superintendents identified as servant-leaders; and Westre's (2003) qualitative, phenomenological study of six college athletic coaches.

Although Greenleaf was a life-long business practitioner, he articulated his philosophy as a conceptual framework, rendering its application difficult (Northouse, 1997). Furthermore, Greenleaf was purposeful in sidestepping the convention of prescribing attributes or traits of servant-leaders. His focus was the consequential impact of servant-leaders' actions on others and the institutional environments in which they worked. He positioned servant-leadership outcomes as the ultimate test for effectiveness. In other words, leadership excellence is manifest in the productive spirit of self-management (O'Toole, 1989). Leadership theories often espouse effectiveness, yet few define the measure by which it is evaluated. The performance measure for servant-leadership is whether those served grow as individuals, and whether they become healthier, wiser, more autonomous, and likely to serve others (Spears, 1995). Instruments that translate this effectiveness measure into key performance indicators are just beginning to surface. A psychometric multi-rater (360^0) effectiveness instrument may be available for commercial release within the year (D. Feldman, personal communication, December 30, 2004).

A review of Greenleaf's writings resulted in the publication of ten key characteristics of a servant-leader, including: (a) listening, (b) empathy, (c) healing, (d) awareness, (e) persuasion, (f) conceptualization, (g) foresight, (h) stewardship, (i) commitment to the growth of people, and (j) building community (Spears, 2000). Listening is described as the ability to quiet oneself and hear another. It is greatly enhanced by the presence of empathy. Empathy acknowledges individuals' need to be respected and recognized as unique. It leads to an understanding of the other by creating an a priori form of experiential awareness. Healing honors one's own brokenness as a prerequisite for growing toward wholeness: it is first directed inward. "There is something subtle communicated to one who is being served and led if, implicit in the compact between the servant-leader and led, is the understanding that the search for wholeness is something they share" (Greenleaf, 1970, p. 27). By accepting one's own humanness, others might more naturally be invited into the healing process (Palmer, 2004).

Awareness suggests actively listening for differences with an open and curious disposition: it is a willingness to be disturbed (Wheatley, 2005). "We can't be creative if we refuse to be confused" (Wheatley, 2005, p. 213). Persuasion is the process of co-creating to another what one thinks or believes about a topic with an aim toward establishing shared understanding and consensus (Vaill, 1998). Conceptualization is the ability to look beyond the present and envision an inspiring future. It is dreaming great dreams (Spears, 2000). Foresight is the capacity to see the potential of the present from the viewpoint of the future. It is a future-first leadership mindset (Smith, 1994).

Stewardship is citizenship. It is the act of holding our organizations, communities, and society in trust for future generations (Block, 1993; Bornstein, 2004).

Commitment to the growth of others stems from the belief that each person has intrinsic value. Servant-leaders recognize their responsibility to nurture others toward greater personal and professional development. Building communities promotes learning at the individual, organizational, and societal levels. The concept of *communities of practice* illuminates the finding that learning is a social experience (Wheatley, 2005).

Dimensions of Servanthood

Laub (1999) introduced the phrase, servant organization, into the servant-leadership lexicon based on the rationale that servant-leadership “should become characteristic of the organizational culture in order to produce the most benefit” (p. 82). This study defines servanthood as the behavioral manifestation of servant-leadership. To put it another way, it is the normative collective servant-leadership behavior. In developing an organizational assessment instrument, Laub (1999) operationalized servanthood into six dimensions: values people, develops people, builds community, displays authenticity, provides leadership, and shares leadership. This section will introduce each of these dimensions and, in tabular format, represent the specific items that underlie the construct of Laub’s instrument.

Values and Develops People. At the heart of valuing and developing others is a deep belief in the intrinsic worth of all human beings beyond any material contribution as workers (Spears, 2000). Valuing others requires first knowing who they are; developing others requires a deep listening for who they want to become. Heartfelt, empathic

listening entails suspending judgment of others. “In our crazed haste, we don’t have time to get to know each other, to be curious about who a person is or why she or he is behaving a particular way” (Wheatley, 2005, p. 81). Laub’s (1999) organizational servanthood construct operationalizes these dimensions based on six categories of tangible expression, as shown in Table 1.

Table 1

Values and Develops People – Attitudes and Behaviors

Servanthood Dimension	Demonstrated By	Attitudes & Behaviors
Values People	Believing in others	- Displays respect toward others - Believes in others’ unlimited potential - Accepts others as they are - Trusts others - Perceptive to others’ needs - Shows appreciation for others
	Serving others	- Places others’ needs before self needs - Shows compassion toward others
	Listening to others	- Actively listens to others by being present in the moment and suspending judgment
Develops People	Supporting others	- Provides opportunities for others to develop to their full potential - Uses power & authority to benefit others - Mentors others - Views conflict as growth opportunity - Creates an environment for learning
	Modeling behavior	- Leads by example; models desired behavior
	Encouraging others	- Affirms and encourages others

Builds Community. Wheatley (2005) articulates the paradox of life's greatest imperatives, the need to be free to create itself and the need for individuals to be in community. "Life takes form as individuals that immediately reach out to create systems of relationships" (p. 46). To thrive, communities must keep vibrant the conditions of freedom and connectedness, not through prescribed behaviors but by clarity of purpose and voluntary commitment (Wheatley). Large institutions hold an ever-greater role in shaping human lives, a role that used to be fulfilled by local communities (Greenleaf, 1977). The practice of servant-leadership promises to create true communities inside the institutional life spaces that many individuals inhabit (Spears, 2000). Servanthood behaviors honor human diversity and invite individuality in the co-creation of relationships. Laub's (1999) organizational servanthood construct operationalizes this dimension based on three categories of tangible expression, as shown in Table 2.

Table 2

Builds Community – Attitudes and Behaviors

Servanthood Dimension	Demonstrated By	Attitudes & Behaviors
Builds Community	Enhancing Relationship	- Interacts with others constructively - Works to heal wounded relationships
	Working Collaboratively	- Facilitates building teams & communities - Works with others instead of apart from them
	Valuing Differences	- Values differences in people - Invites individuality of style & expression

Displays Authenticity. Kouzes (1999) claims that credibility, the authentic union of voice and touch, is the foundation of leadership. Authentic individuals know what is in their hearts, and their voice and actions express this. Authenticity is rooted in self-awareness. It is as much about knowing oneself as it is about acting in accord with one's beliefs and values. Self-awareness is cultivated by personal self-reflection and openness to learning from others. Laub's (1999) organizational servanthood construct operationalizes this dimension based on three categories of tangible expression, as shown in Table 3.

Table 3

Displays Authenticity – Attitudes and Behaviors

Servanthood Dimension	Demonstrated By	Attitudes & Behaviors
Displays Authenticity	Being open to being known	- Admits personal limitations & mistakes - Promotes open communication and sharing of information - Demonstrates accountability and responsibility to others
	Being Learners	- Keeps on open mind without judgment - Learns from others - Evaluates self before blaming others - Receives criticism & challenge from others
	Maintaining Integrity	- Demonstrates high integrity and honesty - Maintains high ethical standards - Demonstrates trustworthiness

Provides Leadership. "A mark of leaders, an attribute that puts them in a position to show the way for others, is that they are better than most at pointing the direction" (Greenleaf, 1977, p. 15). Determining the future direction emerges from a keen intuitive sense. Leaders must cultivate the ability to intuit the future, yet it is in translating this

vision into action that the essence of providing leadership is achieved. Providing leadership is an act of servanthood that combines informed risk-taking with clear goal-directed action in service to a shared future vision (Laub, 2004). It is fundamentally grounded in Greenleaf's servant-leadership attributes of conceptualization and foresight. Greenleaf suggested that foresight requires the ability to perceive two levels of consciousness. One level of consciousness attends to everyday events; the other perceives what is emerging across time. Laub's (1999) organizational servanthood construct operationalizes this dimension based on three categories of tangible expression, as shown in Table 4.

Table 4

Provides Leadership – Attitudes and Behaviors

Servanthood Dimension	Demonstrated By	Attitudes & Behaviors
Provides Leadership	Envisioning the future	- Co-creates a vision of the future - Uses intuition and foresight to imagine the unforeseeable - Inspires others
	Taking initiative	- Encourages risk-taking - Exhibits courage - Initiates action ahead of others
	Clarifying goals	- Sets direction - Establishes clear goals - Identifies opportunities embedded in threats

Shares Leadership. Shared leadership occurs through the sharing of decision-making, power, status, and privilege throughout all organizational levels. Wong (2003) argues that servant-leaders prefer to use inspirational and transformational power to inspire workers to embrace a shared vision, achieve a higher purpose, and motivate them

to fill their greatest potential. Laub's (1999) organizational servanthood construct operationalizes this dimension based on two categories of tangible expression, as shown in Table 5.

Table 5

Shares Leadership – Attitudes and Behaviors

Servanthood Dimension	Demonstrated By	Attitudes & Behaviors
Shares Leadership	Sharing power	- Empowers others by sharing power - Uses persuasion to influence others; not coercion
	Sharing status	- Does not promote self - Leads from personal influence rather than positional authority - Does not demand or expect honor and awe for being the leader - Does not see special status or perks of leadership

Comparison of Universal Climate, Servanthood, and Great Workplaces

There is considerable conceptual similarity between the six servanthood dimensions and the eight universal climate dimensions specified by Koys and DeCotiis (1991). As shown in Table 6, notable areas of similarity include: trust, support, fairness, recognition, and innovation. Pressure was the single universal climate dimension lacking a similar servant-leadership dimension.

Servant-leadership is based on the supposition that when individuals genuinely desire to serve others first, their good will toward others will foster a climate of trust. Servant-leaders' authentic behavior will call forth others' greatest potential, yielding healthier, wiser, more autonomous followers ready to serve others. This will transform

the life space of organizations, generating organizational health and demonstrating that these organizations *work* (Block, 1993). While empirical research on servant-leadership remains somewhat limited, this supposition is supported by research conducted by Levering and Moskowitz (2005) of the Great Place to Work® Institute. Several servant organizations consistently earn the honor of being named the greatest workplaces, including: Southwest Airlines, Starbucks Coffee, and The Toro Company.

When evaluating workplaces, trust is the primary dimension characterizing great workplaces (Levering & Moskowitz, 1984). According to the Great Places to Work® Institute (2005), trust is operationalized as credibility, fairness, and respect, which are accompanied by two remaining dimensions: pride and camaraderie. Credibility is defined as congruence between words and deeds, integrity in carrying out the organization's vision, open and accessible communication, and competence in coordinating human and material resources. Fairness is the ethic of justice (Gilligan, 1982). It means that economic success is shared equitably; there is impartiality and justice. Respect involves caring for employees in a fully human manner, supporting their development, showing appreciation, and fostering a spirit of mutual collaboration: it is the ethic of care (Gilligan, 1982). Pride is healthy esteem for the contributions of the individual, the group, and the entire organization. Camaraderie is the ability to be oneself in the midst of others in a warm and welcoming atmosphere. As shown in Table 6, a comparison between servanthood and great workplace dimensions also revealed conceptual similarity, with the exception of the dimension, pride, specified by the Great Places to Work© Institute (2005).

Table 6

Comparison of Workplace Dimensions

Climate Dimensions Koys & DeCotiis (1991)	Servanthood Dimensions Laub (1999)	Great Workplace Dimensions Great Places to Work® (2004)
Autonomy • Openness of supervision • Individual responsibility • Member's initiation of structure	Share Leadership • Shared vision • Shared decision making Shared power, status, and privilege	Fairness • Equity treatment for all • Impartiality • Justice
Cohesion • Espirit • Group cooperation, friendliness & warmth • Status polarization (reversed)	Build Community • Building relationships • Working collaboratively • Valuing differences	Respect • Supporting development of others • Working collaboratively • Valuing differences
Trust • Sociability • Trusting in people • Openness	Value People • Active listening • Trusting in people • Serving others	Credibility • Open & assessable communication • Soliciting employees ideas in planning & goal setting • Integrity; words followed by action • Coordinating resources efficiently & effectively; competence
Support • Leader's consideration • Managerial awareness • Leader work facilitation	Display Authenticity • Open & accountable • Learning from others • Integrity & trust	
Recognition • Opportunities for growth • Recognition & feedback • Rewards	Develop People • Developing others • Modeling behavior • Encouraging & affirming others	Camaraderie • Ability to be oneself • Socially friendly & warm environment • Sense of team
Fairness • Egalitarianism • Altruism • Clarity of promotion & Rewards	Provide Leadership • Envisioning future • Taking initiative • Clarifying goals	Pride • In personal job & contribution • In team/group outcomes • In organization's products & community standing
Innovation • Future Orientation • Challenge & risk • Organizational flexibility		
Pressure • Role overload, conflict, ambiguity		

Measuring Climate for Servanthood

Although scholars, business leaders, and organizational consultants claim that servant-leadership core concepts are essential prescriptions for the twenty-first century organization (Bennis & Nanus, 1998; Block, 1993; Drucker, 1999; Jaworski, 1996; Senge, 1997; Wheatley, 1999; Zohar, 1997), few tools exist that operationalize and measure this construct. A review of the literature identified only three research instruments that explicitly target servant-leadership in an organizational context. Abel (2000) identified the work environments in which servant-leaders are effective or ineffective. However, Abel's theory of workplace effectiveness focused exclusively on the servant-leader cohort in the context of the environment and empirical validation was not conducted. Ehrhart (2001) developed a general measure of servant-leadership based solely on a literature review and validated by a field test consisting of 254 university students averaging 19 years of age with limited work experience. Furthermore, he defined leadership as a "unit-level cognition about how unit members as a whole are treated by the leader" (p. 36). This definition overlooks the reciprocal and relational nature of social exchange in the servant-leadership paradigm. Laub (1999) constructed a survey instrument, the Organizational Leadership Assessment (OLA), based on a Delphi process consisting of 14 servant-leadership experts.

Laub (1999) translated the servant-leadership conceptual framework into an applied model, creating the only empirically field-tested instrument known to the researcher. The OLA was designed as a comprehensive model of servant-leadership

applied to organizational life (Laub). The OLA examines the distributed aspects of leadership and servanthood by measuring perceptions across all organizational levels. It has proven to be a valid and reliable psychometric instrument with strong construct and face validity (Laub, 1999, 2003a).

The OLA is a superior choice for use in this study based on Laub's (1999) Delphi process, its strong psychometric properties, the extensive field test, and the instrument's subsequent use in numerous research studies. Furthermore, the OLA supported the multilevel construct of climate for servanthood, aligning theory with measurement. The OLA instrument is consistent with the protocol requirements for organizational climate instruments (Koys & DeCotiis, 1991; Newman, 1977, Schneider 1975), specifically: (a) use of non-evaluative, non-objective measures; (b) perception-based; (c) data are amenable to analysis at various levels; (d) dimensions are theoretically sound; (e) items target an issue of interest; and (f) items describe facets of the organizational experience/environment, exclusive of organizational structure.

Moran and Volkwein (1992) contend that organizational climate embodies members' collective perceptions about their organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation, and fairness. To further evaluate appropriateness of use, the OLA subscales were conceptually tested against Moran and Volkwein's climate dimensions and found to be in general agreement.

Denison (1990) claims that many formulations of organizational climate include leadership as part of the domain. Denison differentiated climate from leadership, positing that "organizational climate is a characteristic of an organization as a whole, but

leadership is an attribute of an individual, and is most relevant to the members of a group led by that individual" (p. 208). To the contrary, Laub (1999) argues that the characteristics of the servant leader may be applied to an entire organization or organizational workgroup as well as an individual leader.

This study frames leadership as an intentional change process that unites leaders and followers in voluntary and shared pursuit of common vision (Laub 2004). The position taken in this study supports Laub's belief that the philosophy of servant-leadership, as exhibited by servanthood attitudes and behavior, applies to an entire organization.

The OLA instrument intentionally employs common use vocabulary terms to facilitate ease of understanding for all organizational members. The instrument is sectioned into three parts, measuring the respondent's perceptions of: (a) a generalized view of all organizational members, (b) a generalized view of all executive leaders/directors, managers, and supervisors, and (c) his/her direct relationship with his/her leader(s). An additional six questions investigate the respondent's job satisfaction. The data may be analyzed at the organization or organizational sub-group level. As a multi-rater psychometric instrument, perceptual comparisons may be made to assess differences between cohorts based on predefined demographics (e.g., level, tenure, gender). The multi-rater design attempts to reconcile the potential issues inherent in self-assessment instruments, such as the issue of social desirability that may influence participant responses (Laub, 1999).

Laub (2003b) currently uses the OLA instrument to support diagnostic assessment of an organization's culture; his work does not explicitly distinguish between organizational climate and culture. Further use of the OLA in academic and business research has been directed toward organizational diagnosis and consulting for the purpose of assessing and profiling organizational health. The concept of health, when applied to organizations, suggests a number of key organizational characteristics, including: (a) a sense of identity, (b) the capacity of the organizational system to adapt to internal or external changes, (c) boundary integrity, and (d) the capacity to perceive and test reality (Schein, 1996; White, 1997). Laub's (2003a) research suggests that servant organizations express the highest level of organizational health and the highest capacity for change. Change-adaptability is a critical component of organizational health.

Servanthood Climate and Job Satisfaction

Early climate scholarship debated whether organizational climate was a variant of job satisfaction. Lack of conceptual clarity of each of the constructs contributed to the confusion. Distinguishing between psychological and organizational climate measures remedied the unit of analysis issues. Payne et al. (1976) concluded that while there is evidence that job satisfaction and organizational climate are related, the concepts remain logically and empirically distinct. The conceptual models are distinguishable according to three primary characteristics: the unit of analysis, the elements of analysis, and the nature of the concept as affective or descriptive (Payne et al.).

Job satisfaction relates to an individual's affective feelings about his/her job in the organization, while climate is derived from the individual's description of what the

organization is like (Payne et al., 1976). Studies have shown that psychological climate (i.e., an individual's perception of the organization) is related to job satisfaction and in some instances to productivity variables (Hellriegal & Slocum, 1974). The difficulty with the climate-satisfaction relationship is the inability to determine causation (Payne et al.). While it is suggested that the two are interrelated, experimental studies have shown that manipulations of climate impact job satisfaction levels (Litwin & Stringer, 1968). Interestingly, these findings provide further insight into the nature of organizational climate, leading some scholars to conclude that climate refers to a situation, and although it is enduring, it is largely considered temporal and subjective (Denison, 1996). Hence, climate may be subject to manipulation by people with power and influence, whereas culture is arguably more complex and resistant to direct manipulation (Denison).

Laub's (1999) research findings suggest that higher perceptual measures of servanthood attributes and behaviors correlate with higher levels of job satisfaction. Girard's (2000) research confirms a significant correlation between perceptions of servanthood characteristics and job satisfaction, as exhibited by Illinois public school superintendents.

The hypothesis that a satisfied worker is a more productive worker holds great appeal for businesses. Earlier literature suggests that the relationship between satisfaction and performance is slight. Iaffaldano and Muchinsky (1985) claim that the perceived correlation between satisfaction and performance is intuitively logical but not empirically proven. Judge, Thoresen, Bono, and Patton (2001) cite new developments from their research, showing a stronger satisfaction-performance correlation than earlier

studies. Their findings noted stronger correlations, particularly between overall job satisfaction and overall job performance, and in high-complexity jobs.

Further Servant-Leadership Studies

A search revealed two climate-culture studies that used unit-level or organizational-level analysis involving servant-leadership. Ehrhart (2001) investigated whether procedural and distributive justice climate partially mediated the relationship between servant-leadership and unit-level Organizational Citizenship Behavior (OCB). Organizational citizenship behavior (OCB) contributes to organizational effectiveness by supporting both organizational and social workplace contexts (Kaufman, Stamper, & Tesluk, 2001). Employees demonstrate citizenship behavior when they voluntarily undertake activities that exceed their job description (Kaufman et al.). Ehrhart's findings reveal that the hypotheses were generally supported; however, the direct effects of servant-leadership on organizational citizenship behavior were stronger than the mediating effects of a distributive justice climate.

Welch (1998) examined the relationship of reflection to building a generative organizational culture, an outgrowth of servant-leadership. Her qualitative study examined reflective leadership in nationally prominent leadership authorities who self-selected as practicing servant or generative leadership. Welch characterized a generative culture as one that develops employees' capacity for contributing and learning, empowers employees' strengths, develops high trust, and results in uplifted financial viability, well-being and spirit in the organization.

Horsman's (2001) servant-leadership study used an organization-level of analysis; however, the research tested the relationship between personal dimensions of spirit and servant-leadership. It did not comment on the dimension of organizational climate.

Summary

A review of the literature centered on the three primary theoretical models of the research study: social enterprise, organizational climate, and servanthood. Close examination of these concepts facilitates the development of a broader understanding of the variables and illuminates the interrelationships.

Social entrepreneurship is a primary interpretive frame for elucidating the present-day construct of social enterprise. When social enterprise is conceptualized as the institutional expression of social entrepreneurship then the individual and organizational mindsets reflect the trademark characteristics of entrepreneurship. Accordingly, social enterprise is a revenue-generating venture serving a primary mission of social change through a blend of market and mission-driven methods (Alter, 2004; Dees, 1996b; Emerson, 2000; Social Enterprise Alliance, 2004). Innovative and entrepreneurial practices distinguish this venture from other hybrid organizations (Alter; Boschee & McClurg, 2003).

A social enterprise is but one of four different hybrid organizations that uses a blend of market and mission-driven methods to achieve social impact (Alter, 2004). Hybrid organizations operate in the middle ground between purely philanthropic and commercial enterprises and serve differing aspects of both social and commercial value

creation (Alter; Dees, 1996b; Emerson, 2000). Alter classified social enterprises as: (a) mission-centric, (b) mission-related, and (c) mission-unrelated. As the naming convention implies, an enterprise may wholly embed its business practice in its mission, it may associate its business activities with its mission, or it may choose to pursue activities unrelated to its mission in order to underwrite social goals via economic surplus earned.

Social enterprise total value creation is a function of social impact and economic returns (Alter, 2004; Emerson, 2000). The blended value proposition (Emerson) offers a more complete interpretation of the meaning of return as the holistic integration of economic, social, and personal wealth. As Emerson explains, "it is the social dynamics of financial capital markets that give numeric, financial returns ultimate value" (p. 35). In addition to social enterprise blended value creation, Fourth Sector Network (2005) supposes there are internal economic and psychological benefits also associated with this new organizational paradigm.

Newman (1977) contends that " before we can understand human behavior in organizations, we must know how people perceive the environment in which they work" (p. 521). Organizational climate is a measurable phenomenon that reflects a social psychological reality shared by organizational members (Evan, 1968). Members' interaction produces organizational climate, which reflects the prevalent norms, values and attitudes of the organizations' culture (Moran & Volkwein, 1992). Entrepreneurial organizations, which enact a culture of commitment over self-interest, were less likely to fail than those with mechanistic cultures (Shane, 2003). Laub (2003a) found that servant

organizations express the highest level of organizational health and higher levels of job satisfaction.

Servanthood is the behavioral manifestation of servant-leadership. The Organizational Leadership Assessment (OLA) is a comprehensive model of servant-leadership applied to organizational life (Laub, 1999, 2004). The OLA examines the distributed aspects of leadership and servanthood by measuring perceptions across all organizational levels. The OLA was deemed to be an appropriate instrument to measure an organizational climate for servanthood, based on a review of the climate and culture literatures, the theoretical foundation of OLA instrument, and the OLA subscale construct. It was proven a valid and reliable psychometric instrument with strong construct and face validity (Laub, 1999, 2003a).

The purpose of this empirical study was to explore social enterprise climate, culture, and job satisfaction using a lens of organizational climate for servanthood. The study described how these perceptions differed within and across a variety of social enterprise organizations. The research also measured job satisfaction and investigated the relationship between climate and satisfaction.

CHAPTER III

METHODOLOGY

This exploratory research study empirically investigated whether the shared attributes of two intriguing and emerging phenomena, servant-leadership and social entrepreneurism, intersect to create a compelling new model of servant organization. Using the lens of organizational climate for servanthood, this study explored social enterprise climate, culture, and job satisfaction. Conceptually embedding climate in the more complex model of organizational culture allowed for broader exploration of the organizational experience. The research examined the extent to which social enterprise members (e.g., employees and volunteers) perceived collective servant-leadership behavior and characteristics, tested for perceptual agreement, compared results to prior OLA research, and investigated the association between climate and job satisfaction. Behavioral practices that stem from and reinforce leaders' values and beliefs are of central importance to organizational life and were core to understanding this research.

The following Research Questions articulated the study purpose and guided the collection and analysis of data.

1. To what extent do social enterprises enact an organizational climate for servanthood?
2. Are there significant differences in social enterprise organizational climates based on organizational and individual characteristics?
3. Are the organizational climates and job satisfaction levels of social enterprises significantly correlated?

Chapter III outlines the methodology of the study. The chapter consists of the following sections: the research design, the study sample, description of the instrument, data collection, data analysis, and ethical considerations.

Description of the Research Design

This study was designed as exploratory research employing a survey research method. Exploratory studies are essential "whenever a researcher is breaking new ground, and they almost always yield new insights into a topic for research" (Babbie, 2004, p. 89). Survey research facilitates the collection of original data that enables social researchers to describe a population too large to observe directly (Babbie). The survey research method allowed for descriptive and comparative analysis across a variety of social enterprises. The survey design presumed that certain leadership processes (i.e., social processes) and relationships are common to all organizations such that they can be compared. Organization was the unit of measure.

Using a survey technique to explore organizational climate has inherent advantages and disadvantages. A key strength is that the same method can be consistently applied to many organizations, establishing a basis for comparison and generalization. However exploratory studies contend with the possible limitation of representativeness, hence the study sample may not be typical of the larger population (Babbie, 2004). Further limitations that may pertain to this study include the following. First, survey research is unable to reveal the existence of incongruence between espoused and practiced behaviors. Individuals may respond to questions based on an idealized

perception of behavior and the researcher is unable to validate if the behavior is enacted within a given organizational context.

Second, survey instruments are unable to adequately capture the complexities of the social dynamics of organizational life. "Organizations are extremely complex systems…. personalities, small groups, intergroups, norms, values, attitudes all seem to exist in an extremely complex multidimensional pattern" (Argyris, 2000, p.11). Although this limitation can be partly offset by sophisticated analyses, it is inherent in survey research (Babbie, 2004).

Third, surveys may also restrict the degree of flexibility required by the study. Once the research questions have been operationalized and the instruments distributed to the respondents, no changes can be made without risking the survey process. Unlike studies involving direct observation, the researcher is unable to dynamically incorporate new variables. Surveys are also subject to artificiality. In other words, "Finding out a person gives conservative answers in a questionnaire does not necessarily mean the person is conservative" (Babbie, 2004, p. 275).

Population and Sampling

Social enterprises transcend traditional geographic and sector-specific boundaries, complicating the task of sizing the population. Furthermore, standard industry classification codes cannot be utilized with any certainty to identify these organizations. In order to describe the field, researchers rely on the insights of social enterprise experts from academic institutions, professional associations, and philanthropic networks.

This study employed two nonprobability sampling methods: purposive and snowball. Using electronic communication (i.e., email), I contacted thought and practice leaders in the social enterprise domain to solicit suggestions for organizations to include in the study sample (Appendix A). Each expert was asked to provide at least five suggestions based on sample selection criteria that included: (a) the study definition of social enterprise; (b) a geographic region defined as the United States of America; and (c) a requisite number of organizational members (i.e., employees and volunteers) totaling at least ten individuals. The email communication stated that the research protocol would be an English-language survey instrument, taking approximately twenty minutes to complete via the Internet. Following a snowball sampling technique, some individuals suggested additional field experts and provided email addresses to facilitate direct inquiry.

Social enterprise experts provided recommendations for 54 organizations. Five recommendations did not have accompanying contact details (e.g., name, telephone number, email or website address). All attempts made to source this information via the Internet were unsuccessful. Thus, the sample frame consisted of 49 possible candidates. An invitation to participate in the study was sent to all 49 organizations via email (refer to Appendix B). Typically four or more email exchanges, answering questions and clarifying details, were required to secure participation. Throughout each electronic exchange a study information sheet was attached to increase the likelihood of it being read by the recipient. The information sheet (refer to Appendix C) outlined the study's

purpose, the survey instrument, time requirements, and the dates the survey would be conducted.

Prior to receiving permission, the two most frequently asked questions were whether the results would be published and whether participants would receive a copy of the results. I responded affirmatively and added these questions to the information sheet for clarification. Follow-up phone calls were made to seven contact persons to offer additional clarification.

Twenty organizations agreed to participate. Six organizations did not meet the study criteria and were therefore ineligible (e.g., non-English speaking employees). Seven organizations declined to participate. Four organizations responded to the initial study solicitation but no further communication was received. Twelve organizations did not respond to any correspondence sent despite repeated attempts to contact them.

For the participating enterprises, I obtained the name of a primary contact person to help coordinate the process on behalf of the organization. A worksheet was then electronically sent each contact person to gather organizational demographic information, including: organization name, year founded, total FTEs, number of individuals participating in the survey, social enterprise business area, legal/tax status, total budget, and profitability status (refer to Appendix D). This facilitated the one-time collection of organization demographics for each enterprise. In addition to the social enterprise demographic data, the contact person was asked to verify whether the social enterprise study definition described his/her organization. All responses were affirmative.

Once the demographic data were collected, it was discovered that 6 of the 20 social enterprises included in the sample reported an employee headcount of less than 10 FTE. Since many of these social ventures were structurally embedded in larger non-profit agencies, the field experts may not have been able to properly screen for this criteria in advance. In these instances, the threshold level of participation was lowered to five respondents, following a minimum group size precedent found in the organizational climate research literature (Ehrhart, 2001).

The question of who should participate in the study repeatedly surfaced as an area of confusion for the participating organizations, despite every attempt to establish clear expectations via the information sheet and through direct email instructions. Many individuals mistakenly assumed that they would be the only person taking the survey. I reiterated that all organizational members were asked to participate. Given the small size of many social enterprises, the definition of organizational member was expanded to include anyone who consistently participated in creating the organizational experience, including employees, volunteers, and board members. In other words, anyone who was involved in the social enterprise on a day-to-day basis was invited to participate.

Instrument

This study used the Organizational Leadership Assessment (OLA) survey instrument (Laub, 1999). The OLA was a superior choice for use based on its strong psychometric properties, extensive field test, and subsequent application in numerous research studies. The OLA survey is a comprehensive construct of servant-leadership

applied to organizational life (Laub, 2003a); it examines the distributed and reciprocal aspects of leadership by measuring perceptions about all organizational members' behavior. A literature review revealed that the OLA is the only organization-level empirically tested instrument available that operationalizes the theoretical construct of servant-leadership introduced by Greenleaf (1970). The instrument's validated servant-leadership dimensions focus on respondents' perceptions about how they experience their organization, enabling a diagnostic picture to emerge from the survey data. The OLA supported the multilevel construct of climate for servanthood, aligning theory with measurement. A copy of the instrument, in web-based format, is included in Appendix E.

Laub (1999) developed the OLA instrument using a three-part Delphi study involving fourteen servant-leadership experts. The Delphi technique is a systematic method of collecting expert opinions concerning a specific topic with the aim of achieving group consensus. Laub identified six definitional constructs ("OLA subscales") of servanthood: (a) Values People, (b) Develops People, (c) Builds Community, (d) Displays Authenticity, (e) Provides Leadership, and (f) Shares Leadership. The six OLA subscales were originally comprised of 74 survey questions plus six additional job satisfaction-related questions. The entire 80-question instrument was field tested with 847 people from 41 organizations; 828 responses were usable. The organizations, situated throughout the United States and one in The Netherlands, represented diverse sectors (i.e., public, private, and civil) and legal structures (i.e., for-profit and non-profit). Following the field test, Laub (1999) eliminated 14 questions to decrease the survey duration and render it more appealing for future use. The questions

removed had lower item-to-test correlations and did not affect instrument validity (Laub). In addition, the original instrument title was changed to the Organizational Leadership Assessment (OLA); the word "servant" was removed to reduce the potential for bias. The six job satisfaction questions were retained, yielding a new total of 66 items.

The six OLA subscales serve as a grouping structure for the survey questions. The instrument is formatted in such a way that the six subscales (60 questions) are divided into three distinct survey sections, referenced in this study as "OLA subgroups." The first section contains 21 questions that apply to everyone in the organization ("OLA subgroup 1"). The second section contains 33 questions that pertain only to the leaders ("OLA subgroup 2"). The final section includes 6 questions particular to the individual in his/her role ("OLA subgroup 3"). Refer to Table 7 for an OLA subscale and subgroup mapping. The OLA subgroups constitute three frames of inquiry, providing a more holistic understanding of the workplace. Each section includes specific instructions to guide the respondent. The six personal job satisfaction questions, while not a part of the OLA servanthood assessment, are included in the third section.

The concluding section of the web-based survey used in this study captured personal demographic information, including: gender, age, education, years employed with the organization, and position/role. This section was sequenced last to ensure that fewer respondents would abandon the survey prior to submission, having already taken the time to complete the substantive portion.

Table 7

OLA Subscale and Subgroup Survey Design Map

	OLA Subscales						
OLA Subgroups	Values People	Develops People	Builds Community	Displays Authenticity	Provides Leadership	Shares Leadership	Total %
Subgroup 1: All Members 21 Questions	24%	5%	33%	19%	14%	5%	100%
Subgroup 2: All Leaders 33 Questions	6%	21%	9%	21%	18%	25%	100%
Subgroup 3: Self & Boss 6 Questions	49%	17%	--	17%	--	17%	100%

For this study, no changes were made to the OLA instrument content or item structure. The paper-based OLA was reformatted to facilitate ease of use as a web-based instrument. Accordingly, non-material modifications were made to streamline and clarify the general instructions, offer full text response options (e.g., Strongly Disagree) instead of numerical selections, and explicitly acknowledge the social enterprise title of "Executive Leader/Director" in place of "Top Leadership." Laub granted permission to use the 1998-copyrighted instrument as a web-based instrument (Appendix F).

Reliability and Validity

In quantitative studies, reliability and validity measures are designed to eliminate effects of researchers' individual beliefs and assumptions. Laub (1999) reported that the 60-item OLA instrument demonstrated an acceptable reliability score, using the

Cronbach-Alpha coefficient of .9802. This exceeds the generally accepted threshold for social science research of .80 (UCLA Application Technology Services, 2005).

As shown in Table 8, Laub's (1999) results indicated a Chronbach-Alpha of .90 or greater for each of the six subscales, confirming overall strong reliability. Horsman (2001) validated the reliability of the OLA instrument and each of the six subscale scores. Laub recommends use of the overall OLA score for research purposes due to high correlation between subscales.

Table 8

Cronbach-Alpha Coefficients for Laub (1999) and Horsman (2001) OLA Studies

	Laub (alpha) (n=828)	Horsman (alpha) (n=540)
OLA Instrument	.9802	.9870
Six OLA Constructs (Subscales)	(Field Test)	
Values People	.91	.92
Develops People	.90	.94
Builds Community	.90	.91
Displays Authenticity	.93	.95
Provides Leadership	.91	.92
Shares Leadership	.93	.95

Note: Construct scores rounded to second decimal.

Instrument Measurement and Interpretation

The OLA is scored on a 5-point Likert scale. The responses range from "strongly disagree" (rating = 1) to "strongly agree" (rating = 5). The average score on the OLA rating scale is 3.64; a breakpoint score of 4.0 identifies the presence of servant-leadership behaviors (Laub, 1999). To calculate the OLA total mean score, the OLA mean is multiplied by the number of questions in the survey. For example, if a respondent

strongly agrees with every question on the 60-item OLA survey, the result would be the highest possible total score of 300 (rating=5 x 60 items).

Several years after the introduction of the OLA, Laub (2003a) created a tiered profile of organizational health to provide a better guide for interpreting the OLA instrument scores. Laub's Autocratic-Paternalistic-Servant (A-P-S) model "provides the framework for developing the six levels of organizational health as measured by the OLA" (p. 9). Laub developed these diagnostic categories primarily based on the work of Millard (2001). While the diagnostic labels suggest discrete categories, the measurement scale is continuous (refer to Table 9). An organization is placed into one of the six A-P-S diagnostic categories based on OLA total mean score. For example, a servant-oriented organization would have an OLA total mean score between the range of 239.5 and 269.5.

Table 9

A-P-S Model: Diagnostic Categories, OLA Score Ranges, and Organizational Health

A-P-S Organizational Category	OLA Total Mean	Org. Health
Org [1] Absence of servant leadership characteristics	60.0 – 119.4	Toxic
Org [2] Autocratic organization	119.5 – 179.4	Poor
Org [3] Negatively paternalistic	179.5 – 209.4	Limited
Org [4] Positively paternalistic	209.5 – 239.4	Moderate
Org [5] Servant-oriented organization	239.5 – 269.4	Excellent
Org [6] Servant-minded organization	269.5 – 300.0	Optimal

A power level is associated with each of the six diagnostic categories. A servant-minded organization is represented by the highest power level, abbreviated as Org [6]. According to Laub (2003a), power levels acknowledge the exponential difference between the categories and represent different ways to consider organizational growth and change. Power provides the capacity to "fulfill a compelling vision, to meet goals, to

develop the highest quality works and to deal effectively and creatively with ever-present change" (p. 12).

An autocratic mindset characterizes organizational inertia (Org ^{1} - Org ^{2}), resulting in the inability to change and grow (Laub, 2003a). At these two diagnostic levels, organizations rely on past energy to sustain operations but are unable to advance toward greater health and performance. The autocratic frame portrays the leader as dictator; others are treated as servants and employed to satisfy the needs of the leader (Laub). The levels of organizational health are described as toxic and poor.

The paternalistic mindset conceives of the leader as parent, putting the needs of the organization first, yet treating others as children (Laub, 2003a). Organizational health advances to limited and moderate levels (Org ^{3} - Org ^{4}). Laub associates this mindset with gradual or incremental change, arguing that an organization is able to improve but may become content by performing minimally better than the rest. Based on OLA research, Laub reports that the majority of organizations are paternalistic.

A servant mindset (Org ^{5} - Org ^{6}) requires a quantum shift, an entirely new way to conceive of organizations and practice leadership (Laub, 2003a). Organizational health advances to excellent and optimal, characterizing a leader as steward of the organization, acknowledging the needs of others and treating others as partners (Laub).

In addition to the organizational health diagnostic levels, Laub (2003b) designed a complementary construct called Readiness-for-Change (RFC). Laub posits that RFC represents the level of change necessary to become a servant organization. Readiness-for-Change is based on the perceptual match between organizational groups, and scaled

against the organizational health power level. For example, low power level coupled with low perceptual match results in limited RFC. Conversely, high power level and high perceptual match represents good RFC. This diagnostic assessment requires a sample size large enough to run statistical tests using "role" as an independent variable; Laub tests for perceptual agreement using an analysis-of-variance measure.

The OLA job satisfaction survey questions remain separate and distinct from the OLA rating of servant-leadership. No similar diagnostic tool was developed to interpret the scores from Laub's (1999) job satisfaction questions.

Data Collection

The OLA was conducted as a web-based survey, hosted by WebSurveyor® Corporation, an independent commercial application service provider (ASP). Data were captured via WebSurveyor's secure and confidential electronic data capture method. Refer to Appendix G for a copy of WebSurveyor's privacy policy. All data were captured in the WebSurveyor online survey system and extracted into a comma separated values file. The file was imported into the *SPSS*™ (Statistical Package for the Social Sciences, Version 13) software package. The OLA instructions indicated that respondents must answer all survey questions. Additionally, the web-based survey protocol required entry in all data fields before a survey could be submitted.

Once the online survey site was functional, the software features were repeatedly tested. For example, using a random sampling method questions were left blank to test the <*required field*> logic, and output files were extracted to ensure successful

importation into the *SPSS*™ software system. Additionally, five outside individuals were recruited to field test the online survey and record the survey completion time. The time duration ranged from 12-15 minutes. This established the baseline for providing a 15-minute time estimate to study participants.

Using the WebSurveyor mail campaign function, organization demographic data (e.g., tax status) were embedded in each survey response submitted. A unique Internet survey link (URL) was generated and sent to each organization, transmitting these data as hidden fields. These data were appended to respondent's survey record. This enabled participant responses to be uniquely associated and grouped by organizational demographic information (Appendix D) without requiring each respondent to enter these fields. The organization demographic form, completed by the contact person prior to the survey, served as the data source for these fields. All organization names were coded in an alphanumeric pattern (e.g., A9Z) to protect confidentiality. The survey protocol did not capture participants' names or email addresses.

Instructions to access the survey site using the unique Internet URL were sent via email to each social enterprise contact person as part of the mail campaign (refer to Appendix H). As previously agreed, the contact person forwarded the email instructions and survey link to all survey participants. The survey duration was extended 10 days to increase the response rates. In total, the survey was available from 21 September to 17 October, on a 24x7 schedule. Participants completed the survey at their convenience.

Data Analysis

By introducing the concept of climate for servanthood as "normative collective servant-leadership behavior," this study was the first to apply multilevel research composition and consensus methods to the OLA instrument. Consequently, agreement and reliability indices played an important role in establishing the construct validity of this research measurement model. To show that group members agree in their perceptions of the workplace, survey ratings must be more similar to each other than would be expected by chance (Bliese, 2000). Yet the definition of what constitutes chance is controversial due to the different uses of agreement and reliability measures. Bliese points out that agreement and reliability indices are conceptually and mathematically distinct; they are based on materially different ideas about what constitutes greater than chance similarity. The following sections describe the basis for measuring perceptual agreement and reliability within the construct of organizational climate for servanthood used in this study.

Construct Composition

Composition theory refers to how a construct is operationalized at one level of analysis and related to another form of that construct at a different level of analysis (James, 1982). As a theoretical model, organizational climate is a unit-level construct with shared unit properties; the properties originate in the individual unit members' experiences, attitudes, and perceptions and emerge as a consensual, collective aspect of the unit as a whole (Kozlowski & Klein, 2000). The aggregation of lower-level variables

(i.e., psychological climate) into higher-level variables (i.e., organizational climate) creates an aggregate-level construct that is both related to and different from its lower-level counterpart; it is partially isomorphic (Bliese, 2000). Bliese refers to this aggregation as a "fuzzy composition process." He posits that the aggregate variable maintains close links to its lower-level counterpart but differs in subtle yet important ways. The argument is that by aggregating the data, patterns emerge which reveal contextual influences of the organization; these patterns cannot be detected in any single, lower-level response. In this study, servanthood was conceptualized as an organization-level phenomenon based on a fuzzy composition process of emergence.

In applying Chan's (1998) referent-shift consensus composition to servanthood climate, the lower-level construct in this model was a rating of the level of servant-leadership behavior that occurred in the organization as a whole. Thus, unlike individual servant-leadership behavior or a set of individuals' servant-leadership behavior, the referent under the referent-shift consensus model was the entire organization. This shift created a new construct: an individual's perception of the level of servant-leadership occurring within his/her organization. This was considered "collective servant-leadership behavior." To create the organization-level servant-leadership construct under the referent-shift model, the individual ratings of collective servant-leadership behavior were aggregated, as substantiated by agreement statistics. This resulted in a new organization-level construct, servanthood, which was described as the shared perception of the collective of servant-leadership behavior occurring in an organization. Accordingly this construct emerged as "normative collective servant-leadership behavior."

In this study, referent-shift consensus offered the most robust model for conceptualizing organizational climate for servanthood using the OLA instrument since the unit of analysis was the organization, not organizational sub-unit or department. Depending on organizational size and structure, interaction among organizational members may be restricted due to structural or functional boundaries, thereby limiting perceptions to only those members known to the individual. To overcome possible perceptual restrictions and establish a more complete analysis of the organization as a whole, referent-shift consensus model was uniquely relevant.

Consideration was given to the question of whether the OLA would more appropriately be conceptualized as two referent-shift consensus models, where all organizational members would constitute one referent and all organizational leaders the second. However, servant-leadership is conceptualized as a relational model. It explicitly acknowledges consequential and reciprocal behaviors expressed by and between servant-leaders and followers. Deconstructing the OLA into separate referent-shift consensus models would not only have jeopardized the existing psychometric properties validating its use, it would have artificially bounded the scope of investigation. In other words, it was essential to examine whether all organizational members similarly demonstrated behaviors and attributes characterized by the servant-leadership framework (e.g., open-minded and respectful of others). Therefore perceptions (i.e., ratings) were sourced from all social enterprise members about all organizational members involved in an enterprise's day-to-day activities.

Data Aggregation

The most basic characteristic of an organizational climate index is its referent, the organization (Denison, 1990, 1996). Therefore the climate index should reflect a high degree of homogeneity in the organizational members' responses (James, 1982). James and Jones (1974) argue that homogeneous perceptions can be aggregated to represent climate as an organizational property. However, perceptual agreement is a precondition for use of aggregated mean scores as a meaningful indicator of this organization-level construct (George & James, 1993). Within-group agreement refers to "the degree to which ratings from individuals are interchangeable; that is, agreement reflects the degree to which raters provide essentially the same rating" (Bliese, 2000, p. 351). In establishing agreement, it must be evident that organizational members' responses are more similar to each other than would be expected by chance. To demonstrate that similarity is not due to random chance, estimates of within-group agreement are more widely adopted than analysis-of-variance measures (Bliese, 2000). The within-group agreement statistic prominent in the organizational climate domain is r_{wg} for a single-item index, or $r_{wg(j)}$ for a multi-item index (James, 1982; James et al., 1993). This agreement statistic compares observed group variance to an expected random variance, typically based on a uniform distribution.

Lindell et al. (1999) argue in favor of a variant of the multi-item agreement index, $r_{wg(j)}$, for 5-point response scales. Specifically, they advise using the $r^*_{wg(j)}$ index that eliminates the Spearman-Brown correction embedded in the James et al. (1993) multi-item index. Lindell et al. present the calculation of this variant in Equation 4 of their

publication. This equation yields an index that mitigates the potentially problematic overstatement of agreement associated with multi-item rating scales with large numbers of items (Lindell et al.). However, the $r^*_{wg}(j)$ agreement index assumes conceptually distinct and statistically independent items in the scale (Lindell, 2001). Yet when all items are fallible measures of a single construct, such as in the OLA survey, then $r^*_{wg}(j)$ underestimates the magnitude of the raters' agreement about the underlying construct. This stems from the fact that the overall estimate of interrater agreement is attenuated by unreliability in the rating of each individual item.

To mitigate this, Lindell (2001) presents another variant, the $r'_{wg(B)}$ index, defined in Equation 12 in his article. Lindell argues that this attenuation can be reduced by computing the mean rating for each rater across all items. The disattenuated agreement among raters on a single target (e.g., servanthood) can then be estimated by placing the variance of raters' mean ratings, in the numerator of the equation (Lindell). "Computing a scale score by calculating the mean—rather than the sum—of the items is useful because the scale scores can be analyzed and displayed in the metric of the original rating scale" (p. 90). This is particularly suitable when comparisons are made among "a large number of multi-item scales (within a single group of raters) and/or among a large number of rater groups (within a single multi-item scale)" (p. 90).

Given the recent literature introducing variants for calculating interrater agreement using multi-item scales, both indices, $r^*_{wg(j)}$ and $r'_{wg(B)}$, were used in this research study to establish a more informed understanding of the sample. While the literature did not fully elaborate on the interpretive dimension of any agreement index,

James (1982) claims that a .86 r_{wg} statistic value suggests high but not perfect agreement, a .47 value suggests low agreement, and .60 is the minimum threshold for aggregating data.

It is, however, possible to simultaneously have low agreement and high reliability, principally because reliability is a measure of response consistency among raters, not agreement (Bliese, 2000). For example, if one survey participant uses response options 1, 2, and 3 on a 5-point scale and a second uses 3, 4, and 5 on the same scale, a rating of 3 from the first participant is equivalent to a rating of 5 from the second. In this case, agreement will be low but reliability will be high because the responses are proportionally consistent.

Intraclass correlations are commonly used as reliability coefficients in multilevel organizational research, although they are also considered measures of non-independence depending on the research context (Bliese, 2000). Bliese argues reliability measures not only establish construct validity of a researcher's measurement model, they are key to detecting emergent phenomena. The various intraclass correlation coefficients, such as the ICC(1), are ratios of between-group variance to total variance, comparing the covariance of the ratings with the total variance (Blise). Shrout and Fliess (1979) introduce six different ICC variants based on three types of models. The first variant is used in studies involving a one-way random effects model and the remaining two variants are constructed on two-way random effects designs. Shrout and Fliess notate this as ICC(case, expected unit of reliability measurement). For example, ICC (1,1) is a one-way single measure reliability and ICC (1,k) is a one-way single model and average

measure reliability, respectively, where k represents the number of raters. This is also known as the ICC and the ICC(1) (Blise).

The ICC(1) can be interpreted as “the lower bound estimate of the mean rater reliability of the aggregated score” (Glick, 1985). While the ICC(1) assumes random rater selection, homogeneity of variance within organizations, and equal group sizes, all of these assumptions are frequently violated in organizational climate research (Glick). Bliese and Halverson (1998) contend that ICC(1) values are directly comparable across studies, providing estimates of group-level properties that are not biased by group size or the number of groups under study. Average group size is commonly used when group sizes differ in the sample (Bliese, 2000). While Glick points out that the ICC(1) remains the best aggregate level mean rater reliability statistic, the literature was less specific in providing a definitive guideline for interpreting ICC values in multi-level research. James (1982) reviewed several studies from which he calculated a median ICC(1) value of .12; Ehrhart (2001) used this value to as a minimum threshold figure in his organizational climate study. Bliese claims he has never found ICC(1) values greater than .30 and typically finds them to be between .05 and .20.

The second form of this reliability statistic, the ICC(2), is a two-way random effects model; there is a random effects of the target, the random effect of the raters, and the residual effect. The ICC(2) is a reliability-based measure that provides an estimate of the reliability of the group means, whereas ICC(1) is an estimate of the reliability of a single mean (Bliese). ICC(2) may be used to assess reliable differentiation among organizations or among groups in organizations (James, 1982). Bliese is adamant that

ICC(2) is important in fuzzy composition models, since groups need to have "reliably different mean values on the construct of interest if one hopes to detect emergent relationships" (p. 375). Glick (1985) argues that in using aggregated perceptual measures of organizational climate, organizational level reliability indices such as ICC(2) should exceed at least .60 to justify any use of the aggregated perceptual measure.

The ICC(1) and ICC(2) reliability statistics are calculated for each scale used in a given study, based on ANOVA values (M. Ehrhart, personal communication, February 15, 2006). To calculate the ICC(1) and ICC(2) measures for this study, OLA mean score was the dependent variable and organization was the independent variable.

Ethical Considerations

Participants were generally informed that they were participating in a research study aimed at exploring social enterprise organizational climate and culture. To minimize the risk of negative bias, respondents were not informed that the instrument was designed to measure an organizational climate for servanthood.

Babbie (1998) advises that social research should never harm study participants, regardless of whether their participation was voluntary. Precautions were taken to ensure that research findings were presented in a generalized form to organizations that requested survey results. To protect the confidentiality of all participants, no specific data were made available to any organization or member. Participanting organizations were informed in writing, and individual participants via the survey instruction form, that their compliance was strictly voluntary and the results of the individual surveys remain

confidential. The survey protocol did not capture participants' names or email addresses. Organization names were coded: names of organizations were not reported in the study to protect against ethical ramifications.

CHAPTER IV

RESULTS

This chapter presents the results of the exploratory investigation of social enterprise organizational climate. The first section provides a description of the sample. Sections two through four present the findings related to each of the three research questions, in successive order. The concluding section provides a summary of the major study findings. To address the research questions of this study and to gain a better understanding of the variables and their relationships, descriptive statistics, intraclass correlation coefficients, agreement indices, and correlation statistics were calculated.

Sample Description

Twenty social enterprise organizations agreed to participate in the study from the sample frame of 49 enterprises. From this original sample of 20, one enterprise did not submit any survey responses and was therefore removed from the sample. Furthermore, since two organizations failed to obtain the requisite threshold level of five responses, these two ventures were eliminated along with seven associated survey responses. A fourth organization was omitted due to an internal participant response rate of <1% of its employee population (i.e., 5 responses out of 775 employees). In total, four organizations were eliminated from the original sample, leaving 16 enterprises in the study.

The original survey data file contained 226 surveys. Twelve surveys, associated with the three eliminated enterprises, were omitted from the data analyses. A further four surveys were omitted from the analyses due to missing data fields. While these three

surveys were from the same enterprise (P3K), the participant response rate was not materially affected. One additional survey could not be properly associated with a social enterprise due to missing organizational demographic coded fields. Therefore, it could not be included in the results tabulation. In total, 17 surveys were omitted from the sample, leaving 209 useable surveys gathered from 16 social enterprises. The useable research data obtained from these 16 organizations represented an overall organization response rate of 33%, based on a sample frame of 49 social enterprises.

In a preliminary look at the data, a test for normality of the entire data set (209 cases) revealed a slight negatively skewed distribution of the OLA mean scores (see Figure 4). Most of the skewing was attributed to 14 surveys (6.7% of the sample), each with an item mean below a 2.5 rating. Of the total low scoring surveys, 43% were men, 28.5% were women, and 28.5% chose not to disclose their gender. Ten of the 14 cases were associated with the largest sample enterprise (K8P). Two cases were from one sample enterprise of 12 respondents (M6N). A single case came from an organization with 7 respondents (O4L), and the most extreme outlying value was found in an enterprise of 10 respondents (A9Z).

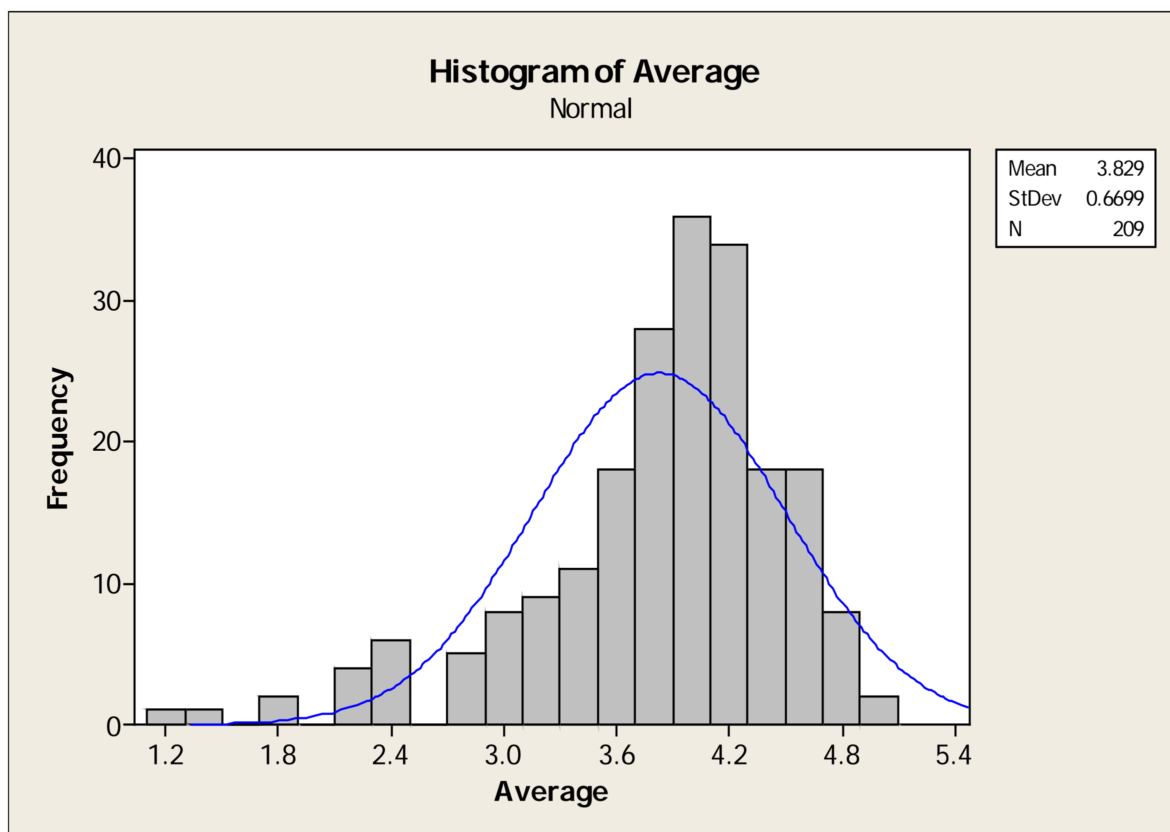

Figure 3. *Sample Data Distribution of OLA Mean Scores for 209 Cases*

The single most extreme outlying OLA mean value found in enterprise A9Z materially biased the organization-level aggregated data. The self-reported personal demographic data from this individual case revealed a highly educated, mid-career male respondent in the role of executive leader/director. While there were two other individuals in this enterprise, one male and one female, in similar roles also with advanced degrees, their perceptions were distinctly more positive than that of the outlying individual. No other ratings from any individual in this organization reflected either this extreme perspective or something proximally similar. Given the small sample size of this enterprise, coupled with the extreme perceptual difference associated with this

single individual, removal of this case was warranted to mitigate unjustifiable distortion of the remaining nine perceptions from the A9Z enterprise. Perceptual distinctiveness and diversity are both vitally important factors in cultivating a more complete understanding of the workplace experience. All interpretations related to organization A9Z were qualified given omission of the extreme outlying perspective.

Enterprises M6N and O4L collectively contained three outlying respondent OLA mean scores, however it was not necessary to remove these cases or the remaining ten low-scoring respondents from enterprise K8P. Furthermore, the K8P respondents were not shown as outliers on a boxplot graph due to the dispersion of K3P mean scores. For reference, the A9Z, M6N, and O4L four outlying values (< 2.5 OLA mean score) are shown in Table 10 along with the full data sample for enterprises.

Table 10

Sample Data for Enterprises with OLA Mean Score Outliers

Org	Mean	SD	Org	Mean	SD	Org	Mean	SD
A9Z	4.53	0.50	M6N	4.57	0.59	O4L	4.52	0.57
A9Z	4.27	0.63	M6N	4.17	0.59	O4L	4.22	0.67
A9Z	4.13	0.34	M6N	4.00	0.37	O4L	4.13	0.43
A9Z	4.13	0.39	M6N	3.92	0.72	O4L	3.87	0.54
A9Z	4.00	0.61	M6N	3.92	0.33	O4L	3.73	0.58
A9Z	4.00	0.45	M6N	3.90	0.48	O4L	3.72	0.94
A9Z	3.82	0.72	M6N	3.85	0.44	O4L	2.30	0.79
A9Z	3.37	0.82	M6N	3.83	0.69			
A9Z	3.27	0.78	M6N	3.73	0.52			
A9Z	1.38	0.80	M6N	3.58	0.67			
			M6N	2.47	1.00			
			M6N	1.82	0.91			

Participant response rates within the 16 social enterprises ranged from 25.0% to 218.2%. Rates in excess of 100% (three enterprises) reflect the additional perspectives collected from volunteers, board members, or employees working for the enterprise but whose headcount was allocated to the parent non-profit agency. The mean participant response rate across all 16 enterprises was 91.9%, the median was 72.86%.

Five personal demographic questions were asked of the survey respondents. Specifically, the questions inquired about respondents' organizational role and tenure, gender, education, and age. All questions were required but respondents were given the response option of "decline to answer" for age, gender, and education related questions. The sample was 52.9% female, 38.1% male, and 9% declined to answer. Over half of the respondents (57.1%) had completed undergraduate or graduate education. Of those who chose to provide their age, the sample was almost evenly split between participants 39 years or younger (43.8%) and 40 years or older (45.2%); 11% declined to answer. The majority of participants (69.5%) worked for the social enterprise three years or less, 18.1% worked between four to six years, and 12.3% had a tenure of seven years or greater. The sample consisted of 21.0% Executive Leaders/Directors, 31.9% Managers/Supervisors, 37.6% Staff, 5.2 % Board Members, and 3.3% Volunteers; data for 1% were missing.

Organizational demographic information was collected from the contact representatives prior to the start of the survey, eliminating the need for each respondent to answer organizational demographic questions. The values were coded as hidden fields in the online WebSurveyor system and appended to the unique survey link generated for

each organization. These organizational data included: social enterprise business area, tax status, year founded, number of FTEs, total budget, and social enterprise profitability status.

Five specific social enterprise business areas were represented within the study: health services (12.5%), pubic/society benefit (12.5%), education (6.25%), human services (31.3%), environment/animals (6.3%). The remaining organizations were classified as other (31.3%). Almost all enterprises were classified as non-profit (93.8%). In the sample, 31.3% of the enterprises required subsidy, 25.0% reported break-even profit status, 18.8% were generating financial surplus, and 25.0% indicated the profit status was uncertain or other. Sample enterprises reported a variety of operating budget valuations. Twenty-five percent indicated an operating budget of less than $500,000, 37.5% reported a budget between $500,000 and $2.49 million, 37.5% reported between $2.5 million and $9.9 million, and 6.3% indicated a budget size in excess of $10 million. Of the 16 organizations, six enterprises (37.5%) employed less than 10 FTEs and six (37.5%) employed between 10- 19 FTEs. Two organizations (12.5%) employed 20-39 FTEs and two enterprises employed more than 40 FTEs (12.5%). Because the majority of the study enterprises (75%) employed less than 20 people, the small sample sizes warranted careful analysis prior to selecting statistical tests. These demographic data are displayed in Table 11. The symbol of an uppercase "N" designates the number of study enterprises (e.g., N = 16) and a lowercase "n" designates the number of study participants (e.g., n = 208).

Table 11

Social Enterprise Organizational Demographic Data

Variable	Category	N	Percentages	n	Percentages
Business Area	Education	1	6.3	25	11.9
	Environment/Animals	1	6.3	6	2.9
	Health	2	12.5	13	6.2
	Human Services	5	31.3	100	48.1
	Public/Society Benefit	2	12.5	11	5.2
	Other	5	31.3	53	25.7
	Total	16	100.0	208	100.0
Year Founded	Before 1990	4	25.0	98	47.1
	1990 – 1999	6	37.5	46	22.1
	2000 – 2005	6	37.5	64	30.8
	Total	16	100.0	208	100.0
FTEs	0-9 FTEs	6	37.5	49	23.3
	10-19 FTEs	6	37.5	50	24.3
	20-39 FTEs	2	12.5	30	14.3
	> 40 FTEs	2	12.5	79	38.1
	Total	16	100.0	208	100.0
Tax Status	Non-Profit	15	93.7	196	94.3
	For-Profit	1	6.3	12	5.7
	Total	16	100.0	208	100.0
Operating Budget	< $499,999	4	25.0	30	14.3
	$500,000 – $2.4 million	6	37.5	46	22.4
	> $2.5 million	6	37.5	132	63.3
	Total	16	100.0	208	100.0
Profit Status	Requires Subsidy	5	31.2	40	19.0
	Breakeven	4	25.0	29	14.3
	Financial Surplus	3	18.7	80	38.1
	Uncertain	1	6.3	5	2.4
	Other	3	18.7	54	26.2
	Total	16	100.0	208	100.0

Research Question One

The initial research question investigated the extent to which social enterprises enact an organizational climate for servanthood. Servanthood, as measured by the OLA, was based on the aggregation of respondents' mean ratings, justified by estimates of agreement and reliability. The behaviors and attributes of inquiry reflected the core characteristics of servant-leadership. All statistical tests were run with the OLA 60-question response data; the 6 job satisfaction questions were not included in this analysis.

Based on their perceptions, respondents either disagreed, responded neutrally, or agreed with the survey questions using a 5-point Likert scale of categorical response options. The qualitative response options were transformed into quantitative data using a numerical coding schema. The data set contained 208 cases with responses to the 60-question OLA. Of the 12,480 data items, only a single field was missing in the data set. An OLA mean was calculated based on respondents' mean scale scores.

Laub (2003b) argues that the OLA mean score is a general measure of the extent that servant-leadership was perceived to exist in the entire organization. The OLA mean from this study sample of 208 surveys was 3.84 and the OLA total mean score was 230.45 (3.84 x 60 questions). The results from this study demonstrate a higher OLA total mean than prior available results. Table 12 displays comparative results from prior studies using the 60-item OLA instrument.

Table 12

Comparative Research Studies using OLA Total Mean Scores

OLA Research Studies	N	n	OLA Total Mean	SD
Laub (1999) revised OLA	41	828	223.79	41.08
Horsman (2001)	34	540	214.74	48.57
Thompson (2003)	1	116	213.73	35.10
Ledbetter (2003) test	12	138	210.52	39.16
Ledbetter (2003) re-test	12	138	214.80	36.76
Drury (2004)	1	170	224.65	34.18
Klamon (2006)	16	208	230.45	38.97

Note: Study results including A9Z outlier were 229.74 (Mean) and 40.07 (SD)

Laub (2003a) created a tiered profile of organizational health to provide a better guide for interpreting the instrument scores. Laub's Autocratic-Paternalistic-Servant (A-P-S) model "provides the framework for developing the six levels of organizational health as measured by the OLA" (p. 9). The A-P-S model is a diagnostic tool for the OLA instrument. Based on this tool, the OLA total mean score of 230.45 derived from the sample data of 208 surveys suggested the presence of a positively paternalistic climate for all social enterprises (refer to Table 9). Consequently, the overall health of the organizations included in this study was determined to be moderate (Org ^{4}).

The paternalistic mindset conceives of the leader as parent, putting the needs of the organization first yet treating others as children (Laub). Laub associates this mindset with gradual or incremental change, arguing that an organization is able to improve but may become content by performing minimally better than the rest.

However, labeling the enterprises in this sample according to a single diagnostic category not only overlooks the distinctiveness of these ventures, it violates the

underlying research theory and measurement, rendering the interpretation questionable. In this study the individual and organization-level constructs aligned on the dimension of collective servant-leadership behavior. The OLA instrument was designed to investigate perceptions about all organizational members; it contextually situates the observed behavior in the organization within which the experience and perceptions are co-created. This led to the selection of the OLA instrument. By commingling contextualized perceptions from all study enterprises, the critical grouping factor (i.e., organization) was ignored, creating a form of aggregation bias.

Furthermore, within-group agreement and reliability measures were preconditions for using the OLA mean score as an aggregated climate measure in this study. As a point of comparison, while prior OLA studies involving multiple organizations included an assessment of between-group differences relative to within-group variance using an analysis-of-variance design, estimates of agreement and reliability were not measured. Moreover, organization was not used as the grouping factor in the analysis.

For this study, agreement and reliability statistics for the 16 sample organizations were necessary to justify use of the OLA mean scores. The variable of interest, servanthood, was conceptualized in alignment with the organization-level measures on the OLA instrument. Estimates of with-in group agreement were calculated using two alternative indices, $r^*_{wg}(j)$ and $r'_{wg(B)}$, both argued by Lindell (2001) for use with a multi-item index. The behavior of these two variants, a factor of the number of scale items and the average variance and covariance of the items, differed and results varied. For this study, both of Lindell's equations were computed to validate the behavior of the study

data and to assess the research implications. In addition, a further test was run using both equations to observe the effect of temporarily reinserting the A9Z outlier. In both test calculations, estimates of within-group agreement weakened.

After running both forms of the agreement statistic, it was found that the $r^*_{wg}(j)$ calculation understated agreement for this data sample. Consequently, this would have resulted in the elimination of 5 out of 16 sample organizations, an action I felt was not in the best interest of the exploratory nature of this study. However it is noted that the $r'_{wg(B)}$ statistic leaned in the direction of overstatement of agreement. James et al. (1993) claim that .86 suggests a “high but not perfect level of interrater agreement” and a value of .47 “suggests a reasonably low level of interrater agreement” (p. 308). Ehrhart (2001) used a minimum threshold value of .60 based on James (1982) to suggest adequate agreement. The results from this sample are shown in Table 13. The $r'_{wg(B)}$, values for this sample ranged from .66 to .96 with .90 as the median value. These estimates suggest agreement levels ranging from moderate, in some cases just meeting the minimum requirement for aggregation, to high agreement. The $r^*_{wg}(j)$, values for this sample ranged from .36 to .84 with .70 as the median, reflecting below minimum levels of agreement to high but not perfect agreement.

Table 13

Estimates of With-in Group Agreement

Enterprise	R'wg(B)	R*wg(J)
A9Z	0.92	0.76
B8Y	0.96	0.84
C7X	0.88	0.67
E5V	0.92	0.79
F4U	0.96	0.78
G3T	0.94	0.84
H2S	0.94	0.78
J9Q	0.87	0.52
K8P	0.66	0.36
L7O	0.89	0.72
M6N	0.71	0.53
N5M	0.84	0.59
O4L	0.74	0.55
P3K	0.90	0.67
Q2J	0.95	0.78
T8G	0.90	0.68

Note: Agreement estimates including A9Z outlier were .60 and .43, respectively.

To estimate the sample reliability, the ICC(1) statistic based on a one-way ANOVA was used in this study. Bliese (2000) argues that reliability measures not only establish construct validity of a researcher's measurement model, they are key to detecting emergent phenomena. The ICC(1) is used as both a measure of reliability and non-independence. When the statistic is interpreted as a reliability measure, it represents the extent to which raters are substitutable. This provides the basis for James' (1982) argument that the ICC(1) is a criterion for data aggregation. Larger ICC(1) values suggest that a single rating from an individual will likely provide a relatively reliable

rating for the group mean. Smaller ICC(1) values indicate that multiple ratings are necessary for reliable estimates of the group mean.

When the ICC(1) statistic is interpreted as a measure of non-independence, then it represents the proportion of the total variance that is explained by group membership; a concept relevant to multilevel research (Bliese, 2000). Hence, the ICC(1) is occasionally compared to eta-squared, a measure of association, in the organizational literature. However, eta-squared values are significantly inflated relative to the ICC(1) when group sizes are small. As group sizes increase, eta-squared values asymptotically approach the ICC(1) values (Bleise). A group effect (i.e., nonzero ICC(1) value) is expected when individuals are rating shared unit properties such as organizational climate (Bliese). Bliese and Halverson (1998) contend that ICC(1) values are directly comparable across studies, providing estimates of group-level properties that are not biased by group size or the number of groups under study. Average group size is commonly used when group sizes differ in the sample (Bliese).

The ICC(1) statistic was principally used in this study as a reliability measure to further substantiate data aggregation and support interpretation of emergent organization-level behavioral patterns. However, it was also relevant to note the degree to which individuals' responses were influenced by their enterprise group membership (i.e., non-independence). The literature was not specific in providing a definitive guideline for interpreting ICC values in multi-level research. James (1982) reviewed several studies from which he calculated a median ICC(1) value of .12; Ehrhart (2001) used this value as a benchmark statistic in his organizational climate study. Bliese (2000) claims he has

never found ICC(1) values greater than .30 and typically finds them to be between .05 and .20. The ICC(1) value for this study sample was .21 for 16 enterprises, using an average group size of 13. The calculation was based on a one-way random-effects ANOVA model using the Bartko (1976) formula (as cited in Bliese). The dependent variable was OLA total mean and the independent variable was organization. This value clearly exceeds the median score from James' review, and it is situated on the upper end of the range of values that Bliese typically finds. Thus, the ICC(1) of .21 from this study is interpreted to be reasonably large, relatively speaking, indicating considerable degree of reliability associated with a single assessment of the group mean. This result also indicates there was a group effect on the variable of interest, climate for servanthood, as measured by the OLA total mean score. Furthermore, the group effect was significant, $F(15,192)=4.38$, $p<.01$. A summary of the ANOVA results used in the calculation are shown in Table 14.

Table 14

One-way ANOVA Summary for Enterprise OLA Total Mean

	df	MS	F	Sig.
Between Groups	15	5344.88	4.38	.00
Within Groups	192	1220.09		
Total	207			

The second form of this reliability statistic, the ICC(2), is used to assess reliable differentiation among organizations or among groups in organizations (James, 1982). It is a reliability-based measure that provides an estimate of the reliability of group means (Bliese, 2000). When ICC(1) represents the reliability of a single assessment of a group-

level property, and group size is known, the Spearman-Brown formula, following Shrout and Fleiss (1979), can be used to calculate the ICC(2) (as cited in Bliese). Bliese argues that estimating group-mean reliability is vitally important in fuzzy composition models. “Regardless of the type of variable being aggregated, groups need to have reliably different mean values on the construct of interest if one hopes to detect emergent relationships” (p. 375). Glick (1985) contends that in using aggregated perceptual measures of organizational climate, organization-level reliability indices such as ICC(2) should exceed at least .60 to justify any use any aggregated perceptual measure. The ICC(2) value was .78 for this study sample of 16 enterprises, based on an average group size of 13. Refer to Table 14 for ANOVA values used in this calculation.

Overall, the agreement and reliability statistics provided sufficient support for aggregating the data to the organization level of analysis. Therefore, enterprise OLA total mean scores could be justifiably compared to the A-P-S model to establish the corresponding climate and organizational health diagnostic classification. Seven social enterprises in this study enacted a climate for servanthood, resulting in 44% servant-oriented organizations. This result is considerably higher than Laub’s (2003a) results reporting 12% servant organizations. Table 15 displays the study sample OLA scores, agreement estimates, and climate categories. The climate classifications of servant-oriented (SO), positively paternalistic (+P), and negatively paternalistic (-P) are displayed in the right-most column. Generally, higher levels of agreement were found in servant-oriented organizations regardless of which statistic was used to estimate agreement.

Table 15

Social Enterprise OLA Scores, Agreement Estimates, and Climate Categories

Org	n	OLA Mean	Mean StDev	OLA Total Score	OLA StDev	R'wg(B)	R*wg(J)	Climate
E5V	6	4.43	0.40	266.00	23.73	0.92	0.79	SO
G3T	5	4.43	0.36	265.60	21.31	0.94	0.84	SO
Q2J	5	4.36	0.30	261.60	18.02	0.95	0.78	SO
F4U	6	4.15	0.27	248.80	16.40	0.96	0.78	SO
L7O	14	4.15	0.48	248.80	28.71	0.89	0.72	SO
T8G	25	4.11	0.45	246.80	26.81	0.90	0.68	SO
C7X	12	4.01	0.48	240.80	28.94	0.88	0.67	SO
H2S	9	3.96	0.34	237.60	20.07	0.94	0.78	+P
P3K	33	3.95	0.45	237.00	26.82	0.90	0.67	+P
A9Z	9	3.95	0.41	236.78	24.52	0.92	0.76	+P
O4L	7	3.78	0.71	227.00	42.86	0.74	0.55	+P
B8Y	5	3.72	0.28	223.00	17.06	0.96	0.84	+P
M6N	12	3.65	0.76	218.80	45.34	0.71	0.53	+P
J9Q	6	3.55	0.51	212.80	30.84	0.87	0.52	+P
N5M	8	3.53	0.57	211.50	34.36	0.84	0.59	+P
K8P	46	3.36	0.83	201.70	49.65	0.66	0.36	-P

Note: With A9Z outlier scores were 3.69 (OLA Mean) and .90 (Mean SD)

It is important to note that aggregating the sample data by the independent grouping factor, organization, yielded contradictory results when placed side by side to the commingled sample mean presented earlier in this section. This supports the argument that in OLA-related research the organization grouping factor is critical in establishing meaningful conclusions about the workplace experience. To elaborate, the OLA total mean score of 230.45 derived from the commingled sample data of 208 surveys suggested the presence of a positively paternalistic climate for all social enterprises. This obscured the findings that seven enterprises enacted an organizational climate for servanthood, placing them in the servant-oriented category. Characterizing an

organization as paternalistic calls attention to the role of the leader as parent, putting the needs of the organization first yet treating others as children. By comparison, members in servant organizations are treated as partners and the leader views his/her role as steward of the organization (Laub). Servant organizations experience excellent to optimal levels of health whereas paternalistic organizations demonstrate limited to moderate levels of health. Hence, commingling contextualized perceptions from multiple organizations not only results in questionable findings, it may possibly be detrimental to the organizations.

The more rigorous method for measuring OLA scores used in this study demonstrated that 44% of the social enterprises enact a climate for servanthood, as measured by the OLA and A-P-S model. This percentage suggests a considerable presence of servanthood in the workplace experiences of several social enterprises, both in absolute and comparative terms.

The A-P-S model is constructed on a continuous data scale; however, the diagnostic classifications (servant, paternalistic, autocratic) are discrete in nature, suggesting that an organization falls into either one category or another. Since these discrete distinctions implicitly embed certain category-related assumptions about the workplace experience, it was essential to determine whether significant differences in OLA means were found, particularly for enterprises positioned at the edge of a category boundary. The practical implications of classifying an organization as paternal versus servant are weighty, and the tight clustering of OLA mean scores for these study enterprises was notable, as illustrated in the example in Table 16. All tests addressing

this research question were run with the response data from the OLA 60-question survey; the 6 job satisfaction questions were not included.

Table 16

OLA Mean Scores at Servant-Paternal Category Boundary

Social Enterprise	n	OLA Item Mean	OLA Total Mean	Climate
C7X	12	4.01	240.83	SO
H2S	9	3.96	237.55	+P
P3K	33	3.95	236.95	+P
A9Z	9	3.95	236.78	+P

To initiate this investigation, a one-way ANOVA was first conducted using organization as the independent variable and OLA total mean score as the dependent variable. The results (displayed in Table 14) suggested that significant differences exist, $F(15,192) = 4.38$, $p<.01$, among social enterprise organizational climates.

Although the ANOVA assumes equal variances, it is a fairly robust statistical test even when this assumption fails. However, the apparent differences in standard deviations, and consequently variances, revealed the necessity of testing for equality of variances. The Levene's test, which is less sensitive to departures from normality, was conducted. The results indicated that this assumption was not valid for this data sample. The Levene's test yielded a statistic equal to 2.69 (df=15/192) which was significant at $p<.01$. The climate variances among the 16 organizations were not equal.

To determine where OLA mean scores differed among the 16 social enterprise organizations, a post-hoc multiple comparison analysis was conducted. Since equal variances were not assumed, the Games-Howell pairwise comparison test was selected.

However a post-hoc analysis is a more conservative test and coupled with the small sample sizes and unequal groups, this analysis proved inconclusive. The Games-Howell test only detected significant differences ($p<.05$) between K8P, classified as negatively paternalistic, and other organizations (as shown in Table 17).

Table 17

Games-Howell Post-hoc Analysis for K8P Enterprise

Enterprise (A)	Enterprise (B)	n	Mean Difference (A-B)	Sig	Enterprise (B) Climate
K8P	E5V	6	-64.28	0.01	SO
	G3T	5	-63.86	0.02	SO
	Q2J	5	-59.87	0.01	SO
	F4U	6	-47.11	0.01	SO
	L7O	14	-47.05	0.01	SO
	T8G	25	-45.03	0.00	SO
	C7X	12	-39.10	0.08	SO
	H2S	9	-35.81	0.06	+P
	P3K	33	-35.22	0.01	+P
	A9Z	9	-35.05	0.17	+P
	O4L	7	-25.27	0.97	+P
	B8Y	5	-21.27	0.79	+P
	M6N	12	-17.02	1.00	+P
	J9Q	6	-11.10	1.00	+P
	N5M	8	-9.77	1.00	+P

A further attempt was made to investigate whether there were significant differences in social enterprise climates, as measured by OLA total mean score. An independent samples t-test was used to compare mean scores for organizations that clustered around the boundary between servant-oriented and positively paternalistic, as shown previously in Table 16. Specifically, the analysis examined whether there was a

statistically significant difference between the servant-oriented enterprise, C7X, situated on the lower threshold of the servant classification and positively paternalistic enterprises.

Results for the independent samples t-test failed to reject the null for all comparisons. The lack of statistical significance in OLA total mean scores among the organizations tightly clustered at this category boundary may have resulted from low power of the test. Yet an equally plausible explanation could be that the conceptual distinction between A-P-S categories is not absolute. Rather, there exists a limited range of scores, spanning a category boundary, in which organizations are not significantly different from their neighboring enterprise. Although, it is unlikely that this argument would hold true across the broadly dispersed OLA total mean scores within a category.

Table 18 displays the final t-test results (equal variances not assumed) between the two enterprises situated at the lower boundary of each of the categories. These two enterprises represented the outer-most points on the range in OLA mean scores, within their respective categories. Again, it is important to note the sample size impact on the power of the test. Consequently, the chance of finding a significant difference in mean scores when, in fact, significant differences may have existed, was too low.

Table 18

Independent Samples t-Test: Enterprises at Lower Category Thresholds

Enterprise	n	Climate	OLA Total Mean	SD	t	df	Sig. (2-tailed)
C7X	12	SO	240.80	28.94	1.99	13.30	0.07
N5M	8	+P	211.50	34.36			

Research Question Two

In further expanding the exploratory nature of this study, additional analysis was conducted to more broadly examine factors possibly associated with differences in OLA total mean scores. Since the organization-level sample sizes materially affected the power of the test, an alternative grouping factor, organizational climate, was used. The question of whether any of the three OLA subgroups featured more prominently in distinguishing between OLA total mean scores was explored. To clarify, the 60-question OLA is divided into three survey sections; each section gathers perceptions about distinct target populations, called OLA subgroups in this study. Refer to Figure 4 for the OLA subgroup structure. The first section contains 21 questions that gather perceptions about everyone in the organization (OLA subgroup 1). The second section contains 33 questions about perceptions of organizational leaders (OLA subgroup 2). The third section includes 6 questions particular to the individual in his/her role (OLA subgroup 3). The OLA subgroups constitute three frames of inquiry, providing a more holistic understanding of the workplace. An additional six job satisfaction questions are also included in the third section, although they are not a part of the 60-question OLA servanthood assessment; they are not shown in Figure 4.

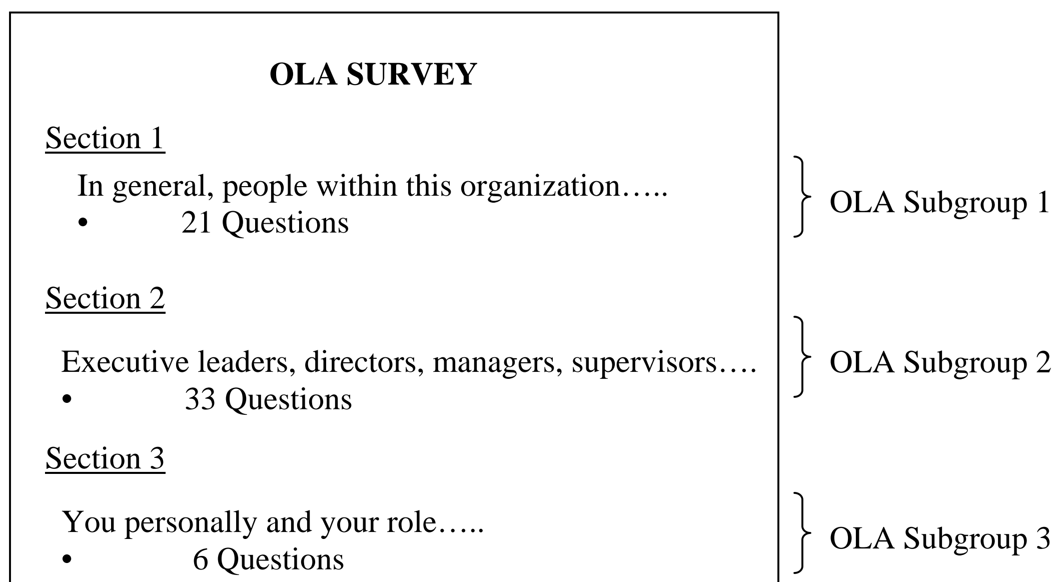

Figure 4. OLA Survey Format – Subgroup Structure

Climate category OLA mean scores were computed and charted for each of the three OLA subgroups. This descriptive information was visually displayed in an effort to identify possible trends (refer to Figure 5). Because each OLA subgroup contains only a portion of the total OLA questions, an OLA "subgroup mean" was used as the basis for comparison. In viewing this information, two general trends were apparent among enterprises in all organizational climate categories. First, respondents perceived their entire organizations more favorably than they perceived their leaders. This would suggest that individuals without formal authority demonstrate servanthood behaviors and characteristics to a greater extent than formal leaders. Second, on average enterprise respondents perceived their personal relationship with a boss and/or other direct leaders

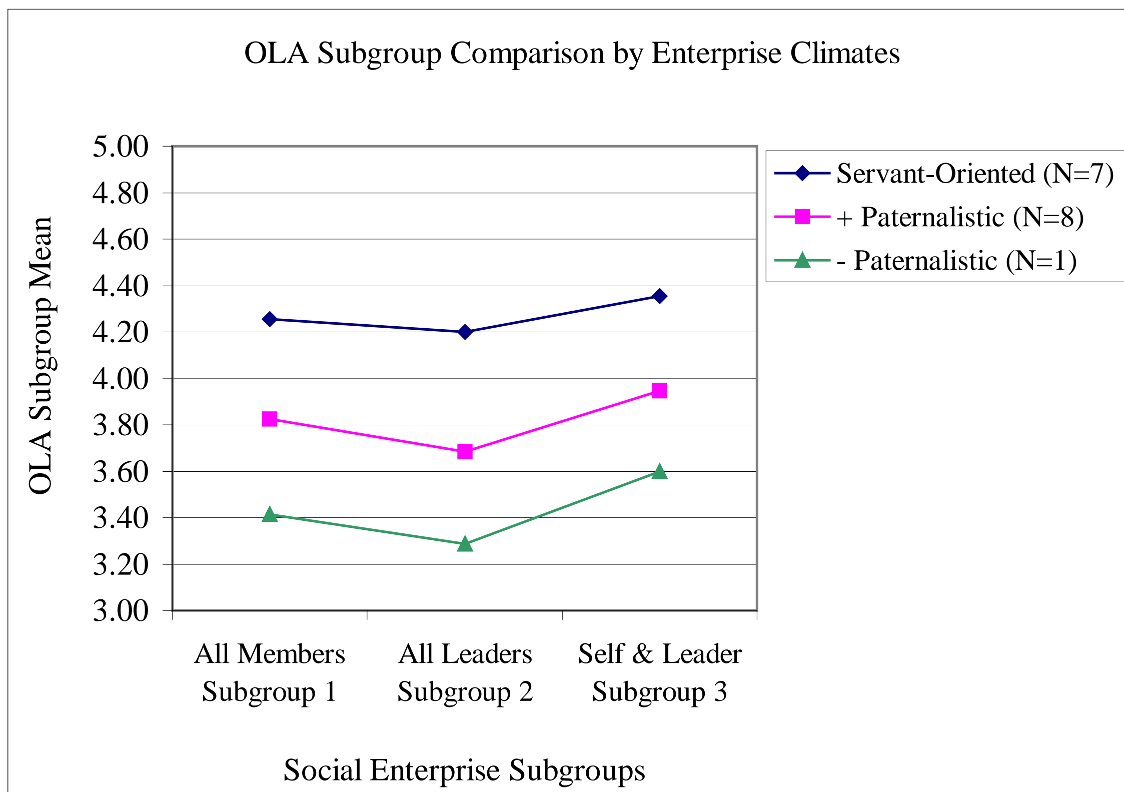

Figure 5. OLA Subgroup Mean Score Comparison by Enterprise Climates

more positively than they viewed all leaders in general. This might suggest that either: (a) an individual experiences servanthood behaviors more consistently in the interpersonal interaction with his/her boss, or (b) that the individual is less familiar with other organizational leaders and therefore was unable to comment on the presence of the targeted behaviors, resulting in a neutral rating score ("3").

The six OLA subscales were another factor used in examining OLA mean score differences among social enterprise organizational climates. Similarly, climate category mean scores were computed and charted for each of the six OLA subscales (refer to Figure 6). Once again, because each OLA subscale contains only a portion of the total

OLA questions, an OLA subscale mean was used as the basis for comparison. In general, the scores showed similar patterning among servant and positively paternalistic organizations, albeit at different levels on the 5-point response scale. Specifically, building communities and displaying authenticity trended upward, particularly in servant enterprises, marking these characteristics more distinctive. In contrast, displaying authenticity received the lowest score of all subscales in the negatively paternalistic environment. In addition, perceptions related to providing leadership trended downward in servant and positively paternalistic environments, while they increased in the negatively paternalistic workplace. This upward movement suggests that clarity of direction, goal definition, and accountability were more distinctly perceived and with greater emphasis (relative to other dimensions) in the negatively paternalistic organization than in servant or positively paternalistic enterprises. This may be a signal that respondents in servant-oriented and positively paternalistic environments are looking for more focused direction from their leaders.

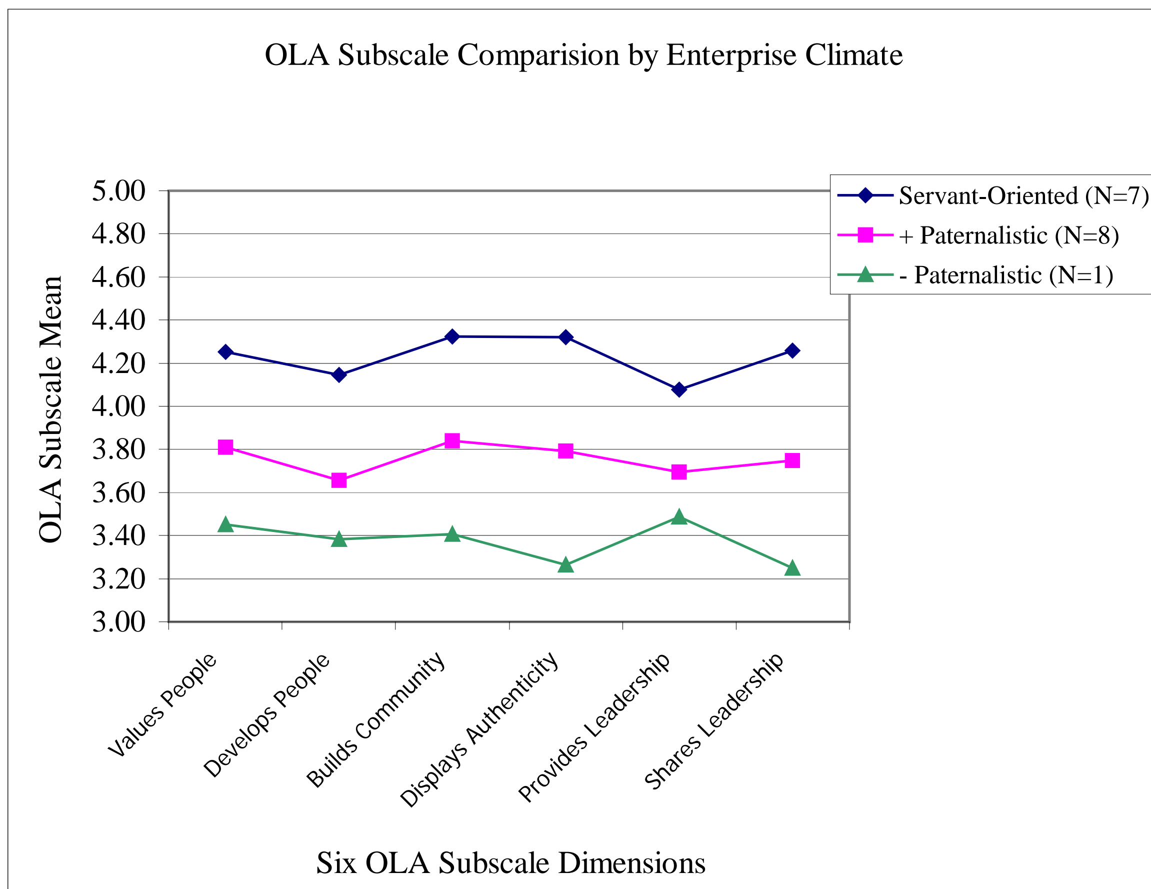

Figure 6. OLA Subscale Comparison by Enterprise Climates

To further the investigation of social enterprise climate differences, a one-way ANOVA test was run using OLA total mean score as the dependent variable and climate category as the independent variable. Results indicated that significant differences exist, $F(2,13) = 19.62$, $p<.01$, among enterprises classified as servant-oriented and paternalistic, as shown in Table 19. A post-hoc test could not be conducted because the negatively paternalistic climate category contained only one enterprise.

Table 19

OLA Total Mean Comparison by Diagnostic Classification

A-P-S Classification	N	OLA Total Mean	SD
Servant-Oriented	7	254.06	10.14
Pos. Paternalistic	8	225.56	10.80
Neg. Paternalistic	1	201.70	--
Total	16	236.54	19.59

One-way ANOVA Summary

	df	MS	F	Sig.
Between Groups	2	2163.13	19.62	0.00
Within Groups	13	110.23		
Total	15			

In an attempt to refine the analysis based on enterprise climate categories, a comparison of OLA mean scores using the organizational demographic data was undertaken. The three most relevant organizational variables were organizational size, age, and budget; other variables were nominal or ordinal data or contained unusable data responses (e.g., “uncertain” or “other”). However, even the organization size and age variables contained contradictory data, rendering it somewhat questionable for analysis. Specifically, several enterprises had individuals active in daily enterprise operations that were not recorded in the official headcount, thus the organization size data for these enterprises was misrepresentative. Furthermore, some enterprises were businesses embedded in larger non-profit agencies; this obscured the accuracy of organization age data. The results of these analyses must be approached with caution. The classification

of negatively paternalistic climate was not included in this analysis; there was no basis for comparative assessment.

A factorial ANOVA was conducted to compare the dependent factor, OLA total mean, using two independent factors, climate category and organizational size. In the study sample of 16 social enterprises, the effect of organization size on OLA total mean was the same for both enterprise climate categories; there was no interaction between enterprise size and climate (refer to Table 20). The absence of interaction suggests that the difference in OLA total mean scores between servant-oriented and positively paternalistic climates is the same for enterprise size categories present in this study. Furthermore, there was no organization size main effect.

One possible explanation for this is that organization size does not inhibit organizational members from enacting servanthood. However, it must be noted that the largest enterprise in this sample did not exceed 75 FTE. Relatively speaking, these were not large organizations; this explanation is limited by study enterprise size parameters.

Table 20

Test of Between-Subjects Effect: OLA Total Mean by Enterprise Climate & Organization Size

Organization Size	N	OLA Total Mean	SD
Servant-Oriented			
0-9 FTEs	3	254.40	9.70
10-19 FTEs	2	253.40	17.82
20-39 FTEs	2	254.20	10.47
>40 FTEs	--	--	--
Total	7	254.06	10.14
Positively Paternalistic			
0-9 FTEs	3	222.93	4.10
10-19 FTEs	4	224.67	14.47
20-39 FTEs	--	--	--
>40 FTEs	1	237.00	--
Total	8	225.56	10.80

Factorial ANOVA Summary of Results

Source	df	MS	F	Sig.
Climate	1	2557.86	18.03	.00
OrgSize	3	50.74	.36	.79
Climate & OrgSize	1	5.29	.04	.85
Error	9	141.89		

A factorial ANOVA was also run to compare the dependent factor, OLA total mean, using two independent factors, climate category and organizational age. In the study sample of 16 social enterprises, the effect of organization age on OLA total mean was the same for all climates; there was no interaction between enterprise climate and age (shown in Table 21). Likewise, there was no main effect of organizational age on OLA total mean scores.

Table 21

Test of Between-Subjects Effect:
OLA Total Mean by Enterprise Climate & Age

Organization Age	N	OLA Total Mean	SD
Servant-Oriented			
< 6 yrs	3	258.00	9.90
6-15 yrs	3	254.53	9.93
>16 yrs	1	240.80	--
Total	7	254.06	10.14
Positively Paternalistic			
< 6 yrs	3	222.36	13.01
6-15 yrs	3	224.47	12.46
>16 yrs	2	232.00	7.07
Total	8	225.56	10.80

Factorial ANOVA Summary

Source	df	MS	F	Sig.
Climate	1	1959.26	16.14	0.00
Org Age	2	13.60	0.11	0.90
Climate & Org Age	2	169.44	1.40	0.30
Error	9	121.41		

In general, the age of an organization did not inhibit members from enacting servanthood. Interestingly though, in servant-oriented enterprises the OLA total mean decreased as enterprise age increased. However, this appeared to be random variation due to sample size particularly since the same pattern was not replicated in the positively paternalistic enterprises.

A final factorial ANOVA using organization demographic information was run to compare the dependent factor, OLA total mean, using climate category and organizational budget as two independent variables. In the study sample of 16 social enterprises, the effect of organizational budget on OLA total mean was the same for all

climates; there was no interaction between enterprise budget and climate (shown in Table 22). Additionally, there was no main effect of organization budget on OLA total mean score. There was, however, a distinct downward trend in servant-oriented OLA total scores as budget size increased. In contrast, an upward trend was evident in positively paternalistic enterprises. Again, the most likely explanation for this pattern would be random variation due to sample size.

Table 22

Test of Between-Subjects Effect:
OLA Total Mean by Enterprise Climate & Budget

Organization Budget	N	OLA Total Mean	SD
Servant-Oriented			
> $499,999	1	261.60	--
$500,000 - $2.49M	4	257.30	9.82
> $2.5M	2	243.80	4.241
Total	7	254.06	10.14
Positively Paternalistic			
> $499,999	3	217.77	5.82
$500,000 - $2.49M	2	224.79	16.96
> $2.5M	3	233.87	5.95
Total	8	225.56	10.80

Factorial ANOVA Summary

Source	df	MS	F	Sig.
Climate	1	2552.11	31.33	0.00
Budget	2	6.29	0.08	0.93
Climate & Budget	2	301.22	3.70	0.07
Error	9	81.47		

Probing further, a comparison of OLA mean scores based on enterprise climate categories was conducted using respondents' personal demographic data (i.e., role,

tenure, gender, age, and education). The classification of negatively paternalistic was not included in these analyses as there remained no basis for comparative assessment. A factorial ANOVA was run to compare the dependent factor, OLA total mean, using climate category and enterprise roles as independent variables. In the study sample of 16 social enterprises, the relationship between role and OLA total mean score was significantly different ($p<.05$) for servant-oriented enterprises and positively-paternalistic enterprises. Refer to Table 23 for the factorial ANOVA results.

Table 23

Test of Between-Subjects Effect:
OLA Total Mean by Enterprise Climate & Respondent Role

Role	n	OLA Total Mean	SD
Servant-Oriented			
Staff	34	240.71	28.95
Mgr	14	252.28	16.81
Exec Dir	17	264.95	22.28
Board & Volunteer	8	255.88	20.10
Total	73	250.23	26.13
Positively Paternalistic			
Staff	27	230.98	27.48
Mgr	30	220.00	27.53
Exec Dir	22	226.73	38.23
Board & Volunteer	10	256.20	24.16
Total	89	229.06	31.55

Factorial ANOVA Summary

Source	df	MS	F	Sig.
Climate	1	12758.02	16.42	.00
Role	3	2469.29	3.18	.03
Climate & Role	3	2662.84	3.43	.02
Error	154	777.04		

The relationship between organizational role and OLA total mean score was different in servant-oriented and paternalistic enterprises. This interaction effect was plotted and displayed graphically in Figure 6. On average, managers and executive directors in servant-oriented enterprises viewed their organizations more positively than staff members in their enterprise. In contrast, managers and executive directors in positively paternalistic enterprises viewed their organizations less positively than staff members did. Board members and volunteers in servant-oriented enterprises viewed their

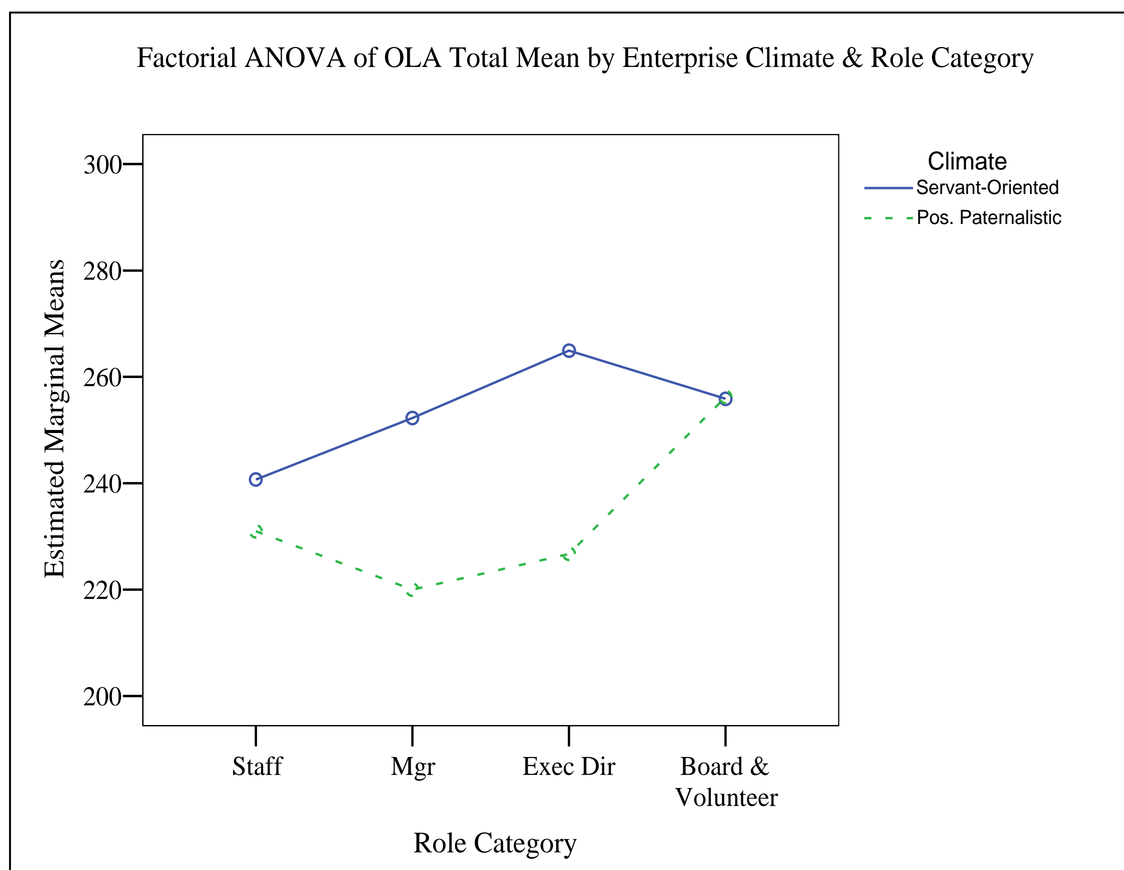

Figure 7. Factorial ANOVA of OLA Score by Enterprise Climate and Respondent Role

organizations similarly as managers, just slightly less positively than executive directors did. However, board members and volunteers in positively paternalistic enterprises viewed their organizations notably more favorably than all other enterprise roles. To explore this further a post-hoc analysis was conducted for the role grouping variable (refer to Table 24). In general, significant differences existed ($p<.05$) between staff positions and board and volunteers members and between manager roles and board and volunteer members. This was particularly evident in positively paternalistic organizations. In these settings, the voluntary nature of this form of organizational engagement may positively influence members' perceptions.

Table 24

Games-Howell Post-Hoc Analysis for Role Groups

Role Category Totals	n	OLA Total Mean	SD
Staff	61	236.40	28.49
Mgr	44	230.27	28.78
Exec Dir	39	243.39	37.22
Board & Volunteer	18	256.06	21.80
Total	162	238.60	31.00

Games-Howell Post-Hoc Analysis of OLA Scores by Roles

(I) Role Category	(J) Role Category	Mean Difference (I-J)	Sig.
Staff	Mgr	6.13	.70
	Exec Dir	-6.99	.75
	Board & Volunteer	-19.66	.02
Mgr	Staff	-6.13	.70
	Exec Dir	-13.11	.29
	Board & Volunteer	-25.78	.00
Exec Dir	Staff	6.99	.75
	Mgr	13.11	.29
	Board & Volunteer	-12.67	.38

In advancing the investigation of personal demographic characteristics, a factorial ANOVA was run to compare the dependent factor, OLA total mean, using climate category and respondent enterprise tenure as independent variables. In the study sample of 16 social enterprises, the effect of respondent tenure on OLA total mean was the same for all climates; there was no interaction between tenure and enterprise climate (shown in Table 25). Therefore the relationship between OLA total mean score and tenure was not significantly different in servant-oriented and paternalistic climates. Additionally, there was no main effect of tenure on OLA total mean score. This result suggests that

Table 25

Test of Between-Subjects Effect: OLA Total Mean by Enterprise Climate and Respondent Tenure

Respondent Tenure	n	OLA Total Mean	SD
Servant-Oriented			
< 3 years	53	247.63	27.34
4 - 6 years	12	252.58	23.19
> 7 years	8	264.00	18.74
Total	73	250.23	26.13
Positively Paternalistic			
< 3 years	59	229.02	32.44
4 - 6 years	16	232.75	36.60
> 7 years	14	225.00	21.56
Total	89	229.06	31.55

Factorial ANOVA Summary

Source	df	MS	F	Sig.
Climate	1	15857.69	18.41	0.00
Tenure	2	458.76	0.53	0.59
Climate & Tenure	2	906.26	1.05	0.35
Error	156	861.52		

demonstrating servanthood was not materially affected by members' length of service with their social enterprise.

A further factorial ANOVA was run to compare the OLA total mean as a dependent variable, using climate category and respondent gender as independent variables. In the study sample of 16 social enterprises, the effect of respondent gender on OLA total mean was the same for all climates; there was no interaction between gender and enterprise climate (shown in Table 26). Therefore the relationship between OLA total mean score and respondent gender was not significantly different in servant-oriented and paternalistic climates. Additionally, there was no main effect of gender on OLA total mean score. Similar to tenure, the relationship between gender and OLA total

Table 26

Test of Between-Subjects Effect: OLA Total Mean by Enterprise Climate and Respondent Gender

Gender	n	OLA Total Mean	SD
Servant-Oriented			
Male	23	255.91	24.18
Female	46	248.28	27.48
Total	73	250.23	26.13
Positively Paternalistic			
Male	42	228.12	33.29
Female	41	231.62	26.50
Total	89	229.06	31.55

Factorial ANOVA Summary

Source	df	MS	F	Sig.
Climate	1	8295.33	9.63	0.00
Gender	2	692.35	0.80	0.45
Climate & Gender	2	546.00	0.63	0.53
Error	156	861.77		

mean was the same for both servant-oriented and positively paternalistic enterprises.

Next, a factorial ANOVA was run to compare the dependent variable, OLA total mean, using climate category and respondent age group as independent variables. Respondents' ages were widely dispersed; responses of those who chose to decline to provide their age were not included in this analysis. In order to establish a meaningful sample size for analysis, ages were recoded into two primary age groups. While two groups were sufficient to proceed with factorial analysis, it precluded post-hoc testing. In the study sample of 16 social enterprises, the results indicated an interaction effect between climate and respondent age (shown in Table 27). Therefore the relationship between OLA total mean score and respondent age was reported to be significantly different in servant-oriented and paternalistic climates. However, when this interaction was plotted and graphically displayed, no interaction was found. Additionally, there was no main effect of respondent age on OLA total mean score. While older members in servant-oriented social enterprises viewed their organizations more positively than younger members did, the reverse pattern was evident in positively paternalistic enterprises. The most likely explanation for this result would be random variation due to sample size.

Table 27

Test of Between-Subjects Effect: OLA Total Mean by Enterprise Climate and Respondent Age Group

Gender	n	OLA Total Mean	SD
Servant-Oriented			
Under 40 yrs	42	246.34	26.32
40 yrs and Older	24	261.62	21.90
Total	66	251.89	25.72
Positively Paternalistic			
Under 40 yrs	29	234.70	28.88
40 yrs and Older	49	228.62	29.09
Total	78	230.88	28.98

Factorial ANOVA Summary

Source	df	MS	F	Sig.
Climate	1	16557.65	22.42	.00
Respondent Age Group	1	703.70	.95	.33
Climate & Age Group	1	3794.10	5.14	.03
Error	140	738.59		

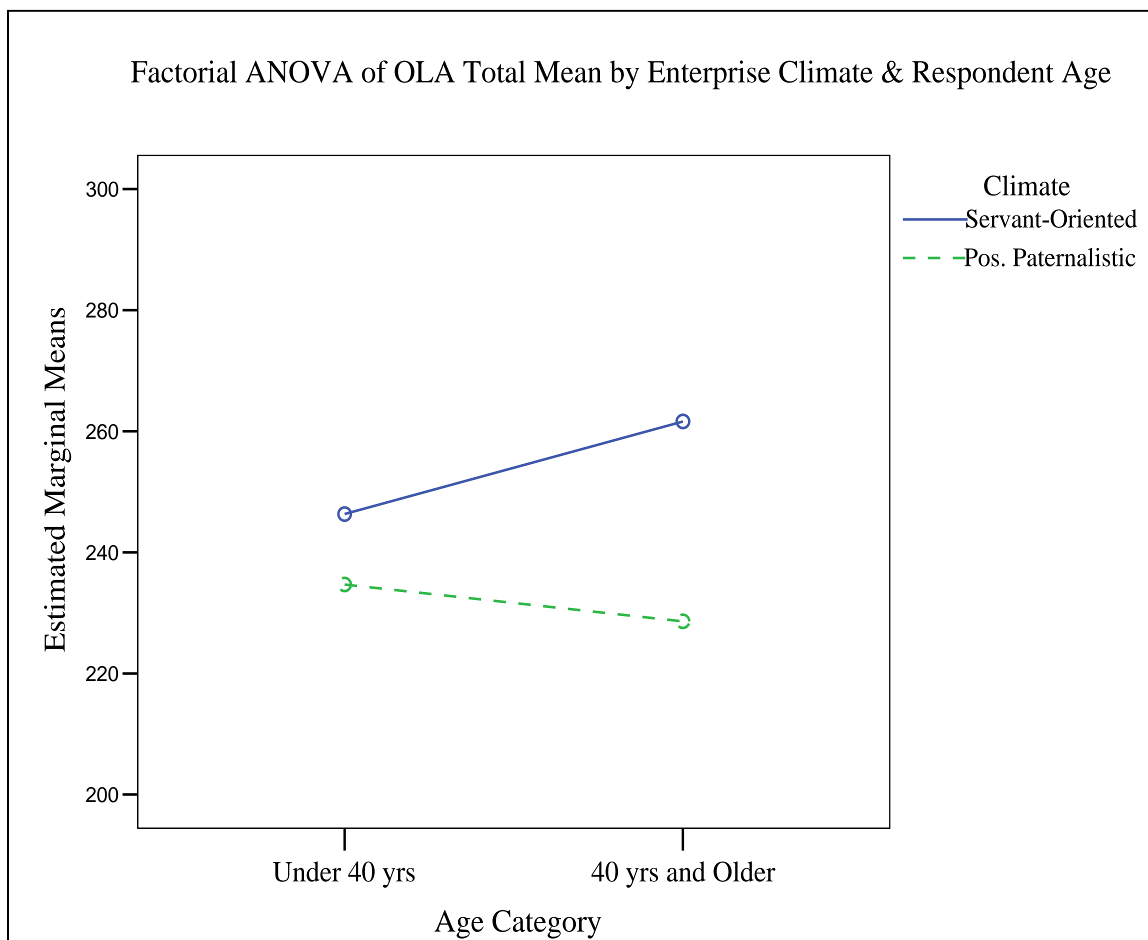

Figure 8. Factorial ANOVA of OLA Score by Enterprise Climate and Respondent Age

A final factorial ANOVA was run to compare the dependent variable, OLA total mean, using climate category and respondent education as independent variables. In the study sample of 16 social enterprises, the effect of respondent education on OLA total mean was the same for all climates; there was no interaction between education and enterprise climate (shown in Table 28). Additionally, there was no main effect of education on OLA total mean score. Similar to gender, the relationship between

education and OLA total mean was the same for both servant-oriented and positively paternalistic enterprises.

Table 28

Test of Between-Subjects Effect: OLA Total Mean by Enterprise Climate & Respondent Education

Education	n	OLA Total Mean	SD
Servant-Oriented			
High School& Associates	6	258.67	16.12
Bachelors	32	253.94	27.21
Graduate	26	245.97	26.28
Total	64	251.14	26.07
Positively Paternalistic			
High School& Associates	32	236.11	27.09
Bachelors	23	228.48	32.705
Graduate	25	230.32	29.62
Total	80	232.11	29.39

Factorial ANOVA Summary

Source	df	MS	F	Sig.
Climate	1	11544.90	14.64	.00
Education	2	621.36	.79	.46
Climate & Education	2	321.72	.41	.67
Error	138	788.71		

Research Question Three

The third research question explored whether the organizational climates of social enterprises and job satisfaction levels were significantly correlated. In order to examine this association, a Pearson correlation test was conducted using the OLA mean and job satisfaction scores. The OLA job satisfaction mean was a separate scale score based on

six questions. To provide a comparable metric, the OLA mean score was used; the OLA total mean was not relevant in this analysis. In keeping with prior OLA related research methods, the six OLA job satisfaction questions were treated as a single target, where the focal construct was individual-level job satisfaction.

A commingled data sample of 208 cases was used in the first step of exploring a possible correlation between the OLA measures of servanthood and job satisfaction. It was recognized that by eliminating the organization grouping factor, commentary could not be offered in the context of enterprise climate and job satisfaction. This test was conducted principally to expand the knowledge base in OLA research. The Pearson correlation results showed a significant positive association between OLA mean and job satisfaction scores (refer to Table 29).

Table 29

OLA Mean and Job Satisfaction Correlation: All Enterprises

	n	Mean	SD	Pearson r	Sig.
OLAMean	208	3.84	.65	.60	.00
JSMean	208	4.21	.60		

In this study, job satisfaction was conceptualized as a direct consensus model (Chan, 1998), whereby lower-level and higher-level constructs were functionally isomorphic and within-group agreement justified aggregation. Therefore, in refining this investigation to the organization unit of analysis, estimates of agreement and reliability were calculated using two alternative indices, $r^*_{wg}(j)$ and $r'_{wg(B)}$, both argued by Lindell (2001) for use with a multi-item index. Both of Lindell's equations were computed to validate the behavior of the study job satisfaction data. After running both forms of the

agreement statistic, it was found that the $r^*_{wg}(j)$ calculation once again understated agreement for this data sample and the $r'_{wg(B)}$ statistic leaned in the direction of overstatement of agreement. The $r'_{wg(B)}$, values for this sample ranged from .71 to .95 with .89 as the median value. These estimates indicate moderate to high levels of agreement. All estimates exceeded the minimum threshold value of .60 (James, 1982). The $r^*_{wg}(j)$, values for this sample ranged from .51 to .88 with .74 as the median, reflecting below minimum levels of agreement to high agreement. Based on the $r'_{wg(B)}$ statistic values, the estimates of agreement (shown in Table 30) were sufficient to aggregate data.

Table 30

Estimate of Job Satisfaction With-In Group Agreement

Enterprise	R*wg(B)	R*wg(J)
E5V	0.93	0.80
G3T	0.93	0.88
Q2J	0.94	0.80
F4U	0.84	0.59
L7O	0.87	0.78
T8G	0.90	0.79
C7X	0.83	0.70
H2S	0.82	0.72
P3K	0.80	0.67
A9Z	0.95	0.87
O4L	0.83	0.64
B8Y	0.92	0.83
M6N	0.79	0.60
J9Q	0.93	0.76
N5M	0.92	0.68
K8P	0.71	0.51

The ICC(1) statistic based on a one-way ANOVA was used to estimate the sample reliability for enterprise job satisfaction scores. The dependent variable was OLA job satisfaction mean and the independent variable was organization. The ICC(1) value for this study sample of 16 enterprises was .03, using an average group size of 13. This ICC(1) value was exceedingly low, below the minimum threshold of .12 (James, 1982), indicating a lack of reliability associated with a single assessment of the group mean. This result also indicated there was a limited group effect on the variable of interest, job satisfaction, as measured by the OLA instrument. The ICC(2) value for this sample was .31, based on an average group size of 13. Likewise, this value did not exceed the minimum threshold of .60 (Glick, 1985) to justify use of an aggregated measure of job satisfaction. Bliese argues that groups need to have reliably different mean values on the construct of interest in order to detect emergent relationships. Overall, the reliability statistics did not provide sufficient support for aggregating the data to the organization level of analysis. A summary of the ANOVA results used in the ICC calculations is shown in Table 31

Table 31

One-Way ANOVA for Enterprise Job Satisfaction Mean

	df	MS	F	Sig.
Between Groups	15	.508	1.445	.13
Within Groups	192	.351		
Total	207			

Recognizing the limitations on aggregating job satisfaction to the enterprise level, Pearson correlation results are displayed for informational purpose only (refer to Table

32). Interestingly, positive correlations were found in several enterprises regardless of their climate classification. Of particular note is the positive correlation found in K8P, the enterprise classified as negatively paternalistic in climate. Moreover, the results for two organizations, F4U (servant-oriented) and B8Y (positively paternalistic) revealed a negative correlation between climate and satisfaction. The significance of the correlations could not be confirmed due to the sample sizes. Notwithstanding the low power, it is important to highlight that the correlation results derived from a commingled sample of 208 cases obscured the diverse and contradictory results derived from enterprise-level analysis.

Table 32

Correlation of Enterprise OLA Mean and Job Satisfaction

Enterprise	Climate	n	OLA Mean	JS Mean	Pearson Correlation	Sig.
E5V	SO	6	4.43	4.42	.43	.40
G3T	SO	5	4.43	4.60	.89	.05
Q2J	SO	5	4.36	4.67	.65	.23
F4U	SO	6	4.15	3.97	-.24	.65
L7O	SO	14	4.15	4.29	.70	.01
T8G	SO	25	4.11	4.43	.78	.00
C7X	SO	12	4.01	4.31	.87	.00
H2S	+P	9	3.96	3.83	.53	.14
P3K	+P	33	3.95	4.23	.54	.00
A9Z	+P	9	3.95	4.44	.05	.91
O4L	+P	7	3.78	4.24	.56	.19
B8Y	+P	5	3.72	4.30	-.82	.09
M6N	+P	12	3.65	4.00	.89	.00
J9Q	+P	6	3.55	4.02	.55	.26
N5M	+P	8	3.53	3.92	.59	.13
K8P	-P	46	3.36	4.09	.62	.00

Job satisfaction has been the subject of much critical debate due to inconsistent research findings. Similarly, the mixed results from this study to call into question the stability of this psychological construct. The variability of satisfaction scores relative to enterprise OLA mean scores is readily apparent when displayed in visual format (as shown in Figure 9). In an attempt to uncover a possible explanation for the relatively high job satisfaction ratings found in enterprises with limited to moderate levels of organizational health, one final exploratory test was conducted.

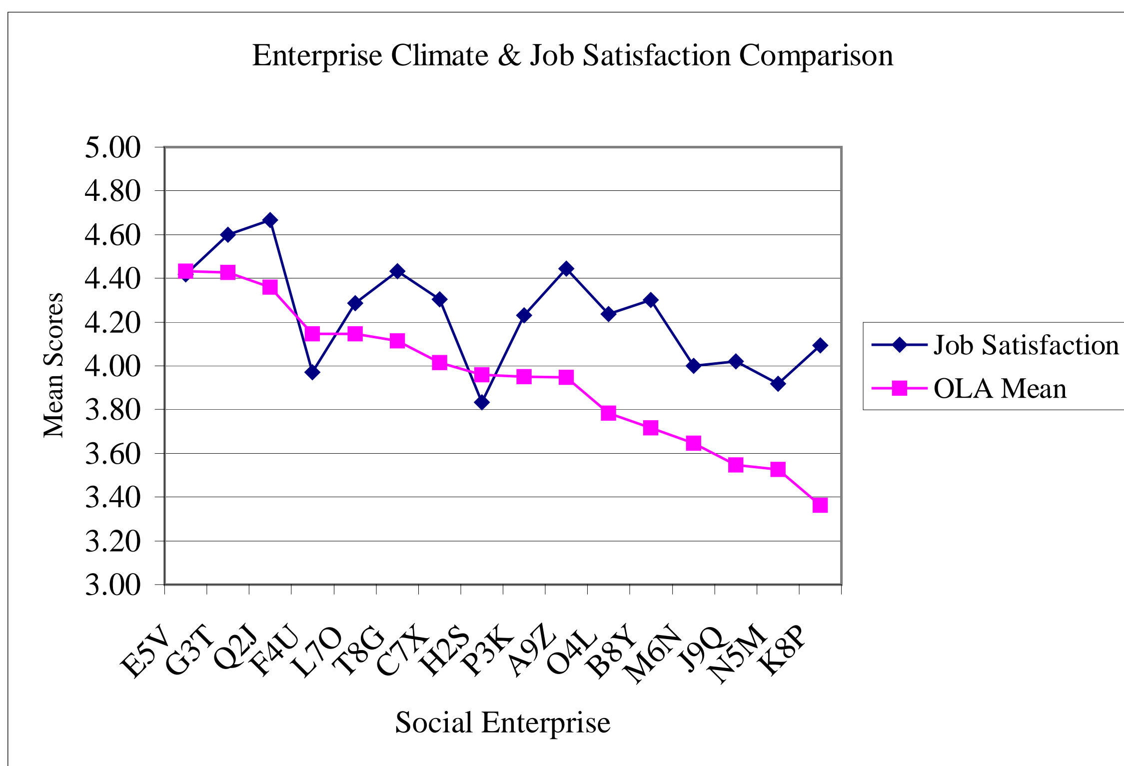

Figure 9. Enterprise Climate and Job Satisfaction Mean Score Comparison

On average enterprise respondents' perceptions of their personal relationship with a boss and/or other direct leaders were distinctly more positive than perceptions of their

entire workplace or enterprise leaders alone (refer to Figure 5). It is uncertain whether this indicates that individuals experienced servanthood behaviors more consistently in their interpersonal interaction with direct supervisors/bosses, or that individuals were less familiar with other organizational members and therefore unable to comment on the presence of the targeted behaviors (i.e., a neutral rating score of "3"). Nevertheless, high ratings associated with this OLA subgroup warranted preliminary testing. Specifically, the supposition that job satisfaction was more closely and consistently associated with OLA subgroup 3 scores was analyzed. A Pearson correlation test was run to examine this relationship using the mean scores from OLA subgroup 3 and enterprise-level job satisfaction. The correlation values (shown in Table 33) reveal a stronger positive association between these variables than between the OLA instrument mean and job satisfaction, with two exceptions (B8Y and N5M). Although the ICC values for job satisfaction were insufficient to justify enterprise-level aggregation, this result possibly lends support to the notion that the relationship between an employee and direct supervisor/boss is materially influential in shaping personal levels of job satisfaction. Hence this might elucidate the contradictory results derived when comparing job satisfaction to the broader measure of servanthood (i.e., the OLA mean score).

Table 33

Correlation of OLA Subgroup 3 and Job Satisfaction Mean Scores

Enterprise	n	OLA Subgroup 3 Mean	JS Mean	Pearson r	Sig.
E5V	6	4.39	4.42	.59	.25
G3T	5	4.43	4.60	.97	.01
Q2J	5	4.53	4.67	.68	.21
F4U	6	4.25	3.97	.66	.16
L7O	14	4.45	4.29	.86	.00
T8G	25	4.21	4.43	.80	.00
C7X	12	4.21	4.31	.95	.00
H2S	9	4.19	3.83	.77	.01
P3K	33	4.19	4.23	.66	.00
A9Z	9	4.28	4.44	.23	.55
O4L	7	4.12	4.24	.66	.11
B8Y	5	3.90	4.30	-.89	.04
M6N	12	3.78	4.00	.90	.00
J9Q	6	3.56	4.02	.79	.06
N5M	8	3.56	3.92	.11	.80
K8P	46	3.60	4.09	.75	.00

CHAPTER V

DISCUSSION, IMPLICATIONS, AND SUGGESTIONS

The social entrepreneurship movement has catalyzed a fundamental shift in the architecture of civil society over the last twenty-five years (Drayton, 2002). The social sector has profoundly changed from bureaucratic to entrepreneurial, launching new careers that focus on instrumentally addressing the economic and social divide (Drayton; Emerson, 2004). However, empirical evidence describing the interior behavioral world of these innovative social enterprises is lacking.

This exploratory research investigated whether two intriguing and emerging phenomena, servant-leadership (Greenleaf, 1977) and social entrepreneurism, intersected to create a compelling new model of servant organization. Using the lens of organizational climate for servanthood, this study explored social enterprise climate, culture, and job satisfaction. The research examined the extent to which social enterprise members (e.g., employees and volunteers) perceived collective servant-leadership behavior and characteristics and investigated associated levels of job satisfaction. The methodological paradigm was quantitative; the unit of analysis was organization. The Organizational Leadership Assessment (OLA) was used as the survey instrument. The OLA model of servant organization is a comprehensive construct of servant-leadership; it examines the distributed aspects of leadership by measuring perceptions across all organizational levels (Laub, 2003a).

In opening a discussion of the research findings, it is important to acknowledge the limitations of this study. Primarily, the study was limited by a non-random and

restricted sample size. Twenty organizations out of a sample frame of 49 enterprises agreed to participate in the study; useable data were collected from 16 of these enterprises (i.e., 33% response rate). Furthermore, once the demographic data were collected it was discovered that six of these enterprises reported an employee headcount of less than 10 FTE. In these instances, the threshold level of participation was lowered to five respondents, following a group size precedent found in the organizational climate research literature (Ehrhart, 2001). The challenge of identifying social enterprises based on specific organizational characteristics is not unique to this study; it is ever-present in this field. Social enterprises transcend traditional geographic and sector-specific boundaries and standard industry classification codes cannot be utilized with any certainty to identify these organizations. Undoubtedly, the field experts experienced this complication when suggesting enterprises to include in this research.

Second, this was the first study to empirically investigate the interior behavioral world of social enterprises. In keeping with the exploratory research design, this study broke new ground by examining social enterprise members' perceptions of their workplace experience. Hence, comparative data were not available, constraining the interpretive analysis and discussion. Moreover, I used a survey research method in order to generalize the findings and offer useful conclusions to social enterprise practitioners and scholars. This method precluded me from validating the enactment of servant-leadership behaviors within a given organizational context.

Finally, OLA research using the A-P-S model of organizational health is nascent. Consequently, OLA norm group data are limited, restricting the scope of comparative

assessment. In addition, this study was the first to introduce new measurement methods for OLA research and comparative data from multi-organization OLA studies do not exist.

The intent of the study was to contribute to emerging social enterprise theory and practice, extend the empirical research base on servant-leadership, and offer new insights into the more developed corpus of organizational climate literature. The following sections introduce the research conclusions, provide a discussion of the results including implications relevant to the field, offer insights of significance to OLA researchers, and make recommendations for future research.

Conclusions

Several remarkable conclusions emerged from this study. First and foremost, this study revealed that social enterprises do offer a compelling new workplace proposition. To a considerable extent, enterprise members co-create healthy organizational environments. Almost one half of the study enterprises (44%) enacted an organizational climate for servanthood. An additional 12.5% were fractionally below the threshold climate for servanthood measure, suggesting that they too materially share the attributes of healthy, servant organizations. This finding provides an encouraging outlook for social enterprise organizational life, notably more positive than prior OLA research investigating other workplace settings (Laub, 2003a). Furthermore, no enterprises were found to enact an autocratic climate, which stands in marked contrast to the 31% autocratic organizations found in Laub's research.

Over one half of the OLA survey questions (55%) gathered perceptions about executive leaders and directors, those individuals who hold formal authority in their organizations. Interestingly though, social enterprise leaders did not feature prominently in the findings, based on the survey ratings. Rather, respondents' perceptions indicated that the entire community of organizational members demonstrated characteristics of servant-leadership to a greater extent than the social enterprise leader cohort. This finding was consistent among enterprises in all servant and paternalistic climate categories. On average, enterprise ratings trended lower on questions that focused specifically on leader behavior versus questions pertaining to all members or questions specific to the respondents (refer to Figure 5). The behavioral practices that stem from and reinforce leaders' values and beliefs are central to organizational behavior and were core to understanding this research. Yet in this study, the findings suggest that the organizational community was more influential in co-creating social enterprise climates than leaders alone. This outcome acknowledges the centrality of the role organizational members play in shaping climate and culture, and simultaneously draws attention to the opportunity for social enterprise leaders to grow into a more complete model of servant leader.

Another striking finding relates to the patterns that emerged from the OLA subscale scores (refer to Figure 6). In general, the scores showed similar patterning for servant and positively paternalistic organizations, albeit at different levels on the 5-point response scale. Building communities and displaying authenticity clearly trended upward in servant-oriented and positively paternalistic enterprises, marking these characteristics

more distinctive. In contrast, displaying authenticity received the lowest score of all subscales in the negatively paternalistic environment. On the other hand, perceptions related to providing leadership trended downward in servant and positively paternalistic environments, while they increased in the negatively paternalistic workplace. This upward movement suggests that clarity of direction, goal definition, and accountability were more distinctly perceived and with greater emphasis (relative to other dimensions) in the negatively paternalistic organization than in servant or positively paternalistic enterprises.

Also of interest was the finding that, in general, there was no interaction effect between demographic characteristics (organization and individual) and organizational climate on OLA ratings. In other words, the effect of a given demographic attribute (e.g., organization age or respondent age) on OLA mean scores was similar for positively paternalistic and servant-oriented enterprises. This suggests that demographic attributes captured in this study did not materially affect the organizational expression of servanthood. This could not be tested with negatively paternalistic organizations since there was no basis of comparison. There was one exception to this finding. An interaction between organizational roles (e.g., executive director, staff, etc.) and enterprise climate was present in the study. Specifically, perceptions held by volunteers and board member were, on average, statistically different from those held by staff and managers.

Finally, mixed findings emerged from the inquiry concerning the relationship between climate and job satisfaction. There was considerable variability in enterprise-

level job satisfaction scores and the reliability statistics did not support aggregating data to the enterprise level. Notwithstanding this limitation, positive and negative correlations were found between social enterprise climates and their associated job satisfaction levels. Overall, the enterprise-related inquiry into job satisfaction proved inclusive. These conclusions are discussed in greater detail in the following section.

Discussion and Implications

Social Enterprise Organizational Climate

Do the pillars of social justice and service bind together social entrepreneurship and servant-leadership in an extraordinary relationship of servanthood? Yes. Almost one half of the study enterprises (44%) enacted an organizational climate for servanthood and an additional 12.5% were fractionally below the servanthood measure. In total, these organizations materially share the attributes of healthy, servant organizations. This is considerably more than the 12% servant organizations found in Laub's (2003a) prior research. Social entrepreneurs are courageously constructing a new worldview, daring to create workplaces that integrate market discipline with social values.

This result supports the supposition that true communities are created inside the institutional life spaces of these social enterprises; communities that keep vibrant the conditions of freedom and connectedness, not through prescribed behaviors but by clarity of purpose and voluntary commitment (Wheatley, 2005). Empirical evidence suggests that at all organizational levels the leadership process unfolds through a sharing of decision-making, power, status, and privilege. The results reveal that in these social

ventures, leadership excellence is manifest in the productive spirit of self-management and the organizational experience is one of mutual partnership between members. Evidence exists to describe these social enterprise workplaces as environments where members recognize their shared obligation to each other, the organization, and its mission, and where members acknowledge their role as stewards of an internal and external community of members. Bowie (1990) contends that businesses which demonstrate a genuine interest in the well being of others cultivate trust, achieve greater cooperation and ultimately benefit from reduced costs and higher productivity. While this supposition seems plausible for servant organizations, performance outcomes associated with the A-P-S model of organizational health remain unexamined at present.

Six enterprises (37.5%) met the OLA empirical requirements associated with positively paternalistic organizations; one enterprise (6%) was classified as negatively paternalistic. The percentage of paternalistic organizations in this study was less than the 57% found in OLA norm group data (Laub, 2003a). Interestingly, levels of perceptual agreement were both lower and more varied in paternalistic organizations than in servant-oriented enterprises.

Laub posits that while many organizations would tend to characterize their workplace as servant, they actually enact a positive version of a paternalistic model. The paternalistic leadership form of engagement creates an organizational environment where reward power is often exercised with the intent of establishing member loyalty (Wong, 2003). A leader in this environment may be described as a benevolent dictator (Wong) or as a parent (Laub, 2003a). Within a paternalistic framework, organizational members

tend to be treated as children, and whether positive or negative, the leader remains firmly in a parental role, (Laub). The organizational practice of paternalistic behavior creates dependent relationships; members rely on the leader for guidance and decision-making. Consequently, maturity is not cultivated in organizational members. The lower levels of perceptual homogeneity associated with paternalistic organizations suggested that some enterprise members sensed they were valued in the organization while others were uncertain.

The moderate level of organizational health that characterizes positively paternalistic environments profiles a workplace where members may be invited to suggest and possibly implement their ideas, yet leaders retain decision-making authority for important matters (Laub, 2003a). Relationships are valued when they benefit organizational goals, but task execution remains the first priority. The workers may experience tension stemming from an implicit expectation of conformity instead of open acceptance of diversity. Furthermore, power is specifically delegated to certain roles in order to execute specific tasks; it is not openly shared.

The limited level of organizational health associated with negatively paternalistic environments reveals a workplace where conformity is expected and individual expression is discouraged. Workers are valued more for their contribution and less for who they are. While a team structure may be utilized, teams tend to be task-focused and display competitive energy versus collaborative behaviors. Here again, power may be delegated but only for specific tasks and for specific positions. Generally, this is a noticeably individualist environment. Paternalistic organizations inhibit the conditions

that foster productive organizational outcomes (Laub, 2003a; Wong, 2003). Moreover, diminished organizational health can directly affect the enactment of an organization's mission, resulting in detrimental consequences for the organization and organizational members (White, 1997).

Building Social Enterprise Communities.

Social entrepreneurs are portrayed as transformative forces, relentlessly pursing a vision to advance new ideas for addressing major problems (Bornstein, 2004; Drayton, 2002). Often they are described as unique change agents, distinct from other social sector actors because they are: mission driven, opportunity exploiters, relentless innovators, risk takers, and value accountable (Dees & Economy, 2001). Yet entrepreneurship requires that a multiplicity of individuals actively participate in the transformational process. Individuals distributed throughout an organizational network each possess essential, but incomplete, information. By combining skills and information in a manner that leverages resourcefulness and improvisation an entrepreneurial network is able to co-create innovation (Garud & Karnøe, 2003).

Organizations are webs of relationships, and relationships form the foundation of leadership. Healthy organizations connect to more of themselves by strengthening relationships within the organizational systems (Wheatley, 1999). Productively building a social enterprise community was a distinguishing feature of servant-oriented social enterprises. In these enterprises, members perceived a notable presence of behaviors that nurtured the formation of community, rating this dimension one of the two highest servanthood subscales. As shown in Table 34, the OLA subscale, builds community, is

comprised of 10 questions. Seven questions pertain to all members and three are specific to leaders. Attributes of this dimension include honoring diversity of style and expression, creating productive and positive relationships, demonstrating a preference for teaming, and collaborating with one another. On average, scores for this subscale were 4.32, 3.84, and 3.41 for servant-oriented, positively paternalistic, and negatively paternalistic, respectively (refer to Figure 6). These scores indicate that even in servant organizations, the opportunity exists to more actively engage in fostering the organizational conditions that nurture relationships and catalyze the emergence of productive enterprise communities.

Table 34

Builds Community Subscale Questions

All Members
1. Relate well to each other
2. Know how to get along with people
3. Work to maintain positive working relationships
4. Attempt to work with others more than working on their own
5. Value differences in culture, race, and ethnicity
6. Allow for individuality of style and expression
7. Work well together in teams
All Leaders
8. Work alongside the workers instead of separate from them
9. Facilitate the building of community & team
10. Encourage workers to work together rather than competing against each other

Displaying Authenticity.

Entrepreneurs not only create the tangible aspects of organizations, but also the more cultural and expressive aspects of organizational life (Pettigrew, 1974). Leaders embed attitudes, values, and beliefs in their organizations through their actions and

reactions (Schein, 1992). Hence a leader's behavior is a strong determinant of the pattern of social interaction and emotional development of a group and it establishes the organization's ethical tone (Bennis & Nanus, 1997; Kouzes & Posner, 1993). As the leadership process unfolds, servant-leaders stand out as individuals and stand in as members of the organizational community. Servant-leaders nurture autonomy and self-responsibility in all organizational members by cultivating their critical thinking skills, expanding their capacity for moral reasoning, and enhancing their participative competence (Graham, 1991). To enact this form of participatory and transforming social engagement, servant-leaders seek to value and develop others, build community, behave authentically, and share power and status for the good of others (Laub, 1999). The OLA displays authenticity subscale contains 12 questions; 4 apply to all organizational members, 7 pertain to leaders, and 1 question inquires about the respondent's personal experience (refer to Table 35).

Authenticity is rooted in self-awareness; it is as much about knowing oneself as it is about acting in accord with one's beliefs and values. Self-awareness is cultivated by personal self-reflection and openness to learning. This scale emphasizes the personal characteristics of integrity, honesty, and trustworthiness. The scale also specifically draws attention to whether leaders are open to learning from others, able to constructively receive criticism, and voluntarily admit mistakes. Fundamentally, these questions explore whether leaders hold a healthy sense of self-esteem, enabling them to be

Table 35

Displays Authenticity Subscale Questions

Item
All Members
1. Are non-judgmental & keep an open mind
2. Maintain high ethical standards
3. Demonstrate high integrity and honesty
4. Are trustworthy
All Leaders
5. Are open to learning from those who are *below* them in the organization
6. Promote open communication and sharing of information
7. Are open to receiving criticism & challenge from others
8. Say what they mean, and mean what they say
9. Admit personal limitations & mistakes
10. Honestly evaluate themselves before seeking to evaluate others
11. Are accountable & responsible to others
Self & Leader(s)
12. I trust the leadership of this organization

vulnerable and open in their continued personal growth. On average, scores for this subscale were 4.32, 3.79, and 3.26 for servant-oriented, positively paternalistic, and negatively paternalistic, respectively (refer to Figure 6). Again, these scores indicate that opportunities exist for enterprises in all climate categories to foster deeper levels of authenticity among members and specifically among enterprise leaders. Furthermore, when individuals co-create a negatively paternalistic climate, a more profound transformation will be essential to shift from limited organizational health to a more productive, generative climate.

Providing & Sharing Leadership.

The OLA provides leadership subscale contains nine questions: three pertain to all members and six are specific to leaders (refer to Table 36). Strikingly, perceptions regarding this dimension measured the lowest of all the OLA subscales in servant-

oriented enterprises. Similarly, this dimension scored lower among the eight positively paternalistic organizations. In contrast, this subscale received the highest score from members in the negatively paternalistic enterprise. On average, scores for this subscale were 4.08, 3.70, and 3.49 for servant-oriented, positively paternalistic, and negatively paternalistic, respectively (refer to Figure 6).

Table 36

Provides Leadership Subscale Questions

All Members
1. Are clear on the key goals of the organization
2. Know where this organization is headed in the future
3. Are held accountable for reaching work goals
All Leaders
4. Communicate a clear vision of the future of our organization
5. Don't hesitate to provide the leadership that is needed
6. Provide the support and resources needed to help workers meet their goals
7. Encourage people to take risks even if they may fail
8. Take appropriate action when it is needed
9. Communicate clear plans & goals for the organization

When decoupled from all the other servant-leadership dimensions, the characteristics of this subscale could be construed to closely mirror a traditional command and control leadership process. Yet providing leadership is an act of servanthood that combines informed risk-taking with clear goal-directed action in service to a shared future vision. It is fundamentally grounded in Greenleaf's servant-leadership attributes of conceptualization and foresight. Greenleaf suggested that foresight requires the ability to perceive two levels of consciousness. One level of consciousness attends to everyday events; the other perceives what is emerging across time. The nature of this

dimension is further illuminated once it is situated amidst the other five subscales. This is particularly true in relation to the dimension of sharing leadership.

The essence of sharing leadership is empowering others, calling forth the leader within each individual (refer to Table 37). Shared leadership occurs through the sharing of decision-making, power, status, and privilege throughout all organizational levels. Servant-leaders prefer to use inspirational and transformational power to inspire workers to embrace a shared vision, achieve a higher purpose, and motivate them to fulfill their greatest potential (Wong, 2003).

Table 37

Shares Leadership Subscale Questions

All Members
1. Are encouraged by supervisors to share in making *important* decisions
All Leaders
2. Allow workers to help determine where this organization is headed
3. Use persuasion to influence others instead of coercion or force
4. Give workers the power to make *important* decisions
5. Encourage each person in the organization to exercise leadership
6. Do not demand special recognition for being leaders
7. Seek to influence others out of a positive relationship rather than from the authority of their position
8. Are humble – they do not promote themselves
9. Do not seek after special status or the "perks" of leadership
Self & Leader(s)
10. In this organization, a person's *work* is valued more than their *title*

In servant-oriented and positively paternalistic enterprises, respondents' perceptions concerning the extent of shared leadership were slightly lower than building community and displaying authenticity subscale scores. However, scores in the negatively paternalistic environment rated amongst the lowest. On average, scores for

the shares leadership subscale were 4.26, 3.75, and 3.25 for servant-oriented, positively paternalistic, and negatively paternalistic, respectively (refer to Figure 6).

In this study, the dimensions of providing leadership and sharing leadership were inversely related when comparing servant-oriented and negatively paternalistic climates (refer to Figure 6). This suggests that in practice, social enterprise leaders may struggle in expressing these behaviors as complementary. It is not only possible to empower others while providing leadership direction, it is desirable. As Denison (1990) similarly points out, organizations perform best when individuals are adaptive, yet highly consistent and predictable, and foster high involvement, but do so within the context of a shared vision. Social enterprise leaders would benefit by developing a more balanced expression of these behaviors through focused and intentional leader development initiatives and training.

Valuing and Developing Social Enterprise Members.

Do social entrepreneurs internalize their service commitment, modeling leadership behaviors that inspire full participation, self-responsibility, and interdependence? The OLA subscale, develops people, underpins this inquiry. Of the nine questions in this subscale, seven of them pertain to leaders (refer to Table 38). Leaders play a vital role in developing others. Embedded in this dimension are of the characteristics of mentoring others, encouraging continued learning, affirming others, and leading by example. Interestingly, in both servant-oriented and positively paternalistic enterprises, this subscale trended lower. On average, scores for this subscale were 4.15,

3.66, and 3.38 for servant-oriented, positively paternalistic, and negatively paternalistic, respectively (refer to Figure 6).

Table 38

Develops People Subscale Questions

All Members
1. View conflict as an opportunity to learn & grow
All Leaders
2. Create an environment that encourages learning
3. Practice the same behavior they expect from others
4. Lead by example by modeling appropriate behavior ++
5. Provide opportunities for all workers to develop to their full potential
6. Use their power and authority to benefit the workers
7. Build people up through encouragement and affirmation
8. Provide mentor relationships in order to help people grow professionally
Self & Leader(s)
9. I receive encouragement and affirmation from those *above* me in the organization

At the heart of developing others is a deep belief in the intrinsic worth of all human beings beyond any material contribution as workers (Spears, 2000). Hence, the OLA subscale, values people, is antecedent to developing people. Valuing others requires first knowing who they are; developing others requires a deep listening for who they want to become. Valuing others is measured by 10 OLA questions, the majority of which are directed toward behaviors expressed by all organizational members. Specifically, five questions apply to everyone, two questions pertain to leaders, and the remaining three questions inquire about the respondent's personal experience in his/her role (refer to Table 39). Surprisingly, the relationship between OLA mean scores for the two subscales, values people and develops people, trended downward; this was consistent for all organizational climates. On average, scores for the values people subscale were

4.25, 3.81, and 3.45 for servant-oriented, positively paternalistic, and negatively paternalistic, respectively (refer to Figure 6). This finding suggests a possible "knowing-doing" gap. In other words, a gap exists between knowing who others are and acting on the capacity to support who they want to become. Likely, this is less a consequence of intention but rather a result of inexperience and under-developed ability. Social enterprise leaders may directly benefit from developing coaching and mentoring skills so they can, in turn, facilitate the development of others.

Table 39

Values People Subscale Questions

All Members
1. Trust each other
2. Respect each other
3. Are caring & compassionate towards each other
4. Are aware of the needs of others
5. Accept people as they are
All Leaders
6. Are receptive listeners
7. Put the needs of the workers ahead of their own
Self & Leader(s)
8. I feel appreciated by my supervisor for what I contribute to the organization
9. I am listened to by those *above* me in the organization
10. I am respected by those *above* me in the organization

Social Enterprise Climate and Job Satisfaction.

Job satisfaction has been the subject of much critical debate due to contradictory and inconsistent research findings. Furthermore, the question of the extent to which job satisfaction represents a stable orientation or disposition is unresolved (Schliecher, Greguras, & Watt, 2004). Some scholars assert that job satisfaction relates to an individual's affective feelings about his/her job in the organization (Payne, Fineman, &

Wali, 1976). It is a complex emotional reaction to the job (Locke, 1969), argued to be the reflection of a more fragile and changeable employee attitude (Mowday, Porter, & Steers, 1982). Schliecher et al. point out that attitude theorists distinguish between affective and cognitive aspects of attitude, positing that job satisfaction is a complex construct embodying both attributes. They contend that the affective dimension of attitude refers to an individual's general level of feeling (positive or negative) toward a target; the cognitive dimension consists of an individual's beliefs or thoughts about the target. The OLA job satisfaction was a separate scale score based on six questions. These questions reflect both affective and cognitive dimensions (as shown in Table 40).

Table 40

OLA Job Satisfaction Questions

1. I am working at a high level of productivity
2. I feel good about my contribution to the organization
3. My job is important to the success of this organization
4. I enjoy working in this organization
5. I am able to be creative in my job
6. I am able to use my best gifts and abilities in my job

This study investigated whether social enterprise climates and job satisfaction levels were significantly correlated. Accordingly, job satisfaction was conceptualized as a direct consensus model (Chan, 1998), whereby interrater agreement was necessary to justify data aggregation. While the study within-group agreement estimate adequately met the required metric benchmark, the reliability statistics, ICC(1) and ICC(2), did not provide sufficient support for aggregating job satisfaction data to the enterprise level. Bliese argues that groups need to have reliably different mean values on the construct of

interest in order to detect emergent relationships. The following discussion is qualified due to limitations on aggregating job satisfaction sample data.

Overall, there was considerable variability in enterprise job satisfaction scores relative to enterprise OLA mean scores. Positive correlations were found in all enterprise climate categories, including the negatively paternalistic enterprise, and negative correlations were present in servant-oriented and positively paternalistic organizations. While on the surface the mixed results from this study appear puzzling, the most apparent explanation would be insufficient mean score reliability and low power. However the exploratory design of this study merits more substantive consideration of the topic.

Laub (2003a) argues that viewing leadership through a paternalistic lens reveals a form of benevolent rule that produces a child-like response in those engaged in the leadership relationship (i.e., followers). This creates a tacit assumption that leaders are wiser and more knowledgeable than followers. In turn, this permits followers to abdicate responsibility for themselves, others, and organizational outcomes. The contradictory nature of the findings may suggest complacency on behalf of the followers; a willingness to let others carry the burden of responsibility. Relief from the obligation or duty of self-management may not negatively impact an employee's perception of his/her job satisfaction. Hence the results may imply that employees in this study were not more or less satisfied with a paternalistic type of leadership relationship. General literature supporting this supposition was difficult to source; research tended to associate postulates concerning paternalistic workplaces with national culture effects on employee satisfaction. Consequently, research linked paternalistic values and satisfaction to

national culture orientations. For example, Lincoln, Hanada, and Olson (1981) found that Japanese employees held expectations about paternalistic values that positively influenced levels of satisfaction. Nevertheless, a lack of robust research addressing the explanatory hypothesis suggested in this discussion indicates that empirical validation is necessary.

An alternative explanation in deciphering the mixed findings is premised on the leader-member exchange theory (LMX), which centers on the dyadic relationship between leaders and followers (Graen & Uhl-Bien, 1995). There is evidence that the relationship an individual cultivates with a direct supervisor/boss is material in shaping personal levels of job satisfaction. Specifically, LMX researchers discovered that high-quality leader-member exchanges produced better job attitudes, greater organizational commitment, and less employee turnover (Graen & Uhl-Bien). In preliminary examination, results from this study generally indicated stronger positive association between respondent's perceptions specific to his/her role (i.e., OLA subgroup 3) and personal job satisfaction. On average enterprise respondents' perceptions of their personal relationship with a boss and/or other direct leaders were distinctly more positive than perceptions of their entire workplace or enterprise leaders (refer to Figure 5). This supposition may elucidate the contradictory results derived when comparing job satisfaction to the broader measure of servanthood (i.e., the OLA mean score). However it must also be acknowledged that it is uncertain whether individuals experienced servanthood behaviors more consistently in their interpersonal interaction with direct supervisors/bosses, or if individuals were less familiar with other organizational members

and therefore unable to comment on the presence of the targeted behaviors (i.e., a neutral rating score of "3").

Cultural Inferences

Schneider et al. (2001) contend that the perceptions that constitute climate and the interpretations of these perceptions give shape to culture. Other scholars (Moran & Volkwein, 1992; Payne, 2000; Schein, 1990) approach the climate-culture relationship from the opposite conceptual stance whereby climate reflects culture. Despite difficulty distinguishing between climate and culture definitions, it is possible to claim that climate is a way of measuring culture (Payne, 2000). Findings from this exploratory study of social enterprise organizational climate may be used, with caution, to draw inferences about deeper levels of organizational culture.

Organizational culture typically refers to a pattern of shared values deeply held by the members of an organization (Louis, 1980; Morgan, 1986; Schein, 1992). Values are enduring global beliefs about desirable modes of behavior that underlie attitudes and ultimately serve as the basis for making choices (Connor & Becker, 1994). Ultimately these beliefs give way to conceptions or worldviews that define which actions are legitimate and which outcomes are desired. Schein describes this as the formation of organizational culture, which he defines as:

> A pattern of shared assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (p. 12)

The notion of perceptual homogeneity is key to this conception of culture, indicating that members' views about shared workplace properties are similar enough to constitute agreement. Martin's (1992) "Integration" perspective is premised on perceptual agreement and incorporates three defining characteristics of culture: consensus, consistency, and clarity. First, all members of an organization share values, basic assumptions, or ideologies to create consensus. Second, members enact these values with organization-wide consistency. Third, organizational members understand what they need to do and why they should do it. Consensus, consistency, and clarity help shape strong organizational cultures, which some scholars suggest are positively associated with measures of organizational effectiveness (Denison, 1990; Denison & Mishra, 1995).

This research study viewed climate and culture through the Integration lens whereby perceptual consensus was necessary to justify aggregating data. Overall, there was adequate agreement among enterprise members in this study to constitute consensus. In addition, perceptual agreement among members in servant-oriented enterprises was present to a considerable extent based on all statistical measures. The underlying assumptions embedded in the OLA survey questions reflect values concerning respect, fairness, credibility (authenticity), humility, service, risk-taking, empowerment, and autonomy. The tacit belief is that servant-leadership behavior will inspire full participation, self-responsibility, and interdependence. Congruent with the characteristics of servant organizations is the embedded belief that personal accountability is essential for organizational success and that productive spirit of self-management promotes

organizational excellence. Taking this one step further, it is believed that by cultivating members' critical thinking skills, expanding their capacity for moral reasoning, and enhancing their participative competence, autonomy and self-responsibility will be fostered.

It follows then that social enterprise members in servant organizations enact an ethical culture that is built on a foundation of trust. Servant-oriented organizations are characterized by the authenticity of their members who operate with honesty and integrity. In servant workplaces, successful failures are viewed as learning opportunities and creativity is both encouraged and rewarded (Laub, 2003a). Successful innovation requires an organizational climate conducive to creativity. Innovation is both elusive and material; it is a feeling that is rooted in the prevailing organizational psyche that reflects both the organizational climate and culture (Ahmed, 1998). Certain characteristics must be embedded in the organizational workplace experience to promote innovation, including: (a) cooperative teamwork, empowerment, and autonomy; (b) resource diversity, time to think creatively, and intrinsic rewards for creative risk-taking behavior; (c) tolerance of mistakes and constructive conflict management; (d) open and transparent communication based on trust; (d) a sense of pride and ownership; (e) congruence between espoused and enacted values; and (f) celebration and encouragement (Ahmed, Martins & Terblanche, 2003). As Levering (2000) so aptly states,

> Companies can produce the highest-quality products they need only by getting the utmost cooperation and commitment from their employees. And companies can

make the innovations needed to keep a competitive edge only by developing a work environment where employees feel comfortable enough to be creative. (¶)

Servant organizations attract motivated individuals who welcome positive change and encourage continuous improvement (Laub, 2003a). In servant organizational cultures, organizational energy is continually renewed. Almost one half of the social enterprises (44%) in this sample met the OLA empirical requirements for servant organizations, and a further 12.5% sit at the threshold for servant-paternal boundary. This suggests that organizational conditions exist to foster further advances in social innovation, through continued experimentation. This should be approached with focused intention to fully leverage the possibility for social change.

In paternalistic enterprises, organizational trust is more fragile, leaving some members uncertain about just how open they can be with one another (Laub, 2003a). In this study, members' perceptions about their workplace were generally more diverse in paternalistic enterprises than in servant organizations, reflecting differing views about their organizational experience. In these workplaces, risks may be taken but there is an underlying fear of failure (Laub). Creativity is encouraged but only to a point and moving to far away from the status quo is not desired.

The complexion of a paternalistic environment changes somewhat as moderate levels of organizational health give way to limited levels associated with negatively paternalistic cultures. Trust is tenuous and there is a sense of guarded, cautious openness since the measure of a person's value is gauged strictly by his/her performance (Laub, 2003a). Consequently, fear of failure is unconsciously present. While members are

motivated to serve the mission, there is uncertainty about whether the organization is committed to them (Laub). Limited risks are taken and creatively is not strongly encouraged. Moreover, leaders in a negatively paternalistic environment tend to resort to autocratic methods in times of stress.

Lack of trust, fear of failure, and guarded openness are attributes of unhealthy organizational environments (Laub, 2003a). Not surprisingly these characteristics inhibit innovation, knowledge sharing, and organizational effectiveness. Great workplaces do not emerge accidentally, they are constructed with focused intention (Levering, 2000). Cultural transformation is possible when members cultivate awareness of their underlying beliefs and assumptions, both as individuals and as organizations. "What is needed is a new philosophy of leadership that is always and at all times focused on enlisting the hearts and minds of followers through inclusion and participation" (O'Toole, 1996, p.11).

Social Enterprise Outreach.

Over the last twenty years social entrepreneurs have challenged the conventional mindset that vocational and professional options are mutually exclusive. Bornstein (2004) suggests that the difference between social entrepreneurs and entrepreneurs is not one of temperament or ability, it is the ethical quality of their motivation. Social entrepreneurs envision a world where citizens are custodians of society. It is this vision that inspires them to demonstrate their own citizenship (Dees, 1998). The recent emphasis in management theory on vision, values, and principle-centered leadership is a cry for a reassertion of goodness during morally ambiguous times (Briskin, 1998). In

general, the findings from this study suggest that to a considerable extent social entrepreneurs of contemporary society are responding this need.

Schumpeter believed an entrepreneur was one who acknowledged that entrepreneurial profits were means to achieve further ends, not ends in themselves (Ebner, 2003). In Schumpeterian fashion, social entrepreneurs endeavor to generate economic profit to achieve social justice. Their motivation is societal service, creating innovative and sustainable approaches to systemic change and thereby driving social outcomes for improving the world (Bornstein, 2004; Skoll Centre for Entrepreneurship, 2004). It is both the drive of the entrepreneur and the interactive processes between entrepreneur and followers through which purpose and commitment are generated and sustained in an organization (Hatch, 1993; Pettigrew, 1979). Unlike commercial enterprises, which attract and retain employees via monetary rewards, non-profit or for-profit social enterprises have limited access to financial incentives. Instead, these firms rely on individuals' intrinsic motivations, personal values concerning social justice, and fundamental beliefs about their ability to make a difference in the world. Hence organizational commitment, involvement, and identity become positive forms of attachment in the context of healthy social enterprises.

Commitment is the willingness of participants to offer energy and loyalty to an organization (Buchanan, 1974; Kanter, 1972). Organizational commitment has three main characteristics: (a) a strong belief in and acceptance of organizational goals and values, (b) a willingness to exert considerable effort on behalf of the organization, and (c)

a desire to be a member of the organization (Porter et al, 1974). Pettigrew (1979) applied a cultural lens to the commitment discourse.

> The role of commitment mechanisms is partly to disengage the person from some of his preexisting attachments and to redirect his system of language and beliefs and the patterning in his social relationships toward the organization's needs and purposes. In this way, a set of disparate individuals are fashioned into a collective whole. (p. 577)

Involvement refers to an individual's attachment to both the organization and the job (Beyer et al., 2000). Bonds develop between individuals and organizations to the degree that their self-conceptions are engaged in their jobs and organizations (Lodahl & Kejner, 1965). Moral involvement occurs when individuals accept and identify with organizational goals (Etzioni, 1975). Identity is a relational construct; it develops through a process of social experience and forms in a given individual as a result of his/her interaction with the process and other individuals in the process (Mead, 1934). Identification occurs when individuals categorize themselves as members of the organization and then internalize these social memberships (Beyer et al., 2000). The strength of a member's identification with an organization depends on the extent to which his/her self-concept includes characteristics perceived to be central and distinctive to the organization (Beyer et al.). Practices of expression, such as corporate programs and rituals, help to construct organizational identity (Hatch & Schultz, 2002). When organizational members relate to these expressions, this relationship connects them with the organizational culture and creates a socially constructed sense of belonging, a sense

of collective identity. Martin (2004) points out that social entrepreneurship is as much about "the changing self-awareness and identity of leaders in the social sector as it is about the way their organizations operate" (p. 24).

Social entrepreneurs are credited with constructing a new worldview that combines social activism with business discipline. Now, civil and business societies share the common language of entrepreneurship, enabling radically new patterns of collaboration and ushering in new organizational forms (FSN, 2005). There remains an opportunity to more broadly communicate the existence of this compelling new workplace proposition to inspire and attract talented, entrepreneurial business practitioners in search of passion, purpose, and commitment to something larger than themselves. By tapping into this source, business practitioners can behold an extraordinary opportunity to co-create this field.

OLA Research Measurement Implications

The results of this study revealed that, on average, the general level of servant-leadership found in social enterprises was higher than OLA normative data. While the results from this sample represent the highest perceptual level of servant-leadership found in any research study to date, the mean score classified all 16 organizations as paternalistic, based on the A-P-S Model. This finding contradicted the organization-level findings discussed in the climate section of this chapter, which revealed 44% servant organizations.

This contradictory outcome is material to the theoretical argument and empirical measurement methods of this study. In comparing the results of this study to normative

data (i.e., prior OLA research), it was necessary to ignore: (a) the organization-level grouping factor, (b) estimates of within-group agreement, and (c) reliability measures. All were essential to this climate research.

The gap that emerged from comparing the OLA mean score sourced from a commingled sample of 208 cases to sample results based on organization-level statistics is relevant for OLA-related studies where more than one organization is investigated. The OLA instrument contextually situates the observed behavior in the organization within which the experience and perceptions are co-created. Commingling individuals' contextualized perceptions sourced from different organizations ignores the critical grouping factor (i.e., organization); this violates assumptions of composition theory and introduces a form of aggregation bias.

Suggestions for Future Research

Future directions for research include replicating this study but increasing the number of social enterprises with a particular focus on expanding the diversity of organizational size and organizational age. In addition, this was the first study to apply multilevel composition and consensus methods to the OLA. Consequently, comparison to prior results was limited. Additional OLA-related research based on measurement methods used in this study is warranted before comparative findings will offer broadly meaningful results.

The hypothesis that a satisfied worker is a more productive worker holds great appeal for businesses. Yet the findings of this study were contradictory in nature. This

draws attention to prior scholarly examination in which results were similarly mixed. Earlier literature suggests that the relationship between satisfaction and performance is slight. Iaffaldano and Muchinsky (1985) claim that the perceived correlation between satisfaction and performance is intuitively logical but not empirically proven. In contrast, the research conducted by Judge et al. shows a stronger satisfaction-performance correlation than earlier studies (2001). The question of whether the association of servant-leadership and job satisfaction merits further inquiry is debatable. If deemed essential, the use of a more rigorously tested job satisfaction instrument may be beneficial.

Quantitative studies using a survey research method are subject to the possibility of individuals responding to questions based on idealized perceptions of behavior. In this instance, I was unable to validate what behavior is enacted within a given organizational context. To build on the findings from this study it would be beneficial to conduct qualitative research, possibly using a case study method to experientially investigate the lived organizational practices in servant-oriented social enterprises.

Trust is the hallmark of both servant organizations and great workplaces. Servant-leadership is based on the supposition that when individuals genuinely desire to serve others first, their good will toward others will foster a climate of trust. This, in turn, will call forth individuals' greatest potential, yielding healthier, wiser, more autonomous individuals equally ready to serve. This research did not explicitly test whether the social enterprise servant-oriented organizations found in this study met the empirical requirements for great workplaces as measured by Great Place to Work

Institute® (2005). Are all servant organizations great workplaces? Furthermore, are all great workplaces servant organizations?

It is known that great workplaces outperform the market based on economic indicators (Great Place to Work Institute, 2005). Whether servant organizations demonstrate higher levels of organizational performance has yet to be investigated. This presents another interesting area for further study. It would be of particular interest to the social enterprise domain to incorporate social return on investment (SROI) measures into this analysis. Moreover, a comparative investigation of performance outcomes (economic and otherwise) between servant organizations and paternalistic organizations would also enhance the practical significance of this theoretical framework. Additional research is suggested, in collaboration with the Great Place to Work Institute®, to examine these areas of inquiry.

The following final two suggestions pertain to the construction of the OLA instrument and its associated diagnostic model of organizational health. First, Laub (2004) convincingly argues that leadership is an intentional change process, not a position of rank. Yet references of the term "leadership," embedded in the OLA survey, either connote positional level (e.g., top leadership) or can be construed as circuitous logic (e.g., provide needed leadership). There remains an opportunity to strengthen this instrument by addressing any language and definitional inconsistencies and ensuring that survey questions are worded to reflect demonstrable behaviors, not intrapersonal traits.

Second, Laub (2003a) introduced the A-P-S Model to provide a more meaningful interpretation of the OLA score and thereby offer a more constructive guide for

organization development activities. The A-P-S Model provides "the framework for developing the six levels of organizational health as measured by the OLA" (Laub, 2003a, p. 9). The OLA instrument instructs respondents to answer questions based on a 5-point Likert scale, where 1 is "Strongly Disagree," 2 is "Disagree," 3 is "Neutral," 4 is "Agree," and 5 is "Strongly Agree." Accordingly, Laub (2003) constructed the A-P-S diagnostic tool based on respondents' mean scores. However, incorporating a numerical score of "3" when the respondent is uncertain about agreement or disagreement of a survey item may unnecessarily introduce an element of measurement ambiguity, rendering the results less definitive. To mitigate this possible limitation, it is suggested that the response options be replaced with the following descriptors, respectively: "To a very small extent," "To a limited extent," "To some extent," "To a considerable extent," and "To a great extent."

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APPENDIX A

E-MAIL FOR STUDY SAMPLE RECOMMENDATIONS

Dear _____________

I am conducting doctoral research in the social enterprise domain and ___________ suggested that I contact you. I am relying on field experts like yourself to help establish the sample population. I'm reaching out to as many experts as possible to ensure a sample of ~ 50 organizations.

The purpose of this study is to explore social enterprise organizational climate and culture. The research will use an English-language survey instrument, taking approximately 20 minutes to complete via the Internet. I intend to submit the findings for publication, and would be happy to provide you with a results summary.

By keeping the criteria broad but specific, I anticipate enough diversity across the sample. The study definition of social enterprise is included below for reference.

The key selection criteria include:

- revenue-generating venture serving a primary mission of social change through a blend of market and mission-driven methods
- use of innovative and entrepreneurial practices
- designed to meet social needs and achieve commercial viability
- number of organizational members (i.e., full time employees) should exceed a minimum threshold of ten

Note: Legal/tax status will be used for descriptive, not selection, purposes

Each organization will be contacted directly, so a referral to someone within each enterprise would be most helpful. I would appreciate receiving as many (or few) social enterprise contacts you are able to offer.

My sincere thanks for your help, Virginia

Study Definition of Social Enterprise**:**
A social enterprise is a revenue-generating venture serving a primary mission of social change through a blend of market and mission-driven methods. Innovative and entrepreneurial practices distinguish this venture from other hybrid organizations. A social enterprise is distinct in its design to meet social needs and achieve commercial viability; market mechanisms serve to ensure enterprise self-sufficiency and underpin the creation of social value.

APPENDIX B

INTRODUCTORY EMAIL TO STUDY CANDIDATES

<u>Introductory Email</u>

Dear [*Recipient Name*]

[*Referral Name*] suggested I contact you. I am conducting academic research to explore social enterprise organizational climate, culture, and job satisfaction. Social enterprise experts across the United States assisted in compiling the list of candidate organizations to include in the study.

Your organization's participation will help make an important contribution to the field. This is the first study aimed at systematically researching how social enterprise members perceive their workplace experience. The Internet-based survey will take just 15-20 minutes to complete. The attached information sheet provides further details.

If you are comfortable in proceeding, I would be pleased to add [*Organization Name*] to the list of study organizations. I would just need to confirm a few remaining items in order to finalize arrangements (e.g., name of internal contact person, if other than yourself).

Otherwise, if you'd like talk through any questions, I'd be happy to phone at your convenience. Feel free to email me with a date/time that would be convenient to reach you. I will be calling from Central Europe and will do my best to accommodate your time preference. Email exchange is fine as well.

I look forward to speaking with you.
Virginia

Virginia Klamon
Principal Investigator
vklamon@ftml.net
+1 206 331 9600

This email contains information which may be confidential or privileged. The information is intended solely for the use of the individual or entity named above. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this information is prohibited. If you have received this electronic transmission in error, please notify me by telephone or by electronic mail immediately.

APPENDIX C

SOCIAL ENTERPRISE STUDY INFORMATION SHEET

Social Enterprise Organizational Climate Study – Participant Information Sheet

What is the Survey Purpose?
This survey is part of an academic research study to explore social enterprise (SE) organizational climate, culture, and job satisfaction. Scientific study of social enterprises is limited - and little is known about the attitudes and behaviors that characterize how organizational members interact and the nature of the organizational environments in which they work.

Specifically, the study attempts to understand how the organizational experience, embedded with social entrepreneurs' values, beliefs and leadership practices, is perceived by all social enterprise members.

Who Should Participate?
All social enterprise members are asked to complete the survey. This includes employees across the organization from all levels (e.g., executives, managers, staff) - - anyone who consistently participates in creating the organizational experience, even volunteers if involved on a day-to-day basis.

How Long Will It Take?
The English-language survey should take approximately **15-20 minutes** to complete via the Internet.

When Will the Survey be Conducted?
The survey will be conducted from September 26 to October 7. (*Note:Subject to change*)

How Will the Survey be Accessed?
The week before the survey an email message will be sent to a designated contact person at each social enterprise. The message will contain an Internet survey address (URL). The message will include instructions for accessing the survey using the URL. **The contact person will then forward the email to all social enterprise members.**

Is Participation Voluntary and Confidential?
Yes. Participation in this study is **voluntary** and all r**esponses will remain strictly confidential**. There is no identifying information on the survey. The **researcher will not have access to individuals' email addresses or names**. Survey results will only be examined and displayed in group terms and no individual or organization will be identified.

Will Participants Receive the Results?
A copy of the summary findings will be made available to all participants.
For Further Questions:
Virginia Klamon, Principal Investigator, vklamon@ftml.net , +1 206 331 9600

APPENDIX D

ORGANIZATION DEMOGRAPHIC DATA SHEET

Social Enterprise Organizational Climate Study –Organization Demographics

Name of Organization: ______________________________

Research Study Contact Person: ______________________________

Year Social Enterprise Founded: ______________________________

Total FTEs: ______________________________

Number of Individuals Participating in the Survey: (*may be different from FTEs*) ______________________________

Social Enterprise Business Area: ______________________________

Select From:

1. Arts/Culture/Humanities
2. Health
3. Public/Society Benefit
4. Education
5. Human Services
6. Religion
7. Environment/Animals
8. International Foreign Affairs
9. Miscellaneous Mutual/ Membership Benefit
10. Other (specify)

Legal/Tax Status:

1. For-Profit
2. Non-Profit ______________________________

Total Budget: ______________________________

Select From:

1. < $250,000
2. $250,000 - $499,999
3. $500,000 - $999,000
4. $1.0 - $2.4 million
5. $2.5 - $4.9 million
6. $5.0 - $9.9 million
7. $10.0 - $24.9 million
8. > $25 million

Profitability of the Social Enterprise: ______________________________

Select From:

1. Requires Subsidy
2. Breakeven
3. Financial Surplus
4. Uncertain
5. Other (specify)

Does the Social Enterprise definition below describe your organization? Yes or No ______________________________

*A **social enterprise** is a revenue-generating venture serving a primary mission of social change through a blend of market and mission-driven methods. Innovative and entrepreneurial practices distinguish this venture from other hybrid organizations. A social enterprise is distinct in its design to meet social needs and achieve commercial viability; market mechanisms serve to ensure enterprise self-sufficiency and underpin the creation of social value.*

APPENDIX E

WEB-BASED OLA SURVEY INSTRUMENT

Social Enterprise Organizational Study

This academic research study explores social enterprise organizational climate, culture, and job satisfaction. Specifically, the survey examines how social enterprise leadership practices and beliefs impact the different ways you and your colleagues function within your organization.

It will take about 15 minutes to complete the survey. If you should disconnect from the Internet before submitting your responses, you may log back into the survey and choose to continue or start over.

Your participation in completing the questionnaire is voluntary and confidential. There will be NO connection between your responses and your identity. All answers will be held in the strictest confidence. To begin the survey, please click on NEXT PAGE. By clicking this option you express your willingness to participate in this survey and to have your responses included in the study.

Please carefully read the instructions for each section before responding.

< NEXT PAGE >

OLA SURVEY – GENERAL INSTRUCTIONS

Please respond with your own personal feelings and beliefs and not those of others, or those that others would want you to have. Respond according to how things are...not as they could be, or should be.

Feel free to use the full spectrum of answers (from Strongly Disagree to Stongly Agree). Some statements may require more thought than others. If you are uncertain, you may want to answer with your first, intuitive repsonse. Please be honest and candid.

SECTION ONE

Demographic Information

Gender:
- Male
- Female

Highest Level of Education :
- Have not yet completed high school
- High school
- Associates Degree
- Bachelors Degree
- Masters Degree
- Doctoral Degree
- Other

Age:
- 0 – 19 years
- 20 – 29 years
- 30 – 39 years
- 40 – 49 years
- 50 – 59 years
- > 59 years

Number of Years with Employer
- < 1 year
- 1 – 3 years
- 4 – 6 years
- 7 – 10 years
- 11 – 15 years
- > 15 years

Your present role/position in the organization
- Executive Leader, Director
- Manager, Supervisor
- Staff
- Volunteer

Your Department (leave blank if no department specified)

NEXT ▶

SECTION TWO

Please respond to each statement as you believe it **applies to the entire organization**, including workers, volunteers, managers/supervisors, and executive leaders/directors.

In general, people within this organization........

Statement					
1. Trust each other	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
2. Are clear on the key goals of the organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
3. Are non-judgmental – they keep an open mind	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
4. Respect each other	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
5. Know where this organization is headed in the future	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
6. Maintain high ethical standards	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
7. Work well together in teams	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
8. Value differences in culture, race and ethnicity	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
9. Are caring and compassionate toward each other	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
10. Demonstrate high integrity and honesty	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
11. Are trustworthy	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
12. Relate well to each other	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
13. Attempt to work with others more than working on their own	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
14. Are held accountable for reaching work goals	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
15. Are aware of the needs of others	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
16. Allow for individuality of style and expression	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

NEXT ▶

Item					
17. Are encouraged by supervisors to share in making important decisions	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
18. Work to maintain positive working relationship	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
19. Accept people as they are	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
20. View conflict as an opportunity to learn and grow	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
21. Know how to get along with people	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

SECTION THREE

Please respond to each statement as you believe it **applies to all leaders** in this organization.

Executive leaders/directors and managers/supervisors in this organization........

Item					
22. Communicate a clear vision of the organization's future	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
23. Are open to learning from those who are below them in the organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
24. Allow workers to help determine where the organization is headed	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
25. Work alongside the workers instead of separate from them	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
26. Use persuasion to influence others instead of coercion or force	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
27. Don't hesitate to provide the leadership that is needed	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
28. Promote open communication & sharing of information	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
29. Give workers the power to make important decisions	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
30. Provide the support & resources needed to help workers meet their goals	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
31. Create an environment that encourages learning	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

NEXT ▶

32. Are open to receiving criticism & challenge from others	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
33. Say what they mean, and mean what they say	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
34. Encourage each person to exercise leadership	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
35. Admit personal limitations & mistakes	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
36. Encourage people to take risks even if they may fail	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
37. Practice the same behavior they expect from others	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
38. Facilitate the building of community & team	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
39. Do not demand special recognition for being leaders	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
40. Lead by example by modeling appropriate behavior	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
41. Seek to influence others from a positive relationship rather than from the authority of their position	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
42. Provide opportunities for all workers to develop to their full potential	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
43. Honestly evaluate themselves before seeking to evaluate others	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
44. Use their power and authority to benefit the workers	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
45. Take appropriate action when it is needed	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
46. Build people up through encouragement & affirmation	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
47. Encourage workers to work together rather than competing against each other	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
48. Are humble – they do not promote themselves	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
49. Communicate clear plans & goals for the organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
50. Provide mentor relationships in order to help people grow professionally	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

NEXT ▶

Item					
51. Are accountable & responsible to others	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
52. Are receptive listeners	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
53. Do not seek after special status or the "perks" of leadership	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
54. Put the needs of the workers ahead of their own	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

SECTION FOUR

Please respond to each statement as you believe it is **true about you personally** and **your role in the organization**.

In viewing my own role........

Item					
55. I feel appreciated by my supervisor for what I contribute	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
56. I am working a a high level of productivity	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
57. I am listened to by those above me in the organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
58. I feel good about my contribution to the organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
59. I receive encouragement and affirmation from those above me in the organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
60. My job is important to the success of the organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
61. I trust the leadership of this organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
62. I enjoy working in this organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
63. I am respected by those above me in the organization	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
64. I am able to be creative in my job	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
65. In this organization, a person's work is value more than their title	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
66. I am able to use my best gifts & abilitites in my job	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

Thank you for completing this survey!

APPENDIX F

PERMISSION TO USE OLA SURVEY INSTRUMENT

-----Original Message-----
From: Laub, Jim [mailto:Jim.Laub@indwes.edu]
Sent: Tuesday, June 14, 2005 7:12 PM
To: Virginia Klamon
Subject: RE: OLA-Request for Permission

Virginia - this looks very positive and I grant my permission to use the OLA for your doctoral research. I have attached a copy of the OLA instrument for your use. By the way, Rob Thompson's study did valididate [*sic*] the Job Satisifaction [*sic*] scale. You might want to look at his work to add support to your planned use of this scale. You can contact him at rob.thompson@indwes.edu to discuss his work.

I wish you well with you study and I look foward [*sic*] to reading about your findings.

I am planning on moving to south Florida next month so from August 1 on my new e-mail with be jim_laub@pba.edu ... you will be able to contact me there. Take care.

Jim Laub 765-506-2626

From: Virginia Klamon [mailto:vklamon@ftml.net]
Sent: Mon 6/13/2005 9:52 AM
To: Laub, Jim
Subject: OLA-Request for Permission

Jim,

I request your permission to use the OLA for my doctoral research study, Exploring Social Enterprise Climate and Culture. I select Option One from the Using the OLA for Academic Research Purposes - Letter of Understanding. This will grant access to an OLA master copy at no cost.

In accordance with my request, I agree to:
. use the OLA in its entirety without changes,
. use the OLA only for the specific study proposed,
. perform all research-related data entry and analysis,
. provide you with a bound copy of the research results (once complete), and
. grant you permission to reference my research on the OLAgroup web-site.

As requested, I attach the study methodology summary points (extracted from Chapter III) for your review. I anticipate defending the study proposal in early July, so the summary points remain in draft form. To facilitate an easier review of the attached document, I highlighted two key items of interest.

Regards, Virginia Klamon

APPENDIX G

WEBSURVEYOR CORPORATION PRIVACY POLICY

WebSurveyor Privacy Policy

Last Revised: 12/12/2003
This policy demonstrates our firm commitment to online privacy. Information obtained from visitors and customers will only be used for internal purposes. At no time will we sell, rent, or otherwise distribute your personal information or survey data to a third party.

Contact Information
We **never sell, share, or distribute any information** you provide during the registration process or in discussions with our survey advisors. Additionally, we use a double opt-in registration process to further assure the security of your contact information. Any attempt to circumvent or abuse our system through multiple registrations, entering someone else's contact information or falsifying any data will result in immediate deletion of any and all records and accounts for that user.

Surveys
When you publish your survey on our servers, we will provide you with a unique URL to display your survey. We will not provide this URL to any other person or entity, but we will provide your survey to any web browser requesting your unique URL. We may review your survey contents for violations of our Use Policy. If we determine your survey is in violation of our Use Policy, we will attempt to contact you and reserve the right to delete your survey and results from our systems.

Survey Results
We will not attempt to read your survey results at any time unless explicitly instructed to do so by you. We do not own the contents of the data for your survey. We have will only access to your surveys for purposes of backup and troubleshooting. When your survey results are received by us, we will store them in a secure location. We will only allow your survey results to be downloaded directly into our desktop software. To download your results, you must have a copy of the survey control file (WSB extension) used to publish the survey. We have security measures in place to protect your results while stored on our servers and we will prosecute any attempt to access this information without authorization to the fullest extent of the law.

Safe Harbor and EU Data Protection Requirements
Safe Harbor provisions are terms and conditions as set forth by the International Trade Federation of the United States Commerce Department that promotes data security and protection and procedures to insure that the terms and conditions are adhered to and supported by those companies who have agreed to the terms and conditions of Safe Harbor and have formally certified to that effect. WebSurveyor Corporation has met the Safe Harbor requirements on 3/28/05 and has been placed on the Safe Harbor list of companies accordingly. This list and details on the Safe Harbor provisions may be found at: http://web.ita.doc.gov/safeharbor/SHList.nsf/WebPages/virginia

APPENDIX H

SURVEY ACCESS - EMAIL TO PARTICIPANTS

Social Enterprise Research Study – Email to Participants

RESEARCH STUDY - PLEASE PARTICIPATE

Your organization is participating in an academic research study to explore Social Enterprise organizational climate, culture, and job satisfaction.

As part of the study, you are asked to complete a survey. It will only take about 15 minutes of your time. The survey captures your perceptions of your social enterprise workplace experience

Your participation in completing the questionnaire is voluntary and all responses will remain strictly confidential. The research team will not have access to your name or email address. The results will only be displayed in group terms and no individual or organization will be identified.

To begin the survey click on <Next>. You may access this survey *online (24hrs/day) until Friday, October 7.

Your cooperation is very important to this study and is greatly appreciated.
Thank you for agreeing to participate in this survey!

Virginia Klamon
Principal Investigator
Ph.D. Candidate, Gonzaga University

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