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PREVIEW

EFFECTIVE VERSUS DESTRUCTIVE LEADER BEHAVIOR:
THE MOTIVATING ROLE OF PERSONAL VALUES

by

Jody J. Illies

A DISSERTATION

Presented to the Faculty of
The Graduate College at the University of Nebraska
In Partial Fulfillment of Requirements
For the Degree of Doctor of Philosophy

Major: Psychology

Under the Supervision of Professor Roni Reiter-Palmon

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DISSERTATION TITLE

Effective Versus Destructive Leader Behavior: The

Motivating Role of Personal Values

BY

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EFFECTIVE VERSUS DESTRUCTIVE LEADER BEHAVIOR: THE MOTIVATING ROLE OF PERSONAL VALUES

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University of Nebraska, 2001

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This research explored the role of values in the problem-solving and decision-making activities of leaders using an established and validated theory on the content and structure of personal values. Undergraduate student participants completed a managerial assessment center that required them to solve managerial problems, complete an in-basket exercise, and respond to several questionnaires. Participants' past leadership activities were assessed along with their willingness to engage in destructive leader behavior and their ability to generate original, high quality solutions to leadership problems. Destructiveness was defined as striving for personal gains over collective organizational interests and/or focusing on short-term gains over long-term organizational goals. Results revealed that achievement values and power values were positively related to leader emergence whereas hedonism goals were negatively related to leader emergence. Participants' value systems were also found to predict their willingness to engage in destructive behavior. In addition, having an authority figure support destructiveness moderated the effect of values such that with the support of the company president, participants with self-enhancement values were more destructive

than were those with self-transcendence values. These groups did not differ when the authority support was not present. Results also showed that participants' defined an ambiguous leadership problem in a manner that reflected their personal values, which mediated the relationship between values and solution destructiveness. Although personal values influenced problem definitions and the destructiveness of problem solutions, they did not directly affect the quality, originality, or creativity of the problem solutions. However, participants who engaged in problem construction generated solutions that were more original, higher in quality, and more creative than did participants who did not engage in problem construction. Overall, results of this study provided empirical support for the popular assertion that personal values play an important role in organizational leadership. Implications of the results for today's organizational are discussed along with suggestions for future empirical research that will help to delineate further the complex influence personal values have on organizational behavior.

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Chapter 1: Introduction

Effective Versus Destructive Leader Behavior:

The Motivating Role of Personal Values

Overview

Prescriptions for leaders with certain values are being offered throughout the organizational literature (e.g., Fairholm, 1991; Huey, 1994). Despite these prescriptions, Korsgaard, Meglino, and Lester (1997) recently asserted that how and where values impact organizational behavior is not well understood. In fact, a direct link between an established theory of personal values and leadership activity still lacks empirical evidence. With this in mind, this study attempted to answer two main questions. First, is there a general relationship between the content and structure of personal values and leadership emergence? Second, is there a connection between personal values and the decision-making/problem-solving activities of leaders? In regards to the second question, special attention was directed at the ability of values to predict the tendency of leaders to make decisions or to generate solutions that are destructive to their organization and/or their followers/subordinates.

Relating Values to Organizational Leadership

Today's organizations must be able to accommodate new workers who are more educated and more demanding and a new global market that is more diverse and more complex (Fairholm, 1991). Coping with and adapting to these changes forces employees to make many critical decisions while at work. Because of the influence values can have on these critical decisions, they have become a very popular topic of

discussion among management theorists (e.g., Smith, 1998; Thomas, 1997). A value reflects personal assessments regarding the desirability of alternative end states and behaviors. A person's value system is the collection of a universal set of individual values arranged hierarchically according to the importance that person places on each value (Schwartz, 1992; Rokeach, 1973). Therefore, different values will exert different influences on behavior depending on their location in an individual's hierarchical value system. In terms of organizational leadership, two leaders could behave in completely different ways due simply to the differences in their value systems. For this reason, many organizational researchers and theorists are focusing on personal values.

Attempting to understand the role personal values play in one's organization is now being referred to as "good business" (Avishai, 1996), and testaments to the influence of values are accumulating (e.g., Blanchard & O'Connor, 1997; Cohen & Greenfield, 1997; Korsgaard, et al., 1997; Smith, 1998). Avishai (1996) reported that organizations must invest in people and must "do good" for moral and business reasons as the traditional hierarchical-organizational structure is being replaced by teamwork. This teamwork philosophy emphasizes the importance of working together for the innovations needed to remain competitive in a new global market. Corporations are becoming communities as people spend more time at work and look to their jobs for general life satisfaction (Avishai, 1996).

The above observations have led many to advocate the study of values in understanding the behavior of organizational employees (e.g., Anderson, 1997; Korsgaard et al., 1997; Snyder, Dowd, & Houghton, 1994; Thomas, 1997). Much of the

resulting attention has been focused on the importance of values to effective leadership. Fairholm (1991), for example, asserted, "leadership, at its heart, is a value-laden activity" (p. 69). He also reported that today's employees want more involvement in and fulfillment from their jobs, and leaders must help them grow and develop to this end (Fairholm, 1998). Similarly, Huey (1994) reported that when information-based technology and global competition vastly reduced middle management, upper-management was forced to deal with interpersonal leadership issues. Huey discussed that leadership used to be about obtaining bottom-line results, whereas now, leaders must also espouse the values that employees embrace, such as fairness, commitment, and freedom. They must view their organizations in the larger context of life (Blanchard & O'Connor, 1997). Organizations as a whole seem to be pushing for shared and social responsibility as a way to connect with their employees (Anderson, 1997).

A connection between values and leadership is not a novel idea. In 1978, Burns discussed that values are critical for effective leadership. Similarly, in 1980, Hall and Thompson reported that leaders must have a higher level of value development to understand followers and to be democratic and charismatic. Without this higher development, they asserted, leaders will tend to adopt an autocratic style. In addition to these prescriptions, values have also appeared in two influential leadership theories, the contingency model of leadership and the transactional/charismatic theory of leadership.

The contingency model of leadership (Fielder, 1967) posits that leadership activities are attempts at social influence. More specifically, whether or not a leader can successfully influence people in a given situation will dictate his/her ability to lead in

that situation. This contingency prediction centers on the belief that both personal attributes and situational characteristics combine in determining effective leadership. Leaders with certain attributes will be more effective in certain situations. The measurement of leader attributes is where values emerged in this theory. The contingency model of leadership operationalizes a leader's personal attributes using the "least preferred coworker" (LPC) scale. This scale measures whether a leader is motivated more by task accomplishment or more by maintaining interpersonal relationships. This motivation is determined by asking the leader to "describe the one person with whom you have had the most difficulty in getting the job done" (Fiedler, 1993, p. 4). The LPC scale has generated much debate as to what it actually measures (Chemers, 1997). Several researchers (e.g., Rice, 1978) have asserted that the LPC scale is simply a measure of a leader's personal values. What does the leader value most, task completion or interpersonal relationships? Although hinting to a possible role of values in leadership, this assertion has not resulted in research directed at examining values and leadership more closely. In addition, the proposed role of values in this theory was not based on an established theory of personal values but focused more on the motivational drives that might result from different value systems.

Leadership theorists have also alleged that values and morals play an important role in transformational and charismatic leadership (e.g., Avolio & Bass, 1995; Burns, 1978; Ehrhart, & Klein, 2001; Jung & Avolio, 2000; Kuhnert & Lewis, 1987). Bass (1998), for example, alleged that transformational leaders have a high level of moral development, making them more concerned with fairness and integrity issues.

Similarly, Avolio and Bass (1995) argued that transformational leaders emphasize the moral and ethical aspects of behaviors and activities over their own self-interests. Along similar lines, charismatic leaders are believed to have profound motivating effects on their followers through the communication of an influential and all-encompassing vision. This vision is believed to convey a transcendent or ideological goal that connects to followers' internal values, beliefs, and morals (House, 1977; House & Shamir, 1993; Sashkin, 1988). A good vision arouses personal values in followers, which in turn serve to direct their attention and behavior toward the realization of that vision (Shamir, House, & Arthur, 1993). Although researchers have begun to accumulate evidence demonstrating that a leader's vision positively affects organizational outcomes (e.g., Howell & Avolio, 1993; Howell & Frost, 1989; Larwood, Falbe, Kriger, & Miesing, 1995), they have not delineated the role of values in this effect. Additionally, most of the discussion on values in relation to transformational or charismatic leadership has focused on the effect of a leader's values on his/her followers' behaviors as opposed to the effect a leader's values on his/her own behavior.

In addition to these theoretical connections, some past empirical research explored the relation between values and leadership. Although not referring directly to values, Ghiselli (1968) found that the value-related desires for security, power, and self-actualization influenced managerial success. More directly, Hage and Dwar (1973) found that the values of top organizational personnel are related to organizational innovation. Specifically, considering 16 midwestern health and welfare organizations, the results of their three-year study revealed that those organizations whose leaders

valued change tended to be more innovative. Innovation was defined as the adoption of completely new organizational programs such as a hospital starting a new specialized clinic or a health center starting a new program to help particular community members (e.g., unwed mothers). Finally, a study by Mumford, O'Connor, Clifton, Connelly, and Zaccaro (1993) found significant correlations between traditional personal values and leadership emergence for both male and female college students. The traditional values measure was a cluster of biographical data questions assessing areas such as strength of moral conscience, strength of religious beliefs, engagement in religious activities, and desire to be a "good and responsible" family member while in high school.

In summary, some theoretical discussion and a few empirical investigations have addressed a values-leadership connection; however, the two have not been connected using an established theory on the content and structure of personal values (Thomas, 1997). To this end, one goal of this study was to explore the relation between personal values and general leadership emergence. A second goal was to determine the more specific effects of personal values on leadership problem solving and decision making. Although it is believed that values are related to leadership emergence, given the number of other factors that affect whether or not one becomes a leader, this effect was expected to be small. In contrast, given the influence values have on behavior, they should have a much larger effect on the problem-solving and decision-making activities of leaders.

Leadership: A Problem-Solving/Decision-Making Perspective

For this investigation, organizational leadership was defined as interpersonal and goal-oriented problem solving and decision making (Fleishman, Mumford, Zaccaro, Levin, Korotkin, & Hein, 1991; Mumford & Connelly, 1991; Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000). Most problems and decisions faced by organizational leaders occur in ill-defined situations, which require a leader's interpretation (Mumford & Connelly, 1991). Using their interpretations, leaders attempt to structure the information from these situations around organizational goals and objectives and then communicate that information to employees (Fleishman et al., 1991; Selznick, 1957). When an employee knows exactly when, where, and how to do something, the potential influence of a leader is greatly reduced. However, when these circumstances are unknown or unclear, as is the case with many organizational environments, a leader must use his/her problem-solving and decision-making ability to clarify the situation and to provide direction to his/her followers.

The ill-defined nature of most decisions and problems encountered by organizational leaders magnifies the effect of differences in personal attributes related to problem-solving behavior or decision choice (Mumford, O'Connor, et al., 1993). For this reason, individual differences are considered critical to the understanding of leadership (Bass, 1990; Lord, DeVader, & Alliger, 1986). Although much of the early leadership research focused on exploring the differences between people who were perceived as effective leaders and those who were not (Bass, 1990; Chemers, 1997), this line of research was largely disregarded in the 1950's due both to misinterpreted (by

others) research summaries published by Mann (1959) and Stogdill (1948) and to the widespread influence of behaviorism. Although the belief that personal attributes did not differentiate leaders from nonleaders persisted for some time, an influential meta-analysis by Lord et al. (1986) renewed an interest in the study of individual differences and leadership. This meta-analysis revealed that, contrary to the popular belief at that time, past leadership research had demonstrated that individual differences were associated with differences in perceptions of effective leadership. The authors concluded that the effect of individual differences on leadership was deserving of empirical research. This belief is now endorsed by most leadership theorists (Bass, 1990) and is part of the reason why many theorists have begun to discuss the role of values in leadership.

Because leaders must use a high degree of personal discretion in interpreting ambiguous situations (Mumford & Connelly, 1991; Mumford et al., 2000), the potential exists for values to have a strong influence on their behavior (Hunt, 1991). Values are considered to be stable, individual characteristics (Braithwaite & Scott, 1991; Meglino, Ravlin, & Adkins, 1989; Rokeach, 1973; Schwartz, 1992) that influence the choices people make (Anderson, 1997; Epstein, 1989; Rohan, 2000; Williams, 1979) and the problem solutions they generate (Brophy, 1998). The potential influence of values on leadership problem solving and decision making is magnified further when one considers the social nature of leadership. Leadership by definition has social implications (Bass, 1990; Chemers, 1997; Fleishman et al., 1991; Zaccaro, Gilbert, Thor, & Mumford, 1991). Regardless of the specific leadership style embraced (e.g.,