Chapter 2

Leadership Traits and Ethics

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Chapter 2
Learning Outcomes

- ☐ List the benefits of classifying personality traits.
- ☐ Describe the Big Five personality dimensions.
- ☐ Explain the universality of traits of effective leaders.
- ☐ Discuss why the trait of dominance is so important for managers to have.
- ☐ State how the Achievement Motivation Theory and the Leader Motive Profile are related and different.
- ☐ Identify similarities and differences among Theory X and Theory Y, the Pygmalion Effect, and self-concept.
- ☐ Describe how attitudes are used to develop four leadership styles.
- ☐ Compare the three levels of moral development.
- ☐ Explain the stakeholder approach to ethics.
- ☐ Define the key terms listed at the end of the chapter.

Traits and Personality

- Traits
 - Are distinguishing personal characteristics
- Personality
  - Is a combination of traits that classifies an individual's behavior

What Value Do Traits and Personality Have in the Study of Leadership?

- ❑ Understanding people's personalities is important because personality affects behavior as well as perceptions and attitudes

- ❑ Knowing personalities help to explain and predict others' behavior and job performance

The Big Five Model of Personality

Surgency

Agreeableness

Adjustment

Conscientiousness

Openness to experience
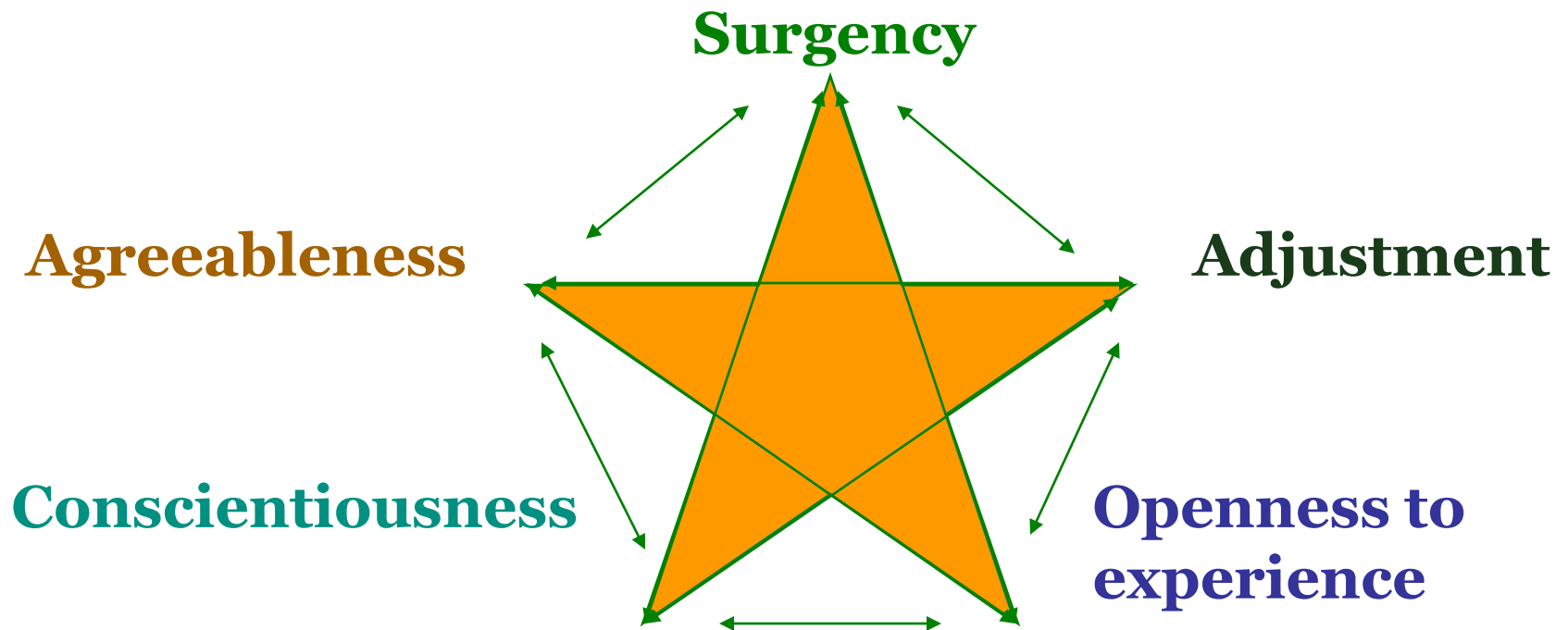
Source: Adapted from T. A. Judge, D. Heller, and M. K. Mount. "Five-Factor Model of Personality and Job Satisfaction: A Meta-Analysis." *Journal of Applied Psychology* 87 (June 2002), 530(12).

The Big Five

- **Surgency (dominance)**
  - Leadership and extraversion traits
  - Want to be in charge
- **Agreeableness**
  - Traits related to getting along with people
  - Sociable, friendly
- **Adjustment**
  - Traits related to emotional stability
    - Stable = self-control, calm, good under pressure, relaxed, secure, and positive

The Big Five (cont.)

- ☐ **Conscientiousness**
  - ■ Traits related to achievement
  - ■ Responsible and dependable
- ☐ **Openness to experience**
  - ■ Traits related to the willingness to try new things
  - ■ Seek change

Personality Profiles

- Identify individual stronger and weaker traits
- Are used to ensure a proper match between the worker and the job
- Are also used to categorize people as a means of predicting job success

Why Executives Are Derailed

- ☐ Used a bullying style viewed as intimidating, insensitive, and abrasive
- ☐ Were viewed as being cold, aloof, and arrogant
- ☐ Betrayed personal trust
- ☐ Were self-centered and viewed as overly ambitious and thinking of the next job
- ☐ Had specific performance problems with the business
- ☐ Overmanaged and were unable to delegate or build a team

Traits of Effective Leaders

Internal locus of control

Integrity

High energy

Flexibility

Dominance

Traits of Effective Leaders

Sensitivity to others

Self-confidence

Intelligence

Stability

Traits of Effective Leaders (cont.)

- **Dominance**
  - Want to be in charge
  - Not overly bossy or bullying
  - Affects all other traits
- **High energy**
  - Drive, hard work, stamina, persistence
  - Tolerate stress well
- **Self-confidence**
  - Trust own judgments, decisions, ideas, capabilities
  - Related to effectiveness and advancement

Traits of Effective Leaders (cont.)

- ❏ **Locus of control**
  - ◼ Internal = belief in the control of your own destiny
  - ◼ External = belief in fate, luck, etc.
- ❏ **Stability**
  - ◼ Emotionally in control, secure, positive
  - ◼ Associated with managerial effectiveness and advancement
- ❏ **Integrity**
  - ◼ Honest, ethical, trustworthy
  - ◼ Essential to running a successful business

Traits of Effective Leaders (cont.)

- **Intelligence**
  - Is the ability to think critically, solve problems, and make decisions
  - Is the best predictor of job performance
  - Emotional intelligence
    - Self-awareness
      - Being conscious of your own emotions and how they affect your personal and professional life
    - Social awareness
      - The ability to understand others
    - Self-management
      - The ability to control disruptive emotions
    - Relationship management
      - The ability to work well with others

Traits of Effective Leaders (cont.)

- **Flexibility**
  - Change, adjust to changes
  - The ability to influence others about change
- **Sensitivity**
  - Understand group members as individuals, communicate well, people centered
  - Requires empathy

Achievement Motivation Theory

- Attempts to explain and predict behavior and performance based on a person's need for achievement, power, and affiliation

Characteristics of the Need for Achievement (n Ach)

- ☐ Internal locus of control
- ☐ Self-confidence
- ☐ High energy
- ☐ Goal oriented
  - ■ Realistic goals
- ☐ Moderate risks
- ☐ Competitive

Characteristics of the
Need for Power (n Pow)

- ☐ Want to be in charge (in authority)
- ☐ Self-confident
- ☐ High energy
- ☐ Competitive
- ☐ Ambitious
- ☐ Less concerned with people

Characteristics of the Need for Affiliation (n Aff)

- Strong personal relationships
- Sensitivity to others
- Joiners
- Prefer "helping professions"
- Concerned about what people think of them
- Usually have low need for power
  - Avoid leadership

Leader Motive Profile (LMP)

- ☐ Is a set of traits that match up to the "typical" effective leader
- ☐ Tends to have a high need for <u>socialized</u> power, a moderate need for achievement, and a lesser need for affiliation
  - ■ Socialized power
    - – Used for the good of one's self, the group, and the organization
  - ■ Personalized power
    - – Used for personal gain at the expense of others

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Combined Traits and Needs

The Big Five Model of Personality	Nine Traits of Effective Leaders	Achievement Motivation Theory and LMP
Surgency	Domination	Need for power
Agreeableness	Sensitivity to others	Need for affiliation
Adjustment	Stability	Socialized power (LMP)
Conscientiousness	High energy Self-confidence Integrity	Need for achievement
Openness to experience	Internal locus of control Intelligence Flexibility	No separate need; included within other needs

Leadership Attitudes

- Are positive or negative feelings about people, things, and issues
- Job attitudes and performance are perhaps the two most central sets of constructs in individual-level organizational analysis research

Leadership Attitudes (cont.)

- **Theory X and Theory Y**
  - Attempt to explain and predict leadership behavior and performance based on the leader's attitude about followers

- **Pygmalion effect**
  - Proposes that leaders' attitudes toward and expectations of followers, and their treatment of them, explain and predict followers' behavior and performance

- **Self-concept**
  - Refers to the positive or negative attitudes people have about themselves

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Theory X versus Theory Y

Theory X Attitude:

- ☐ Employees dislike work
- ☐ Employees must be closely supervised
- ☐ Managers display more coercive, autocratic leadership
- ☐ Managers use external means of control, such as threats and punishment

Theory Y Attitude:

- ☐ Employees like to work
- ☐ Employees do not need to be closely supervised
- ☐ Managers display more participative leadership
- ☐ Managers use internal motivation and rewards

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Discussion Question #1

McGregor published Theory X and Theory Y over 30 years ago. Do we still have Theory X managers? Why?

The Pygmalion Effect

□ Proposes that the leaders' attitudes toward and expectations of followers, and their treatment of them, explain and predict followers' behavior and performance

In other words:
*"If you think you can,
you can;
if you think you can't,
you can't."*

The Pygmalion Effect (cont.)

- ☐ In business, expectations are stated as objectives and standards
- ☐ Effective leaders train ordinary employees to do a great job
- ☐ Leaders' expectations influence the behavior and performance of followers

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Discussion Question #2

In text examples related to the Pygmalion effect, Lou Holtz calls for setting a higher standard. Have the standards in school, society, and work increased or decreased over the last five years?

Self-Concept

- ☐ Refers to the positive or negative attitudes people have about themselves
- ☐ Self-efficacy is the belief in one's own capability to perform in a specific situation
- ☐ Both are closely related to self-confidence, the belief that one can be successful

Developing a More Positive Attitude and Self-Concept

- ☐ Consciously have and maintain a positive, optimistic attitude
- ☐ Push out pessimism
- ☐ Cultivate optimism
- ☐ Stop complaining
- ☐ Avoid negative people
- ☐ Set and achieve goals

Developing a More Positive Attitude and Self-Concept (cont.)

- ☐ Focus on success and don't dwell on failure
- ☐ Accept compliments
- ☐ Don't belittle your accomplishments
- ☐ Don't compare yourself to others
- ☐ Think for yourself
- ☐ Be a positive role model
- ☐ When things go wrong, help others who are worse off than you

Leadership Styles Based on Attitudes

	Theory Y Attitudes	**Theory X Attitudes**
Positive self-concept	• Gives and accepts positive feedback • Expects others to succeed • Lets others do the job their way	• Bossy, pushy, and impatient • Critical • Autocratic
Negative self-concept	• Afraid to make decisions • Unassertive • Self-blaming	• Pessimistic • Promotes hopelessness

Ethics

- Are the standards of right and wrong that influence behavior
  - Right behavior is considered ethical
  - Wrong behavior is considered unethical
- Business ethics, and ethics codes, guide and constrain everyday business conduct

Discussion Question #3

Can ethics be taught and learned?

Personality Traits, Attitudes, and Ethics

- ☐ Ethical behavior is related to individual needs and personality traits
- ☐ To gain power, people may be unethical
- ☐ Irresponsible persons may unethically cut corners
- ☐ Self-confidence can allow a person to make ethical choices

Personality Traits, Attitudes, and Ethics (cont.)

- Unethical behavior is more likely found in people with the following characteristics:
  - Emotionally unstable
  - External locus of control
- Being ethical is part of integrity
- People with positive attitudes about ethics tend to be ethical

Moral Development and Ethics

- ❑ Moral development refers to understanding right from wrong and choosing to do the right thing
- ❑ There are three levels of personal moral development

Levels of Moral Development

- ❏ Preconventional
  - ■ Based on self-interest
- ❏ Conventional
  - ■ Based on expectations of others
- ❏ Postconventional
  - ■ Based on universal principles of right and wrong, regardless of the leader or group's expectations

Source: Adapted from Lawrence Kohlberg, "Moral Stages and Moralization: The Cognitive-Development Approach." In Thomas Likona (ed.), *Moral Development and Behavior: Theory, Research, and Social Issues* (Austin, TX: Holt, Rinehart and Winston, 1976): 31–53.

The Situation and Ethics

- People are more likely to act unethically:
  - In highly competitive situations
  - In unsupervised situations
  - When there is no formal ethics policy
  - When unethical behavior is not punished or is rewarded

How People Justify Unethical Behavior

- Moral justification
  - Reinterpreting immoral behavior in terms of a higher purpose
- Displacement of responsibility
  - Blaming one's unethical behavior on others
- Diffusion of responsibility
  - Using the unethical behavior with no one person being held responsible
- Advantageous comparison
  - Comparing oneself to others who are worse

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How People Justify Unethical Behavior (cont.)

- **Disregard or distortion of consequences**
  - Minimizing the harm caused by the unethical behavior
- **Attribution of blame**
  - Claiming the unethical behavior was caused by someone else's behavior
- **Euphemistic labeling**
  - Using "cosmetic" words to make the behavior sound acceptable

Simple Guides to Ethical Behavior

☐ Golden Rule

"Do unto others as you want them to do unto you."

☐ Four-Way Test

- ■ Is it the truth?
- ■ If it fair to all concerned?
- ■ Will it build goodwill and better friendship?
- ■ Will it be beneficial to all concerned?

Stakeholder Approach to Ethics

❑ Creates a win-win situation for relevant parties affected by the decision

"Am I proud to tell relevant stakeholders my decision?"

What Does It Take to Be an Ethical Leader?

Courage!

- An ethically courageous leader must:
  - Focus on a higher purpose
  - Draw strength from others
    - Family and friends
  - Take risks without fear of failure
    - We all fail sometimes
  - Use frustration and anger for good
  - Take action to stop unethical behavior

Discussion Question #4

Do you believe that if you use ethical behavior it will pay off in the long run?