Chapter XII

Effects of Leadership Style and Anonymity on Arguments and Intentions Related to Acting Unethically

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ABSTRACT

A laboratory experiment was conducted with 42 student groups to evaluate the effects of transactional vs. transformational leadership styles and anonymity when groups supported by an electronic meeting system (EMS) discussed the ethical issue of copying copyrighted software. A confederate leader displayed either transformational or transactional behaviors. Transformational leaders motivate effort by raising the awareness of followers to make them aspire to higher order needs and values, and developing them to fulfill their aspirations. Transactional leaders motivate effort by highlighting the contractual exchange involved in a relationship. Participants working with a transformational confederate were more likely to make arguments that challenged the copying of copyrighted software than those working with one who was more transactional. These arguments in turn caused groups exposed to such arguments to have greater deviation among its members in intentions to copy the software. Participants working with a transactional confederate were more likely to make arguments in favor of copying copyrighted software. These arguments in turn caused groups exposed to such arguments to have a greater mean of intentions to copy the software. Implications for practice and future research on ethics and leadership are discussed.

EFFECTS OF LEADERSHIP STYLE AND ANONYMITY ON ARGUMENTS AND INTENTIONS RELATED TO ACTING UNETHICALLY

Despite increasing governmental regulation, the problem of unethical behavior persists and imposes a significant cost on organizations (Verschoor, 2006). Additionally, the increasing digitization of intellectual property combined with increasing deployment of electronic networks is making it more likely for organizational workers to engage in unethical acts that compromise the rights of owners of digital content (Stead & Gilbert, 2001). Consequently, it is not surprising that public- and private-sector establishments, universities, and professional societies are interested in understanding how workers and students can be developed to reason ethically (Giacalone & Thompson, 2006). Among the issues that these entities are focusing on is the linkage between a leader's behavior and the ethical intentions and behavior of the leader's followers (Brown & Trevino, 2006; Cuilla, 2004). Underlying this focus is a widespread belief that leaders set the tone for ethical behavior in organizations.

Due to an increasing reliance on computer-mediated communication and the geographic spread of an organization's workforce, organizations are also focusing today on the use of online communication media for the development of ethical reasoning (French, 2006; Painter-Morland, Fontrodona, Hoffman, & Rowe, 2003). The relevance of online communication media for the development of ethical reasoning was apparent in the emergence of Web-based discussions of hundreds of hypothetical ethical scenarios not too long ago. These discussions broke out after it was revealed by a prestigious university in March 2005 that it had turned down over 100 applicants who snooped into an online database to find out the status of their applications (Zeller, 2005). Visitors to one such discussion at Collegeconfidential.com, for instance, included students, school teachers, and parents who engaged each other about how they would act and presented reasons for why one action would be more appropriate or inappropriate than another.

Due to the potential of online discussions to shape the ethical attitudes and behaviors of today's and future personnel, organizations would benefit from an understanding of the effects of interventions introduced in such discussions. Interventions could take the form of the introduction of a leader who facilitates the discussion and tries to influence the tone of the discussion, and the manipulation of features of online communication media, such as anonymity in providing input. Motivated by these considerations, we decided to examine the connection between leadership style and ethical reasoning in an electronic context.

Specifically, we compared the effects of transactional and transformational styles displayed by confederate leaders introduced in groups to facilitate discussion on the issue of copying copyrighted software in groups. Members of these groups communicated anonymously or nonanonymously via an electronic meeting system (EMS). We also studied the effects of different types of arguments raised on the intentions within the groups regarding action on the issue. Though prior literature has examined the relationship of leadership to ethics (e.g., Brown & Trevino, 2006; Grojean, Resick, Dickson, & Smith, 2004; Turner, Barling, Epitropaki, Butcher, & Milner, 2002), the authors are not aware of any empirical research that has examined the relationship between leadership styles and ethical reasoning in electronic contexts.

Our focus on transformational and transactional styles was motivated, in part, by the impact that these leadership styles have on group processes and outcomes across a broad range of organizations (see Judge & Piccolo, 2004) and settings, including electronic settings (Kahai, Sosik, & Avolio, 2003; Sosik, Avolio, & Kahai, 1997). Both transactional and transformational leadership styles are likely to influence ethical

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