Relationships between Personality and Leadership

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Abstract

The organizations must select the right leaders for obtaining the expected results, and due to that importance, the study of the relationships between Personality and Leadership Styles had been developed some years ago in some countries, including Peru. This is a very important issue, which needs improvement of knowledge. The theoretical framework of this literature review is related to: (a) a brief description about definitions of leader; (b) relationships between leadership styles, industry conditions, and organizational performance; (c) relationships between personal traits and leadership styles, using charismatic leadership theory and the Five Factor Model; and (d) conclusions.

Introduction

The study of the personality of the leaders has been developed since various decades until nowadays because is one of the most important attributes of the leaders, which could impact on the success of their management and their results. In this sense, this study contributes to a better comprehension about leadership, the leadership styles, and the personal traits of the leaders.

Literature Review

Leaders and Leadership

Diverse concepts about the leaders and the leadership were proposed by diverse authors along time, although the origin of the concepts of the leadership styles for academic purposes maybe was the concepts of Burns (1978), who proposed the transformational and transactional leadership styles. Odetunde and Ufodiama (2017) explained that transformational leadership has predictable effects on employee innovation.
Leaf (2008) commented the article “The Leaders we need: and what makes us follow” of Michael Maccoby (2007) from Harvard Business School. For Maccoby the “only irrefutable” definition of a leader is “someone people follow” (Leaf, 2008). Jago (1982) also incorporated a new definition of Leadership:

Leadership is both a process and a property. The process of leadership is the use of non-coercive influence to direct and coordinate the activities of the members of an organized group toward the accomplishment of group objectives. As a property, leadership is the set of qualities or characteristics attributed to those who are perceived to successfully employ such influence.” (p. 315).

Burns (1978) established differences between transformational and transactional leadership. Transformational Leadership involves forming “a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents” (p. 4). Transactional Leadership involves “leaders approaching followers with an eye to exchanging one thing for another” (Burns, 1978, p. 4). Leadership is global issue and due its importance, many researchers invest their efforts for improving its knowledge, in diverse countries.

Jago (1982) explained that theoretical perspectives of research about leadership are the following: (a) the focus on a universally appropriate set of leadership traits, (b) the focus on a universally appropriate behavioral style, (c) the focus on situational contingent leadership traits, and (d) the focus on situational contingent behavioral styles. Leaf (2008) commented that the leader must possess strategic and personality intelligence (an integrated understanding of systems and people).

Jago (1982) indicated that leadership traits can be analyzed through the following groups of elements: (a) physical and constitutional factors, (b) personality characteristics, (c) social characteristics, and (d) skills and abilities. Jago (1982) also indicated the physical and
constitutional factors, which were the following: activity, energy, appearance, grooming, height, and weight. Personality characteristics were the following: achievement drive, ambition, adaptability, adjustment, normality, aggressiveness, alertness, anti-authoritarianism, dominance, emotional balance, control, enthusiasm, extraversion, independence, nonconformity, initiative, insightfulness, integrity, objectivity, originality, persistence, responsibility, self-confidence, sense of humor, and tolerance of stress (Jago, 1982). Social characteristics were the following: cooperativeness, interpersonal skills, popularity, prestige, sociability, socioeconomic position, talkativeness, and tact (Jago, 1982). Skills and abilities were the following: administrative ability, intelligence, judgment, knowledge, technical competence, and verbal fluency (Jago, 1982).

Trice and Beyer (1991) explained that leaders who create and change cultures are different of leaders who maintain cultures. However, they indicated that although the leaders are different, the behaviors of effective cultural leaders are common. They analyzed nine elements of cultural leadership: (a) personal qualities, (b) perceived situation, (c) vision and mission, (d) followers attributions, (e) leader behaviors, (f) performance, (g) administrative actions, (h) use of cultural forms, and (i) use of tradition. Then, Trice and Beyer (1991) hypothesized links between elements of cultural leadership and consequences for culture (characteristics in the innovation and maintenance of culture). Some of the characteristics in innovation were the following: self-confidence, crisis, radical ideology, effective role model, etc. Some of the characteristics in maintenance were the following: confidence in group, manageable one, conservative ideology, effective role model, communication of success, continues existing traditions, etc.

**Leadership Styles, Industry Conditions and Organizational Performance**

Rotemberg and Saloner (1993) studied the relationships between a firm’s environment, and its optimal leadership style. The results revealed that “leaders who empathize with their
employees adopt a participatory style and that shareholders gain from appointing such leaders when the firm has the potential for exploiting numerous innovative ideas” (p. 1299). Also, the results revealed: “when the environment is poor in new ideas, shareholders benefit from hiring a more selfish (i.e., more profit maximizing) leader whose style is more autocratic” (Rotemberg & Saloner, p. 1299).

Boeker (1997) studied how chief executive and top management characteristics interact with organizational performance to influence strategic change. This study evaluated the relationships between firm performance and strategic change, through the combination of four managerial characteristics on strategic change: (1) chief executive succession, (2) chief executive tenure, (3) top management tenure, and (4) top management tenure diversity. The results of the study revealed that long and diverse managerial tenures and poor performance, are related to greater levels of change. Also, poor performance increases the probability of the strategic change, moderating the relationship between managerial characteristics and strategic change.

Datta and Rajagopalan (1998) studied the relationships between industry conditions (product differentiation, growth rate, and capital investment) and the characteristics of CEO successors (organizational tenure, age, educational level, and throughput functional background), based on 134 CEO succession events in non-diversified manufacturing firms. The results of the study revealed that industry conditions play an important, but not pervasive role in explaining variations in newly selected CEOs. Also, the results revealed that firms which match CEO characteristics with industry conditions for selecting CEOs, didn’t obtain a better post-succession performance, necessarily.

The results of the studies of Boeker (1997) and Datta and Rajagopalan (1998) evidenced a gap in the knowledge. Maybe, important variables were not considered in those studies, for explaining the organizational performance. The following studies used the
Charismatic Leadership Theory (Waldman & Yammarino, 1999; Choi, 2006) and the Five Factor Model (Bono & Judge, 2000; Bono & Judge, 2004; D’Alessio, 2006; Jui-Kuei & I-Shuo, 2008), for identifying the relationships between Elements of the Personality of the Leaders, Leadership Characteristics and Organizational Performance.

Waldman and Yammarino (1999) developed a model of CEO charismatic leadership in organizations and its impact on organizational performance. In this model, they developed the concept of close versus distant leadership as a mean of understanding the dynamics of CEO Leadership. Close Leadership occurs if followers can analyze daily the behavior of the leader, and Distant Leadership occurs if followers can not evaluate the circumstances and behaviors of the leader daily. According to Choi (2006), a charismatic leadership has three core components: envisioning, empathy, and empowerment; proposing a theoretical model for the motivational effects of charismatic leadership.

Choi (2006) explained the motivational mechanisms of the three components of charismatic leadership and their influence on followers’ needs. The motivational mechanisms for the component envisioning (need for achievement on followers) of charismatic leadership are the following: (a) creative strategies for goals; (b) followers’ positive self-perceptions; (c) followers’ specific goals; and (d) high standards of performance. The motivational mechanisms for the component empathy (need for affiliation on followers) of charismatic leadership are the following: (a) trust in leader; (b) emotional bonds with leader; and (c) identification with leader. The motivational mechanisms for the component empowerment (need for power on followers) of charismatic leadership are the following: (a) followers’ sense of self-efficacy; and (b) followers’ desire to imitate leader. The further consequences of envisioning are the following: (a) task performance; (b) role perceptions; and (c) job satisfaction. The further consequences of empathy are the following: (a) collective identity; (b) group cohesiveness; and (c) Organizational Citizenship Behavior directed to leader and
co-workers. The further consequence of empowerment is self-leadership. The described elements of the motivational effects of charismatic leadership are developing in the contextual factors: (a) organizational factors (dissatisfaction with the status quo, clan culture, organizational structure, and organizational constraints on leader); (b) task factors (task structure, task complexity, and collaborative task); and (c) follower factors (personality and cultural values).

The Five Factor Model (FFM) had been used for evaluating personality characteristics of the leaders. D’Alessio (2006) explained that FFM is the most commonly used instrument for measuring personality, and also, is named NEO PI-R, “Big Five” or OCEAN (Openness to experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism). Bono & Judge (2000) studied the links between the Five Factor Model and transformational leadership behavior. As a summary, the results of the study of Bono & Judge (2000) were the following:

Results based on 14 samples of leaders from over 200 organizations revealed that Extraversion and Agreeableness positively predicted transformational leadership; Openness to Experience was positively correlated with transformational leadership, but its effect disappeared once the influence of the other traits was controlled. Neuroticism and Conscientiousness were unrelated to transformational leadership. Results further indicated that specific facets of the Big 5 traits predicted transformational leadership less well than the general constructs. Finally, transformational leadership behavior predicted a number of outcomes reflecting leader effectiveness, controlling for the effect of transactional leadership. (p. 751)

Bono and Judge (2004) developed a meta-analysis about personality and transformational and transactional leadership styles, through the Five Factor Model. They searched PsycINFO database (since 1887 to 2002) using the following keywords: personality,
neuroticism, extraversion, openness, agreeableness, conscientiousness, and transformational leadership. Also, they contacted authors who had recently published in the area of transformational leadership, and the Center for Global Leadership. As result of the search, they obtained 26 research articles containing 384 correlations.

Bono and Judge (2004) explained that the Big Five Traits were the following: (a) extraversion; (b) neuroticism; (c) openness to experience; (d) agreeableness; and (e) conscientiousness. About Extraversion, they wrote: “Because they are positive, ambitious, and influential, they are likely to generate confidence and enthusiasm among followers. Extraverts also may score high on intellectual stimulation, as they tend to seek out and enjoy change” (Bono & Judge, p. 902). About Neuroticism, they explained: “Individuals high in neuroticism tend to view the world through a negative lens” (Bono & Judge, p. 902). About Openness to Experience, they indicated that transformational leaders are creative, imaginative and insightful, and are likely to be able to see a vision for the organization’s future. About Agreeableness, they explained that the modesty and kindness of agreeable individuals is not the hallmark of charismatic leaders; and agreeable leaders are likely to be available when needed, leading to low scores on passive leadership. About Conscientiousness, they wrote:

Also, because they are dependable and unlikely to shirk their work responsibilities, they are unlikely to exhibit passive leadership behaviors, which involve lack of self-discipline and the default of leadership responsibilities (Bass, 1998). (p. 903)

**Personal Traits and Leadership Styles**

In the study of Bono and Judge (2004), personality traits were related to three dimensions of transformational leadership: charisma (idealized influence or inspirational motivation), intellectual stimulation, and individualized consideration. Also, personality traits were related to three dimensions of transactional leadership: contingent reward, management by exception-active, and passive leadership. Bono and Judge (2004) explained that their results linking
personality with ratings of transformational and transactional leadership behaviors were weak. In their study, the Big Five explained 12% of the variability in charisma and only 5% and 6% of the variability in ratings of intellectual stimulation and individualized consideration, respectively. Bono and Judge (2004) also explained three possible explanations for the weak associations in their study:

(a) Perhaps transformational and transactional leadership behaviors are not as heritable or trait-like as are leadership emergence and effectiveness, (b) transformational and transactional leadership may have dispositional antecedents that cannot be captured in analyses using the five-factor model of personality, and (c) our focus on ratings of specific leadership behaviors at work, rather than broad leadership constructs in laboratory settings, may have reduced the extent to which implicit theories account for the personality leadership link. (p. 906)

About the relationships of personality and leadership styles, D’Alessio (2006) developed in Peru, a research about “Personality, Critical Thinking, and Emotional Intelligence Attributes in Peruvian Managers’ Leadership”. The sample of this study was constituted by 375 students of managerial MBA programs in Centrum Católica, the Business School of Pontificia Universidad Católica del Perú. In respect, D’Alessio (2006) wrote:

Peruvian managers’ personality domains of extraversion and conscientiousness demonstrated the strongest and most consistent correlations to transformational leadership styles followed by openness to experience and neuroticism. The final model developed indicated that agreeableness, critical thinking, and emotional intelligence had no significant effects on transformational leadership styles. Personality traits were the most important aspects for influencing transformational leadership styles. The extraversion and conscientiousness personality domains may encourage individuals to emerge as leaders. (p. 5)
Jui-Kuei and I-Shuo (2008) studying the relationships between Personal Traits (through Five Factor Model) and Leadership Styles of Taiwan’s Higher Educational Institutions in Innovative Operations. With a sample of 194 professors and lecturers from three universities, they found:

The two main findings are, first, that traits of extraversion and agreeableness have a positive relationship to higher perception of innovative operation in the university. Second, transformational leadership should combine with transactional leadership without management-by-exception passive (active participant style) for more efficient innovative operation. (p. 145).

Conclusions
Some conclusions of this literature review, are the following: (a) Extraversion appeared as an important element for transformational and transactional leadership, (b) Leadership continues being a global issue and it is necessary the development of researches about this knowledge for improving the management theory and the results of the organizations, and (c) the study of the industry conditions, personality of the leader, behavior of the leaders, leadership styles or personal traits of the leaders, could not be sufficient for understanding or improving the organizational performance. The addition of another psychological and physical variables could be necessary for future researches, mainly if the organizations need leaders for the global arena and not only for local arenas.

References


