Chapter 1.40
Leadership Style, Anonymity, and the Discussion of an Ethical Issue in an Electronic Context

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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 by 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 in the electronic context are discussed.

INTRODUCTION

There is a growing interest in ethics today, partly due to recent corporate scandals and the ease with which privacy and intellectual property rights
Leadership Style, Anonymity, and the Discussion of an Ethical Issue in an Electronic Context can be compromised over electronic networks (Stead & Gilbert, 2001; Street, Douglas, Geiger, & Martinko, 2001). Indeed, public and private sector establishments, universities, and professional societies such as AACSB are interested in understanding how workers and students can be developed to reason ethically. Due to a widespread belief that leaders set the tone for ethical behavior, 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 (Cuilla, 2004).

Organizations also are focusing on the use of online media for the development of ethical reasoning (Painter-Morland, Fontrodona, Hoffman, & Rowe, 2003; Tyler, 2005). The ubiquity of electronic networks and the geographic spread of the members of any organization today make it attractive for organizations to engage their members in online discussions in which members role-play ethical scenarios (Painter-Morland et al., 2003) with the intent of developing a more informed perspective on ethical issues. The relevance of online discussions was apparent in the emergence of discussions of hundreds of hypothetical ethical scenarios that broke out recently on the Web. These discussions broke out after it was revealed by a prestigious university in March 2005 that it had turned down more than 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 action.

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 introduction of a leader who facilitates the discussion and tries to influence the tone of the discussion and manipulation of features of online 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 non-anonymously 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 (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 process and outcomes across a broad range of organizations (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 decision making, although they may do so by evoking different values. Transformational leaders rely upon end values to raise the standards that their followers use to make their decisions (Burns, 1978). Transactional leaders, on the other hand, rely more on what Burns called modal values. Modal values include such things as fairness in an exchange, while end values represent such things as liberty or justice. Transformational leaders also may influence ethical behavior by role modeling ethical behavior and by articulating and stressing clear ethical guidelines for their followers to
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