

SCHOLARSHIP

Relationship of Transformational Leadership and Character With Five Organizational Outcomes

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ABSTRACT

Extensive research exists linking leadership to organizational outcomes. In particular transformational leadership has received a great deal of support for its effectiveness in producing desirable organizational outcomes across a variety of organizational settings. More recently due to well-publicized business scandals, leadership research has focused on the moral dimensions of leadership. It has been suggested that charismatic leadership and transformational leadership could have a dark-side with some leaders using their influence to exploit followers and use their position for self-serving goals. The purpose of this research is to investigate if a leader's character traits add in predicting organizational outcomes beyond that predicted by a leader's transformational leadership style and to see if some transformational leaders do display a dark side. The sample for this research consisted of 279,100 active-duty military and civilian United States Air Force personnel. Data were collected using a survey that included measures of transformational leadership, character, and five organizational outcomes. Results indicated leadership and character were significantly related to the five outcome measures, and character significantly contributed to prediction of the outcomes after accounting for the effects of transformational leadership. Additionally, high levels of character and transformational leadership yielded the greatest effects on the outcomes. A small percentage of participants displayed the dark side of leadership (i.e., scoring high on transformational leadership and low on character). This research adds support for measuring leaders' character in combination with transformational leadership assessment.

From early in the 20th century to the present there have been a significant number of leadership theoretical models presented. Each of these has resulted in a vast amount of research adding to our understanding of leadership in organizational settings. Early in the 20th century leadership focus was on traits required to be an effective leader. Later reviews by Mann (1959) and Stogdill (1948) questioned the validity of using traits for predicting leader effectiveness. This shifted the focus from leadership traits to leadership behaviors in predicting leader effectiveness. Research on leaders' traits received little additional attention until Kenny and Zaccaro (1983) reported that 48 to 82% of the variance accounting for leadership emergence was due to traits of the leader. Furthermore, over a 100-year period research has provided supporting evidence for the position that traits do matter when predicting leader performance (Avolio, Sosik, & Berson, 2012). Newer trait based models of leadership include those of charismatic leadership, transactional leadership, and transformational leadership (Robbins and Judge, 2007, chap. 13).

More recently, in part due to well-publicized business scandals (Boyd, 2012; Colvin, 2003), leadership research has focused on the moral dimensions of leadership. These include those focusing on the dark-side of leadership or unethical leadership, ethical leadership, and character of leaders (e.g., Barlow, Jordan, & Hendrix, 2003; Brown, Trevino, & Harrison, 2005; Conger and Kanungo, 1988, chap. 11; Sosik & Cameron, 2010). Conger and Kanungo (1988, chap. 11) and Leslie and Van Velsor (1996) felt that charismatic leadership could have a dark-side with some charismatic leaders using their influence to exploit followers and use their position for self-serving goals. Bass and Steidlmeier (1999) noted that others had also questioned the morality of transformational leadership in that it could lead to self-serving interests. Leslie and Van Velsor (1996) have suggested that managerial failures in organizations were very frequently a result of unethical leaders due to their dark-side personalities.

While these studies have dealt with the potential dark-side or unethical leadership others, Brown & Trevino,

2006; Sosik & Cameron, 2010; Walumbwa et al. (2011) have focused on ethical leadership and the resulting effects on organizational outcomes. Ethical leadership research has tended to be characterized by the behaviors of the leader but may include traits such as honesty. Brown, Trevino, and Harrison (2005) developed a 10-item instrument (i.e., Ethical Leadership Scale) to measure ethical leadership. It included items such as “Listens to what employees have to say,” “Disciplines employees who violate ethical standards,” “Discusses business ethics or values with employees,” and “Can be trusted.” Although there is overlap between ethical leadership and the construct of character the latter is to a large extent based on virtue ethics as outlined by Socrates and Aristotle. This is reflected in leaders’ character-related traits and values. For example, Hendrix, Barlow, Luedtke, (2004) presented research with two instruments to measure the character traits and values of leaders. One instrument (Character Assessment Rating Scale) consisted of a 12-point scale for rating character traits of leaders. The other instrument (Behavioral Desirability Scale) consisted of 65 items to measure character related values held by anyone including a leader. Bass and Steidlmeier (1999) indicated that authentic transformational leadership has a moral basis as does character. Burns (1978) indicated that only if leaders’ values were uplifting could they be considered transformational. A large body of research has investigated the relationship of transformational leadership on desirable organizational outcomes. However, as Sosik, Gentry, and Chun (2012) have noted, there has been a lack of research linking leaders’ character to organizational outcomes. Even less research has investigated if the character of a leader adds to the predictive variance associated with transformational leadership and desirable organizational outcomes (e.g., Sosik & Cameron, 2010).

The purpose of this research is two-fold. The first is to investigate if leaders’ character traits add to the prediction of organizational outcomes above and beyond that of transformational leadership. The organizational outcomes of interest in this study are: organizational commitment,

job satisfaction, work group performance, organizational citizenship behavior, and intent to leave the organization. The second is to investigate the pattern or interaction of high and low scores on character and transformational leadership. This investigation is in part to see if the existence and impact of a dark side of leadership is supported by the data. It is also to investigate if those scoring high on both leadership and character have the strongest relationship to the five organizational outcomes. A high score on transformational leadership but low on character would demonstrate a leader’s dark side. There have been some reviews of the dark side of leadership with regard to narcissism, authoritarianism, need for power, and Machiavellianism (Conger & Kanungo, 1998, chap. 7). However, we found no research investigating and supporting the existence of transformational leaders who demonstrated the dark side of leadership by scoring high on transformational leadership and low on character.

On the other hand, if including a measure of character to transformational leadership increases the prediction of organizational outcomes, then those who score high on both measures might be better described as Character-Based Transformational Leadership. Should we find character and transformational leadership to be highly and significantly correlated this would provide support for Bass and Steidlmeier (1999) proposal that transformational leadership has a moral basis.

Theoretical Foundation and Hypotheses

Burns (1978) originally developed a transformation(al) leadership theory that was subsequently refined by Bass (1985, 1998). The theoretical foundation for our research, which is consistent with Burns’ theoretical transformational leadership foundation, borrows from social identity theory (Tajfel, 1981; Hogg, 2001) and leader-member exchange theory (Dansereau, F., Jr., Graen, G., & Haga, W.J. 1975). A major aspect of social identity theory is organizational identification that refers to an employee’s feeling of oneness or belongingness with an institution or group (Walumbwa, Mayer, Wang, Wang, Workman,

& Christensen, 2011). Leader-member exchange refers to the quality of exchange between a supervisor or leader and an employee (Graen & Scandura, 1987). The quality of this exchange can range from a low-quality exchange of adhering to the basic employment contract to a high-quality level where the interaction is based on open communications, trust, and information sharing (Erdogan, Liden, & Kraimer, 2006; Walumbwa, Mayer, Wang, Wang, Workman, & Christensen, 2011). Therefore, leaders who create an environment where employees develop a sense of organizational identification and have a positive leader-member exchange relationship should be more committed to the organization, more satisfied, and more productive. The effectiveness of transformation(al) leadership leading to these desirable outcomes has been found in research across different countries, different occupations, and at different job levels (Robbins and Judge, 2007, chap. 13).

Similarly, Brown, Trevino, and Harrison (2005) suggested that ethical leadership has an important role in enhancing employees' attitudes and their behaviors. There has been some limited research linking ethical and character leadership measures to employee performance (Walumbwa, Mayer, Wang, Wang, Workman, & Christensen, 2011; Cameron, Bright, & Caza; 2004). However, Sosik, Gentry, and Chun (2012) observed that, in the main, research is lacking that examines character strengths on positive organizational outcomes. Furthermore, Sosik and Cameron (2010) pointed out that a framework doesn't exist for understanding the complexity of character and its role in determining outstanding leadership. A major issue in character research is that there is not a consistent definition of leader character. Thompson and Riggio (2010) in a special issue on leadership character provided an excellent review of the diversity of character definitions and constructs.

as transformational have employees who are high in job performance, organizational commitment, organizational citizenship behavior and satisfaction with their supervision (Howell & Hall-Merenda, 1999; Koh, Steers, & Terborg, 1995; Pillai, Schriesheim, & Williams, 1999) and have less intention of quitting their jobs (Bycio, Hackett, & Allen, 1995).

Support for transformational leadership being positively related to organizational outcomes is found in the vast and varied amount of research on this relationship (Barling, Weber, & Kelloway, 1996; Boerner, Eisenbeiss, & Griesser, 2007; Givens, 2008; Hatter, & Bass, 1988; Howell & Avolio, 1993; Jorg & Schyns, 2004; Kirkpatrick & Locke, 1996; Nguni, Slegers, and Denessen, (2006); Zhu, Chew, & Spangler, 2005). Bass and Avolio (1993) suggested the reason for transformational leadership affecting organizational outcomes is due to these leaders motivating and inspiring subordinates to achieve organizational goals.

A wealth of research exists indicating that transformational leadership is positively related to organizational commitment across a variety of organizational settings (Bono & Judge, 2003; Dumdum, Lowe, & Avolio, 2002; Emery & Bateman, 2007; Koh, Steers, & Terborg, 1995; Lowe, & Kroeck, 1996; Walumbwa & Lawler, 2003). Other research has provided evidence that not only is transformational leadership positively related to organizational commitment but also has a large impact on it (Dee, Henkin, & Singleton, 2004; Koh et al., 1995; Nguni, Slegers, & Denessen, 2006).

Research linking transformational leadership to job satisfaction is just as impressive. Transformational leadership research has consistently shown it to be positively related to job satisfaction (Emery & Bateman, 2007; Griffin & Bateman, 1986; Steers & Rhodes 1978; Maeroff, 1988; Walumbwa, Orwa, Wang, & Lawler; 2005). Givens (2008)

Transformational Leadership and Organizational Outcomes

As noted previously, research has provided evidence that leaders seen

Therefore, leaders who create an environment where employees develop a sense of organizational identification and have a positive leader-member exchange relationship should be more committed to the organization, more satisfied, and more productive.

conducted a review of transformational leadership and its impact on organizational outcomes. Givens provided significant evidence for transformational leadership having a “massive and steady influence on employees’ job satisfaction”.

Nguni, Slegers, and Denessen, (2006) noted that research has shown that transformational leadership affects a series of organizational outcomes including performance. Later, Avolio, Sosik, and Berson, (2012) in their summary of leadership research also found that transformational leadership has a positive effect on motivation and performance. Liao and Chuang (2007) investigated transformational leadership’s relationship to employee service performance. Their results indicated that transformational leadership was positively related, not only to employee service performance but also, to customers’ intent to keep a long-term relationship with the company. More specifically, transformational leadership has been found to be positively related to R&D team performance (Keller, 2006), team proactive performance (Williams, Parker, & Turner, 2010), Army unit performance (Bass, Avolio, 2003, Jung, & Berson, 2003; Lim & Ployhart, 2004) and financial services group performance (Schaubroeck, Lam, & Cha, 2007).

Organizational citizenship behavior (OCB) has been characterized by Organ (1988) as consisting of five general forms: altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. Williams and Nadin, (2012), outlined two OCB dimensions, “affiliative” and “challenging” which can take on the two forms, OCB toward individuals and OCB toward groups (Tse & Chiu, 2014). Our research’s OCB measure focuses on OCB toward groups and can be characterized as being similar to Organ’s altruism form and Williams and Nadin’s affiliative dimension. The affiliative dimension has been described as having behaviors that promote group cohesion, maintaining existing working relationships and arrangements (Lopez-Domiguez, Enache, Sallan, & Simo, 2013). Empirical research has linked affiliative OCB with organizational leadership (Kwan, Lu,

& Kim, 2011; Wang, Law, Hackett, Wang, & Chen, 2005). Transformational leadership has also been found to be directly and indirectly related to OCBs (Podsakoff, 1990; Tse, & Chiu, 2014; Walumbwa, Wang, Wang, Schaubroeck, & Avolio, 2010).

Intention to leave is an attitudinal disposition for employees to quit their job. Griffin, Hom, Gaertner (2000) in a meta-analysis found intention to leave one’s job to be very predictive of actual employee turnover, and Lee and Liu (2006) concluded that intent to stay or leave an organization is the strongest predictor of voluntary turnover in organizations. Transformational leadership has been shown to have a significant negative relationship to intention to leave (Ali, 2009; Lyons, 1971; Pieterse-Landman, 2012; Scandura & Williams, 2004). This is important; for example, Overbey (2010) indicated that employee turnover is very expensive for organizations with the cost to replace a telecommuter employee ranging from 25% to 200% of their annual salary. In addition to financial impact, turnover drives other very harmful effects such as decreased morale, impact on efficiency, and customer relations (Abbasi & Hollman, 2000; Watrous, Huffman, & Pritchard, 2006).

Research on transformational leadership on organizational outcomes leads to our first hypothesis:

Hypothesis 1: Transformational leadership will be positively related to organizational commitment, job satisfaction, work group performance, organizational citizenship behavior, and negatively related to intent to leave.

Character and Organizational Outcomes

Even though research has established relationships between transformational leadership and desirable outcomes, Sosik, Gentry, and Chun (2012) noted that there has been a lack of research linking leaders’ character to organizational outcomes. Although limited, their research did provide evidence that leaders’ character traits were related to

executive performance. Research by Cameron, Bright, and Caza (2004) found that members of organizations that had more character strengths had higher performance than those with fewer character-related strengths. Additional support was provided by Sosik, Gentry, and Chun, (2012) who found that character traits were positively related to ratings of executive performance. Furthermore, Sosik (2006) proposed that character was a distinguishing feature of outstanding leadership.

Although ethical leadership and the construct of character are not identical, it seems logical that they should be significantly related. Walumbwa, Mayer, Wang, Wang, Workman, & Christensen (2011) found that ethical leadership was positively related to ratings of employee performance. Kim and Brymer (2011), in addition, found that ethical leadership was positively related to job satisfaction and organizational commitment of middle level managers. There is also some evidence linking ethical leadership to OCB (Toor & Ofori, 2009; Trevino, Brown, & Hartman, 2003). Furthermore, there has been some additional limited research linking ethical decision making to organizational performance (Noe, Hollenbeck, Gerhart, & Wright, 1997; Wu, 2002) and to corporate survival and growth (Sirgy, 2002). Noe et al. (1997) also found that businesses feel sound business ethics are related to positive perceptions by customers, government agencies, and vendors.

This leads us to our next hypothesis:

Hypothesis 2: Character will be positively related to organizational commitment, job satisfaction, work group performance, organizational citizenship behavior, and negatively related to intent to leave.

Character and Transformational Leadership

Bass and Steidlmeier (1999) suggested that authentic transformational leaders should be committed to moral excellence. Conger and Hollenbeck (2010) in their review

of character research suggested that character had been “hijacked” by the integration of character as an additional dimension of transformational leadership. Avolio, Sosik, and Berson (2012) noted that authentic leadership has been shown to be empirically and theoretically differentiated from ethical and transformational leadership with authentic and ethical leadership being the higher order constructs. Therefore, we investigated an additional hypothesis:

Hypothesis 3: Character will contribute unique variance beyond that accounted for by transformational leadership in predicting organizational commitment, job satisfaction, work group performance, organizational citizenship behavior, and intent to leave.

Since Bass and Steidlmeier (1999) indicated that authentic transformational leadership has a moral foundation then we would expect those who score high on transformational leadership but low on character would be those suggested by Leslie & Van Velsor, (1996) as displaying the dark side of transformational leadership. We would also expect those who score high on both character and transformational leadership to have the strongest relationship with organizational outcomes. Logically, those scoring low on both should have the weakest relationship with organizational outcomes. This leads to the hypotheses 4 through 7 that propose interactions between leadership levels and character levels:

Hypothesis 4: High scores on both leader character and transformational leadership will have the strongest predictive relationship with the five organizational outcomes (organizational commitment, job satisfaction, work group performance, organizational citizenship behavior, and intent to leave).

Hypothesis 5: Low scores on both character and transformational leadership will have the weakest predictive relationship with the five organizational outcomes.

Hypothesis 6: High scores on transformational leadership but low scores on character, reflecting the dark side of transformational leadership, will have lower predictive relationship than authentic transformational leadership (i.e., high on character and leadership) with the five organizational outcomes.

Hypothesis 7: Low scores on transformational leadership but high scores on character, will have lower predictive relationship than authentic transformational leadership (i.e., high on character and leadership) with the five organizational outcomes.

Method

Participants

Participants consisted of 279,100 active-duty military and civilian United States Air Force personnel, approximately 64% of the Air Force population. The military-civilian composition was: 62% enlisted personnel, 16% officer personnel, and 23% civilian personnel (Air Force population: 58% enlisted, 14% officers, 28% civilians), 76% males and 24% females. Of these 61.1% were married, 8.3% divorced, 20.2% single, 0.5% widowed, 9.9% did not provide their marital status. Participants' highest educational level was: (a) 0.2% some high school, (b) 13.7% high school, (c) 30.0% less than two years of college, (d) 4.1% associate's degree, (e) 13.6% less than four years of college, (f) 11.9% bachelor's degree, (g) 3.8% some graduate education but no graduate degree, (h) 11.1% master's degree, (i) 1.1% doctorate degree, (k) 10.5% other or did not provide their educational level. The sample demographics are approximately the same as in the Air Force population.

Procedure

The United States Air Force administers annually an online organizational climate survey, the Chief of Staff Air Force (CSAF) Climate Survey. This survey, made available to all personnel, serves to identify strengths and

opportunities for improvement in Air Force organizational climate and effectiveness. The survey is divided into three major sections: jobs, leadership, and culture and climate. The transformational leadership and character scales and outcome measures used in this research were embedded within the CSAF Climate Survey. Participants were asked to rate their supervisors on items designed to measure transformational leadership and the character of their supervisor.

Measures

Transformational Leadership. The transformational leadership scale used was based on the transformational components of the Multifactor Leadership Questionnaire (MLQ), but included only 14 items on a six-point Likert agree-disagree scale with an option for *don't know or not applicable*. This scale was developed by U.S. Air Force survey specialists for an Air Force population. The items measure intellectual stimulation (e.g., communicating high expectations), inspiration (e.g., promotes problem solving), and individualized consideration (e.g., personal attention). Scale items are provided in the Appendix.

Character. Character or moral excellence was measured by adapting the Character Assessment Rating Scale from Hendrix & Hopkins (2003). Participants were asked to rate their supervisor on 11 dimensions of character using a five-point frequency scale (e.g., 1 = *Never*, 5 = *Always*). Scale items are provided in the Appendix.

Outcome Variables. The five outcome variables used to measure the effects of transformational leadership and character were organizational commitment, job satisfaction, work group performance, organizational citizenship behavior, and intent to leave the organization. Four of these, organizational commitment, job satisfaction, work group performance, and organizational citizenship behavior, were assessed using a six-point Likert scale. The fifth outcome variable, intent to leave the organization, utilized a six-point likelihood scale (e.g., 1 = *Highly Unlikely*, 6 = *Highly Likely*). Scale items are provided in the Appendix.

Results

The means, standard deviations, correlations, and coefficient alpha scale reliability indices for transformational leadership, character, and each organizational outcome are provided in Table 1. Hypotheses 1 and 2, *transformational leadership (H1) and character (H2) will be positively related to organizational commitment, job satisfaction, work group performance, and organizational citizenship behavior and negatively related to intent to leave*, were tested with correlational analysis. Transformational leadership and character were both significant ($p < .001$) in predicting each outcome variable. Furthermore, transformational leadership and character were highly correlated ($r = .81$).

The third hypothesis, *character will contribute unique variance beyond that accounted for by transformational leadership in predicting organizational commitment, job satisfaction, work group performance, organizational citizenship behavior, and intent to leave*, was tested using multiple regression analyses. Table 2 contains raw score and standardized regression coefficients, raw score standard error, and each equation's R^2 . The hypothesis was supported with character adding significantly ($p < .001$) to the variance accounted for by transformational leadership in predicting each outcome variable.

To test hypotheses 4, 5, 6, and 7, the character and transformational leadership scales were cut into approximately equal high and low groups and then recoded as a single factor with four levels. The transformational leadership distribution cuts were: (upper 34%) and (lower 35%). The character distribution cut was: (upper 34%) and (lower 34%). The rationale for this split was suggested by Lawshe and Balma (1966, p. 331) as a good way to assure that two groups adequately measure the characteristic of interest (e.g., high and low leadership and character). This splitting process is based on item analysis concept of item discrimination (D). The task is to keep a large portion of the sample to provide stability while splitting the groups so as to make them as different as possible. Wiersma and Jurs (1990) suggested a 27% split (p. 145) of participant scores into

two groups: upper 27% and lower 27%. Since we have four groups (i.e., two leadership and two character) we decided to make the split at approximately the upper and lower third of the participants scores.

When referring to high-low groupings, transformational leadership will be reported first followed by character; therefore, "High(L)/Low(C)" would be the upper or high transformational leadership group and low character group.

A multivariate analysis of variance (MANOVA) was performed, since we had five criterion variables, to test hypotheses 4, 5, 6 and 7. These compared the effect of transformational leadership and character high-low groups on: (a) organizational commitment, (b) job satisfaction, (c) work group performance, (d) organizational citizenship behavior, and (e) intent to leave.

For the combined criterion variables, there were statistically significant differences between leadership groups, $F(5, 137197) = 1813.37$, $p = .05$; Wilks' Lambda = .94; the character groups, $F(5, 137197) = 575.84$, $p = .021$; Wilks' Lambda = .98; and the leadership by character interaction $F(5, 137197) = 35.38$, $p = .001$; Wilks' Lambda = .999.

When the criterion variables were considered separately all were found to be statistically significant for the leadership group, the character group, and for the leadership by character interaction. The results are provided in Table 3.

Although ethical leadership and the construct of character are not identical, it seems logical that they should be significantly related.

As a result of all criterion variables being statistically significant when considered separately, post hoc analyses were conducted on all pairwise contrasts of the four high/

low leadership and character groups using the Scheffe multiple comparison tests. There was a significant ($p < .05$) difference of the four transformational leadership-character groups on all of the outcome factors with one exception. The High(L)/Low(C) and Low(L)/High(C) groups were not significant for the outcome of Intent to leave. As hypothesized (hypothesis 4) high scores on both leader character and transformational leadership had the strongest predictive relationship with the five organizational outcomes (organizational commitment, job satisfaction, work group performance, organizational citizenship behavior, and intent to leave) while low scores on both character and transformational leadership had the weakest predictive relationship with the five organizational outcomes (hypothesis 5). Hypothesis 6, that *high scores on transformational leadership but low scores on character, reflecting the dark side of transformational leadership, will have lower predictive relationship than authentic transformational leadership (i.e., high on character and leadership) with the five organizational outcomes*, was partially supported. The High(L)/Low(C) group was significantly lower than authentic transformational leadership (High(L)/High(C) group). Even though the high High(L)/Low(C) group was significantly lower than authentic transformational leadership, across the five organizational outcomes, it only included approximately 3.5% of the sample, which was approximately the same for the Low(L)/High(C) group. Hypothesis 7, *low scores on transformational leadership but high scores on character, will have lower predictive relationship than authentic transformational leadership (i.e., high on character and leadership) with the five organizational outcomes*, was supported. Still it only included approximately 3.5% of the sample in that group, across the five organizational outcomes, so it was of little practical significance.

The means, standard deviations, number of participants, and percent of participants for each of the High(L)/Low(C) transformational leadership and character groups with the five organizational outcome factors are provided

in Table 4.

There is always concern of common method variance (CMV) when measures come from a single source. One method for estimating CMV has been proposed by Lindell and Whitney (2001). They proposed the extent of common method variance can be estimated by including as a covariate a marker variable that is theoretically unrelated with one or more of the variables under investigation. Any observed relationship between the marker variable and those under investigation could be assumed to be due to CMV. They also concluded that partialling out the average correlation between the marker variable and those under investigation should allow researcher to control for possible CMV. In regression analysis the marker variable would be entered as a covariate and standardized regression weights (beta weights) for the variables under investigation would be reduced to the extent that common method variance is present when the covariate is included in the analysis.

We repeated the regression analyses provided in Table 2 but included this time a covariate that theoretically shouldn't be correlated with the variables under investigation. The item dealt with the A-76 program the Department of Defense (DOD) used to hire civilian contractors for government positions. In some cases individuals hired under the A-76 program replaced government employees. The covariate item was rated on a six-point agree-disagree scale. It asked raters to indicate extent they agreed with the statement "The A-76 competitive sourcing program increases my desire to seek employment outside the Air Force." The A-76 program was administered at the DOD level and therefore had no relationship to leadership of the raters' supervisors.

The R^2 values of the regression analyses with the covariate included were the same as the regression analyses without the covariate. In addition, the beta weights for transformational leadership and character for the five outcomes were also the same. The beta weights for the A-76 covariate were: commitment .075, satisfaction .066, performance .013, OCB .035, Intent to leave -.020. The

results suggest there was little common method variance present.

Discussion

The data of this research supports our hypotheses on the relationship of transformational leadership and character being predictive of five important organizational outcomes. Both transformational leadership and character were significantly and positively related to the five outcomes of organizational commitment, job satisfaction, work group performance, organizational citizenship behavior, and negatively related to intent to leave the organization (see Table 1). Furthermore, transformational leadership and character were significantly and highly correlated supporting Bass and Steidlmeier's (1999) assertion that transformational leadership has a moral basis, as does character. As hypothesized, high scores on both leader character and transformational leadership had the strongest predictive relationship with the five organizational outcomes, while low scores on both character and transformational leadership had the weakest predictive relationship with these same outcomes. This provides additional support that transformational leadership has a moral basis (Bass and Steidlmeier, 1999). The other two groups [i.e., High(L)/Low(C) and low(L)/High(C)] provided little practical significance since each only included approximately 3.5% of the sample in each group, across the five organizational outcomes. Therefore, the data provided little support for transformational leadership having a dark side which would be reflected in a large percentage of participants in the High(L)/Low(C) group.

This research is significant in investigating an area that Sosik, Gentry, and Chun (2012) noted lacked research—that of linking leaders' character to organizational outcomes. Sosik and Cameron (2010) indicated that little research had investigated if the character of a leader adds to the predictive variance associated with transformational leadership and desirable organizational outcomes; this research is also significant in addressing this research

deficiency. The results provide support for character contributing unique variance beyond that accounted for by transformational leadership in predicting organizational outcomes. Thus, although transformational leadership provided the best prediction of the five organizational outcomes, leader character increased the predictive variance.

The present research is consistent with three primary theoretical foundations: Burns (1978) on transformational leadership, social identity theory (Tajfel, 1981; Hogg, 2001) and leader-member exchange theory (Dansereau, F., Jr., Graen, G., & Haga, W. J. 1975). These theoretical foundations suggest that leaders who create an environment conducive to organizational identification by employees and have a positive leader-member exchange relationship should be more committed to the organization, more satisfied, and more productive. The data of our present research is consistent with these theoretical foundations.

The results of our research is also consistent with the vast and varied amount of research on transformational leadership being positively related to organizational outcomes including job performance, organizational commitment, OCB, job satisfaction, and intent to leave (Barling, Weber, & Kelloway, 1996; Boerner, Eisenbeiss, & Griesser, 2007; Givens, 2008; Hatter, & Bass, 1988; Howell & Avolio, 1993; Jorg & Schyns, 2004; Kirkpatrick & Locke, 1996; Nguni, Slegers, and Denessen, (2006); Zhu, Chew, & Spangler, 2005).

Investigation of the impact of leaders' character on organizational outcomes has had little attention in comparison to that of transformational leadership. There has been some research linking character traits to executive performance (Sosik, Gentry, and Chun, 2012) and higher performance for employees with more character strengths than those with fewer ones (Cameron, Bright, and Caza, 2004). Other relevant research has focused on ethical leadership. This research has found ethical leadership positively related to rated employee performance (Walumbwa, Mayer, Wang, Wang,

Workman, & Christensen (2011), and to job satisfaction and organizational commitment of middle level managers (Kim and Brymer, 2011), as well as to OCB (Toor & Ofori, 2009; Trevino, Brown, & Hartman, 2003). Our findings are consistent with these character and ethical leadership research results. In addition, our research expands the investigation to include work group performance and intent to leave.

One of the strengths of this research is that the sample mirrors the population. Another strength is the sample size, which is approximately 64% of the population; and with this large sample size only small differences are needed to be statistically significant. This raises the issue of practical importance. Even though the High(L)/Low(C) and Low(L) High(C) groups were statistically significant from the other groups, they were of little practical significance. Additional

The data of this research supports our hypotheses on the relationship of transformational leadership and character being predictive of five important organizational outcomes.

strengths include the wide range of occupations or job types within the sample (e.g., medical, dental, administrative, mechanical, electronic, flight operations and maintenance, research and development, academic, technical training, financial, legal), and measures at all organizational levels within installations in the United States and worldwide. Furthermore, the measures of transformational leadership and character consisted of ratings by participants of their supervisors not self-ratings. Therefore, for each organizational unit we have multiple employee ratings of each unit's supervisor.

A potential limitation of this research is common method bias (CMB) due to the data collected being from a single source (i.e., single source bias) and common method variance (CMV). Common method bias refers to the extent that correlations are inflated due to a methods effect (Meade, Watson, & Kroustalis, 2007). CMV implies that

variance in scores is, in part, due to a methods effect. There has been a large body of research on the extent that CMB and CMV inflate correlations (e.g., Avolio, Yamarino, & Bass, 1991; Malhotra, Kim & Patil, 2006; Meade, Watson, & Kroustalis, 2007; Podsakoff & Organ, 1986). Meade, Watson, & Kroustalis, (2007) investigated the extent of CMB in organizational research by applying confirmatory factor analysis models to 24 multitrait-multimethod correlation matrices. They concluded that the effect of CMB while not trivial tended to be minor in magnitude. Malhotra et. al. (2006) corrected correlations for CMV and found that they were not statistically different from the uncorrected correlations.

Another limitation of the study the degree to which it can be generalized to other organizations. Since the sample comes from a military population, it is less likely to be generalizable to non-union private organizations. Even though a union does not represent the military, a government union represents the civilians in the sample. Therefore, the results of this research are more likely to be usefully generalized to traditional, hierarchical organizations.

To assess the extent that the results are generalizable, future research should attempt to replicate these results in different organizational types (eg., medical, finance, military operations), levels, and locations (e.g., Western and non-Western cultures). Future research could also improve our understanding of transformational leadership and character relationships to organizational outcomes by investigating if intervening variables better describe the dynamics associated with these relationships. Investigating if the civilian sample fraction differed from the military sample fraction would also provide additional understanding of the generalizability of the results to similar types of subgroups. One additional area for future research would involve measuring the impact of the organizations' culture on the leader/character relationship.

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Appendix

Transformational Leadership, Character, & Organizational Outcome measures

Transformational Leadership

1. My unit commander (or commander equivalent) *sets challenging unit goals.*
2. My unit commander (or commander equivalent) *provides a clear unit vision.*
3. My unit commander (or commander equivalent) *makes us proud to be associated with him/her.*
4. My unit commander (or commander equivalent) *is consistent in his/her words and actions.*
5. My unit commander (or commander equivalent) *is inspirational (promotes esprit de corps).*
6. My unit commander (or commander equivalent) *motivates us to achieve our goals.*
7. My unit commander (or commander equivalent) *is passionate about our mission.*
8. My unit commander (or commander equivalent) *challenges us to solve problems on our own.*
9. My unit commander (or commander equivalent) *encourages us to find new ways of doing business.*
10. My unit commander (or commander equivalent) *asks us to think through problems before we act.*
11. My unit commander (or commander equivalent) *encourages us to find innovative approaches to problems.*
12. My unit commander (or commander equivalent) *listens to our ideas.*
13. My unit commander (or commander equivalent) *treats us with respect.*
14. My unit commander (or commander equivalent) *is concerned about our personal welfare.*

Character

1. Integrity. Consistently adhering to a moral or ethical code or standard. A person who considers the “right thing” when faced with alternate choices.
2. Organizational Loyalty. Being devoted and committed to one’s organization.
3. Employee Loyalty. Being devoted and committed to one’s coworkers and subordinates.
4. Selflessness. Genuinely concerned about the welfare of others and willing to sacrifice one’s personal interest for others and their organization.
5. Compassion. Concern for the suffering or welfare of others and provides aid or shows mercy for others.
6. Competency. Capable of executing responsibilities assigned in a superior fashion and excels in all task assignments. Is effective and efficient.
7. Respectfulness. Shows esteem for, and consideration and

- appreciation of other people.
8. Fairness. Treats people in an equitable, impartial, and just manner.
9. Self-Discipline. Can be depended upon to make rational and logical decisions (in the interest of the unit).
10. Spiritual Diversity Appreciation.*Values the spiritual diversity among individuals with different backgrounds and cultures and respects all individuals’ rights to differ from others in their beliefs.
11. Cooperativeness. Willingness to work or act together with others in accomplishing a task or some common end or purpose.

Note: *Item was dropped from 2003 CSAF Climate Survey.

Organizational Commitment

1. I am really willing to exert considerable effort on the job for my organization.⁸⁸
2. The goals and values of my organization are very compatible with my goals and values.

Job Satisfaction

1. In general, I am satisfied with my job.
2. I have a sense of fulfillment at the end of the day.
3. The tasks I perform provide me with a sense of accomplishment.
4. I am a valued member of my unit.
5. I would recommend an assignment in my unit to a friend.
6. Morale is high in my unit.

Work Group Performance

1. The quality of work in my unit is high.
2. The quantity of work in my unit is high.
3. My unit is known as one that gets the job done well.
4. My unit is successfully accomplishing its mission.

Organizational Citizenship Behavior⁸

1. In my unit, people help each other out when they have heavy workloads.
2. In my unit, people make innovative suggestions for improvement.
3. In my unit, people willingly give of their time to help members who have work-related problems.
4. In my unit, people willingly share their expertise with each other.

Intent to Leave

1. If you were released from all of your service obligations and you could separate from the Air Force within the year, what is the likelihood that you would leave the Air Force?

Table 1

Variable Means, Standard Deviations, Correlations, & Scale Reliability Measures from 2002 CSAF Climate Survey

Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7
1. Leadership ^a	4.72	1.06	(.98)						
2. Character ^b	4.32	.81	.83*	(.97)					
3. Commitment ^c	5.05	.93	.47*	.44*	(.69)				
4. Satisfaction ^d	4.23	1.24	.53*	.46*	.62*	(.92)			
5. Performance ^e	4.97	.88	.48*	.42*	.48*	.57*	(.89)		
6. Altruism ^f	4.52	1.03	.46*	.41*	.48*	.61*	.58*	(.89)	
7. Intent to leave ^g	3.34	2.04	-.25*	-.24*	-.34*	-.40*	-.23*	-.25*	

Note. Coefficient Alpha Reliabilities in parentheses.

^a*N* = 255,675. ^b*N* = 249,059. ^c*N* = 251,434. ^d*N* = 266,936. ^e*N* = 265,053. ^f*N* = 365,545. ^g*N* = 252,653, Single item.

**p* < .01

Table 2

Regression of Organizational Outcomes on Transformational Leadership and Character of Leader

	B	SE B	β	R ²
Commitment ^a				.23**
Transformational Leadership	.30	.003	.34	
Character	.17	.004	.15	
Satisfaction ^b				.28**
Transformational Leadership	.55	.004	.47	
Character	.10	.005	.07	
Performance ^c				.23**
Transformational Leadership	.36	.003	.43	
Character	.07	.003	.06	
OCB ^d				.22**
Transformational Leadership	.38	.003	.39	
Character	.11	.004	.08	
Intent to Leave ^e				.07**
Transformational Leadership	-.32	.003	-.17	
Character	-.25	.003	-.10	

^a*N* = 239,828. ^b*N* = 245,231. ^c*N* = 244,544. ^d*N* = 244,682. ^e*N* = 240,530.

***p* < .001.

Table 3

Criterion variables between subjects effects (leadership and character groups)

Source	df	MS	F	p
Leadership				
Commitment	1	3122.44	3950.84	.001
Satisfaction	1	8984.75	7098.84	.001
Performance	1	3994.94	5501.59	.001
OCB	1	4703.97	4874.78	.001
Intent to leave	1	4046.10	1046.10	.001
Character				
Commitment	1	1733.02	2192.79	.001
Satisfaction	1	1918.44	1515.76	.001
Performance	1	749.09	1227.48	.001
OCB	1	1251.70	1297.15	.001
Intent to leave	1	3318.76	858.05	.001
Leadership x Character				
Commitment	1	41.95	53.08	.001
Satisfaction	1	120.98	95.58	.001
Performance	1	31.12	42.85	.001
OCB	1	121.99	126.42	.001
Intent to leave	1	275.50	71.23	.001
Error				
Commitment	137201			
Satisfaction	137201			
Performance	137201			
OCB	137201			
Intent to leave	137201			

Table 4

Means and Standard Deviations: Transformational Leadership and Character

Leadership/Character	M	SD	n	%
Commitment				
High(L)/High(C)	5.58	.63	61,166	44.21
High(L)/Low(C)	5.06	.84	4896	3.55
Low(L)/High(C)	4.90	.96	4406	3.37
Low(L)/Low(C)	4.53	1.07	66,737	48.87
Satisfaction				
High(L)/High(C)	4.96	1.05	61,166	44.13
High(L)/Low(C)	4.37	1.14	4896	3.54
Low(L)/High(C)	3.83	1.20	4406	3.43
Low(L)/Low(C)	3.47	1.22	66,737	48.90
Performance				
High(L)/High(C)	5.45	.64	61,166	40.00
High(L)/Low(C)	5.10	.75	4896	3.81
Low(L)/High(C)	4.72	.91	4406	3.67
Low(L)/Low(C)	4.48	1.01	66,737	52.52
OCB				
High(L)/High(C)	5.07	.85	61,166	44.18
High(L)/Low(C)	4.57	.96	4896	3.53
Low(L)/High(C)	4.22	1.01	4406	3.43
Low(L)/Low(C)	3.96	1.09	66,737	48.86
Intent to Leave				
High(L)/High(C)	2.68	1.97	61,166	44.16
High(L)/Low(C)	3.48	1.99	4896	3.55
Low(L)/High(C)	3.55	2.07	4406	3.37
Low(L)/Low(C)	3.99	1.96	66,737	48.92

Note: Percent scores total 100% within each outcome grouping