CEO Personal Values and Transformational Leadership

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ABSTRACT

Both theory and conventional assumption suggest that transformational leaders are concerned with the well-being of the followers and the organization, but scholars have also suggested that transformational leaders may not always hold such virtuous values. Transformational leaders may have values that may diverge from that assumed by the transformational leadership theory. Based on Action Theory (Parsons, 1937), we examined the interplay of CEO's transformational leadership behavior and person values on middle manager commitment. The results of a cross-sectional and longitudinal study involving 42 CEOs, 177 top management team members, and 605 middle managers suggest that the positive influence of transformational leadership on the middle managers' organizational commitment (in terms of both affective commitment and intention to stay) was enhanced when the CEOs held self-transcendence value and attenuated when transformational leaders held self-enhancement values. The result on the attenuation effect continued when the middle managers were surveyed again eighteen months later. Text analysis of interviews with the CEOs provided insight on the contextualized meaning of the two types of personal values and offered insights into the motivation of leaders holding each kind of values. We discuss the implications of the findings for future research on leadership values in China and beyond.