

"Creativity  
Takes  
Courage"

Henri  
Matisse

# 1. Personal Traits for Inspiring, Informal Leadership

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Many students graduating in higher education will achieve a managerial or professional position, with leadership qualities being highly important. The need to reflect on leadership as an important developmental goal in higher education is highlighted by pointing out that many curricula, especially in the managerial, organisational and economic domain, include specific courses on leadership.

Our thinking about leadership is under pressure. In three diverse ways. First, in various domains of society the character and capabilities of leaders are questioned, in business, politics and society at large. Kellerman (2013) refers to this as 'the end of leadership'. She argues that the traditional gap between leaders and followers has been diminishing for centuries. It is part of the emancipatory development of society. So-called followers simply do not accept the unbalance in power anymore. The traditional view that power resides with those who were formally appointed or selected seems to lose valence.

Second, the origin or source of leadership is challenged. Leadership is the ability to influence others. A key question is what enables people to have influence? Traditional views on leadership suggest that power needs to be grasped by leaders; they need to take charge and control. Modern insights take another perspective: power is not taken, but given by followers to those who will best serve the interests of groups (Keltner, 2016).

Third, the concept of leadership, as a role or function that is restricted to one appointed individual is challenged. With the growth of team-based work, the process of leadership might need revision. Traditionally, leadership was an individual projecting downward influence on followers. However, leadership can also be shared by team members—rotating to the person with the key knowledge, skills, and abilities for the particular issues facing the team at any given moment (Pearce, 2004). Leadership literature and research has predominantly focused on the leader and one tends to overestimate the significance of the assigned leader (Padilla & Lunsford, 2013).

It seems that some of our thinking on leadership needs revision. According to Kellerman, leaders' ability to connect to followers is paramount to gain and remain in power. Dutch management scholar Manfred Kets de Vries (2004) underlines that the main responsibility of a leader is to envision and inspire.

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In this chapter we will examine the role of personality and personal values in the ability of informal leaders to inspire other team members. In the first section we will elaborate on transformational leadership and shared leadership. In the next, we will link these forms of leadership to personality and personal values. In the third section the findings of our empirical study will be discussed. We conclude with the implications of our study for leadership practice and the scholarly field of leadership.

## **Transformational leadership**

Leadership can be defined as the process of influencing others in order to reach understanding and alignment of what needs to be done and how it needs to be done (García-Morales, Jiménez-Barrionuevo, & Gutiérrez-Gutiérrez, 2012). In addition, it is the process of facilitating individual and collective efforts to reach the goals of the group (Yukl, 2006). In the mid-1980s scholars started to contrast two forms of leadership: transactional versus transformational leadership (Burns, 1978; Bass, 1988). Transactional leadership focuses on an exchange relationship between the leader and its follower. In exchange for good performance followers receive material, social and psychological benefits. Transactional leaders have influence because it is in the best interest of followers to behave in the way the leader desires (Van Muijen & Schaveling, 2011). However, according to Bass (1988) "(s)uperior leadership performance — transformational leadership — occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their own self-interest for the good of the group." In contrast to transactional leadership, where the leader adopts a quid pro quo approach to align the interest of the individual with the best interest of the organisation, the transformational approach tries to tap into the emotional resources of followers.

Transformational leadership is characterized by the four I's:

- Idealised influence: followers identify with their leaders and respect and trust them.
- Inspirational motivation: leaders' ability to create and communicate an appealing vision of the future and to the leaders' own optimism about this future.
- Individual consideration: leaders act as mentors and acknowledge that every employee has his or her own needs and abilities.
- Intellectual stimulation: challenging followers to rethink some of their ideas and to take a different perspective on the problems they face in their work.

Empirical studies illustrate that transformational leadership outperforms transactional leadership in several ways (for an overview see Van Muijen & Schaveling, 2011).

Individual employees are more motivated and perform better. In addition, employees

experience more positive work attitudes, such as job satisfaction and organisational commitment. Also on an organisational level, transformational leadership is more strongly related to performance than transactional leadership. Wide consensus exists that transformational leadership is important for teams to be innovative (see for an overview in: Baum, Frese, & Baron, 2014, pp. 145-146; also in: García-Morales, et al., 2012).

For this chapter, we primarily focus on inspirational motivation, or in other words, the ability or capacity to inspire others. 'Inspiring others' has a positive effect on the adaptive and innovation performance of teams and organisations (Gumusluoglu & Ilsev, 2009). An inspiring leader is perceived as being knowledgeable and sensitive to negative group processes that are related to problems in group information processing (Bass, 1988). Moreover, inspiring leaders influence organisational effectiveness by enhancing a supportive culture for innovation (Sarros, Cooper, & Santora, 2008). The ability to inspire others also impacts the perceived empowerment of team members, which is considered an important characteristic of successful teams (Özaralli, 2003).

### **Shared leadership**

To mobilize the collective intelligence of various individuals, organisations are changing the way they are organized. Large organisations try to enhance the innovative qualities of employees by means self-directed teams, to continuously adapt to the external environment and thereby to remain competitive (e.g. Volberda, 1996; Garvin, Edmondson, & Gino, 2008). Additionally, entrepreneurs tend to collaborate more frequently in small self-directed teams (Unger, Rauch, Frese, & Rosenbusch, 2011; Kissi, Somiah, & Ansah, 2015; Bridge & O'Neill, 2012).

Traditionally, leadership was an individual projecting downward influence on followers. In addition, leadership was considered the responsibility of a formally appointed leader. However, this interpretation of leadership seems less relevant to understand leadership in self-directed teams. One may argue that leadership in self-directed teams is by definition informal in nature. In the literature this has been coined as shared leadership (Carson, Tesluk, & Marrone, 2007; Pearce, 2004). "Shared leadership occurs when all members of a team are fully engaged in the leadership of the team" (Pearce, 2004). Depending on the challenge at hand the team member with the appropriate knowledge, skills, and abilities can rise to the occasion (Pearce, 2004). Considering the valuable effects of transformational leadership and inspirational motivation, and the emergence of self-directed teams, we are interested in the characteristics that explain which individuals are considered informal inspirational leaders.

## Personal characteristics and leadership

Meta studies have shown that transformational leadership qualities are closely related to the personality traits extraversion and agreeableness (Judge, & Bono, 2000). Extraverts are assertive, show social initiative, and need social synergy to outperform. Individuals having high scores on agreeableness highly value close and cohesive relations with others. People with low agreeableness may be more distant. Agreeableness is important for knowledge innovation processes, customer orientation, and when cooperation and interdependencies between professionals are complex. These earlier findings, linking personality to transformational leadership, warrant the further examination of the relationship of personality traits and informal inspirational leadership.

Our central question is: *What personality traits are related to informal transformational leadership in small, self-directed groups?*

As mentioned, for the purpose of this book chapter we will primarily focus on the relationship between personal characteristics (personality traits) and the ability to inspire others. Also, it is analysed whether next to personal characteristic the ability to inspire others is also influenced by team characteristics. This is done by conducting a multi-level analysis.

### Study

To analyse the relationship described above, an undergraduate student cohort of a development programme in business administration in higher education, dedicated to the development of both *entrepreneurial* and *intrapreneurial* competencies, was selected to participate in this study (N=66, 6 teams; 71% male, 29% female; age: M= 21.2/ SD=2.1). All the participants of this study were students of the Small Business and Retail Management Programme of The Hague University of Applied Sciences (THUAS). This group participated in a two-day training session in which teams had to accomplish various assignments and challenges. This training took place during April 2015 in The Hague, and was organized at an external location near Scheveningen harbour. The main topic in this session was the training and development of entrepreneurial leadership qualities, the model of Robert Quinn being the core theoretical framework (Cameron, Quinn, DeGraff, & Thakor, 2014). This group was selected because the participants had a comparable entrepreneurial experience and expertise, in fields such as finance and marketing.

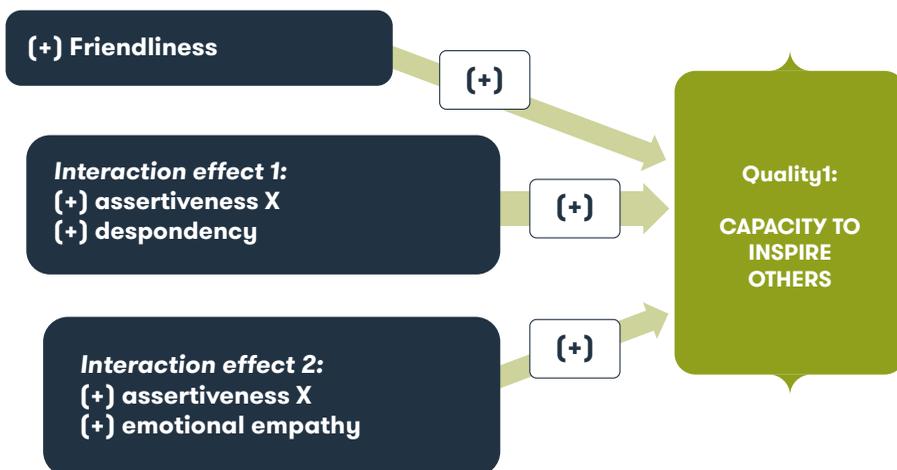
To judge informal transformational leadership qualities a multi-rater system was designed. Each team member was rated by the other team members within one team, and evaluated on the four transformational leadership qualities described earlier as the four I's. The average number of raters was 7.1 for each participant of the study. To measure personality, a Big 5 test was designed, based on the globally applied Five Factor Model (FFM) of personality (McCrae & Costa, 1997). To measure personal values, the four-factor instrument of Robert Quinn was used as a basis for an assessment test, each dimension extended with four items (Quinn, 1991; Quinn et al., 1996).

To study the influence of the group dynamics a multi-level analysis was conducted. By means of this analysis one can examine the strength and significance of team membership on the ability to inspire. A significant effect might illustrate that the ability to inspire is the result of underlying group processes.

The model was developed and tested using MPlus (7.4) software.

## Results

Based on our analysis, we found that the ability to inspire others is primarily determined by the personality trait *friendliness* and the interaction effects of *assertiveness* with both *despondency* and *emotional empathy*. Thirty-three percent of the perceived differences in the *ability to inspire others* can be explained by these personality traits. Model 1 gives an overview of these results.



(the sign (+) indicates a positive relationship, meaning that averages on (both) these dimensions lead to an enhancement of the capacity to inspire others)

Model 1. *Capacity to inspire others (33% explained variance); n=66.*

In Table 1 the estimates of the regression weights (the predictive strength) and also the significance levels are presented. The regression weights illustrate the predictive strength of the independent variable on the dependent variable.

	Estimate	Two-Tailed P-Value
<i>Interaction between: assertiveness X despondency</i>	0.306	0.003
<i>Interaction between: assertiveness X emotional empathy</i>	0.349	0.001
Friendliness	0.141	0.020

Table 1. *Quality 1: Capacity to inspire others (33% explained variance)*

Two interaction (or so-called moderation) effects seem to exist, both having a significant and relatively strong positive effect on the experienced capacity to inspire other team members. As described, an interaction effect means that the accommodation of the two dimensions interact in such a way that this combination is much more meaningful and relevant than the use of the single dimensions alone.

An interaction effects exists between

1. assertiveness and emotional empathy
2. *assertiveness* and *despondency*.

Furthermore, the results show that the capacity to inspire others is related to friendliness. Friendliness measures a warm and friendly expression, leading to higher forms of group cohesion. Group cohesion has an important positive impact on a team performance and effective conflict solving.

Moreover, an analysis was conducted to study the effect of team membership. This multi-level analysis revealed that a moderate effect indeed exists. This means that next to individual capacities related to personality and personal values, group processes have a significant influence on the individual capacity to inspire others.

## Discussion

### *Personal characteristics*

The results of this study have shed some light on the personal characteristics that influence the perceived ability to inspire others in self-directed teams.

The following combination of personality traits in particular have an impact on the ability to inspire others:

- 1) *assertiveness with emotional empathy*
- 2) *assertiveness with despondency*

Assertiveness measures self-directedness and self-initiative during social interactions. Also, assertiveness is related to a strong internal focus on own interests. It is not surprising that assertiveness proves to be highly relevant for informal leadership qualities in small entrepreneurial teams. The sub-scale assertiveness originates from the domain dimension extraversion, a domain dimension closely related to transformational leadership qualities (Bono & Judge, 2003; 2004).

However, the interaction effect with emotional empathy underlines that mere assertiveness is not sufficient to be considered inspirational. Assertiveness needs to be combined with emotional empathy. Only when a team member has the desire to understand the emotions of others will his or her assertiveness be perceived as inspirational. This finding is in line with the work of Keltner (2016) who argues that followers will choose those leaders who will best serve the interests of their group. Careful attention to the emotions of others contributes to this assessment of service to the group.

The interaction effect between assertiveness and despondency is interesting and remarkable. Despondency measures a tendency to experience feelings of sadness and unhappiness. It is closely related to a lower frustration tolerance, based on frequently experiencing feelings of skepticism and discontent (Barrick, Mount, & Judge, 2001). A lower frustration tolerance is defined as a tendency to give up quickly when activities are blocked or frustrated (McCrae & Costa, 1997). Despondency originates from the domain dimension neuroticism. Most research results, especially meta-studies, point out that higher averages on the domain dimension neuroticism have a negative influence on performance (Barrick, Mount & Judge, 2001; Barrick & Mount, 1991). However, in this study, *higher averages* on despondency, a subscale of neuroticism, lead to *higher forms* of experienced shared or informal leadership qualities. Although this might sound confusing, there are various possible explanations for this finding.

First, studies on brain learning illustrate that effective learning in complex and ambiguous work demands alertness (Li, Li, Huang, Kong, Yang, Wei, & Liu, 2015). Higher scores on despondency could be related to higher levels alertness. Consequently, higher levels of alertness might enhance the desire to express one's ideas or vision and thereby inspire others. Second, another related explanation of the importance of (relative) higher levels of despondency comes from the research on creativity. The 'mood-as-input' model of Martin and his colleagues (Martin, Ward, Achee, & Wyer, 1993) suggests that people use their mood as a signal of what is right or wrong in a specific situation. A negative mood therefore spurs individuals to change the situation at hand. In this line of reasoning, despondency in combination with assertive behaviours can be seen as a change initiating element of personality. Third, the role of despondency in relation to the ability to inspire others might also be related to the specific characteristic of our data collection. The study examined the ability to inspire others in the context of a two-day training session. The negative effects of despondency on performance, that previous studies found, might take some time to accrue. The possible alertness and desire to challenge the status quo might outweigh the negative feelings of scepticism and discontent in the short run.

The leadership quality *inspiring others* is also related to the personality trait *friendliness*. Friendliness is a Big 5 sub-scale, originating from the domain dimension extraversion. Friendliness measures interest in and towards others. Higher averages on this dimension enhance the capacity to be effective in the context of change management, team conflict-solving, team development and entrepreneurial effectiveness, because high scores enhance the capacity to strengthen the cohesion whilst interacting with significant others (Smith & Schneider, 2004). This is a very important aspect of your style of cooperative work with significant others, for team effectiveness, attracting customers and for effective conflict solving. The results for friendliness accentuate the importance of cohesion and effective win-win conflict solving as these issues are highly important for effective team development and team performance (Arnold, Silvester, Cooper, Robertson, & Burnes, 2005).

#### *Team level influence*

In addition to the impact of personal characteristics on the ability to inspire, a significant although moderate influence of group membership on the capacity to inspire other also exists. It seems that this informal leadership quality may not only be related to individual characteristics, but also to the inspirational synergy between group members. This leads us to conclude that in organisational or vocational developmental programmes on informal leadership, next to individual capacities attention should be given to the quality of the inspiring group processes.

### *Lessons learned*

From an educational point of view our findings are important. The results shed additional light on the importance of personality traits on leadership, and informal leadership in particular. As leadership is an important phenomenon in society and working life, (under)graduates can be assisted in understanding and developing it. But in the context of this book it should be highlighted that transformational leadership is highly relevant in knowledge innovation (García-Morales et al., 2012), which is a core issue in higher education. Consequently, inspiring others is relevant, because group work is commonly used in higher education. Understanding group dynamics within student teams, informal leadership specifically, can help lecturers to explain and discuss effective and ineffective group work. In our opinion, the results of this study offer interesting evidence-based insights to reflect on and develop those personal characteristics that can be important for informal leadership effectiveness.

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