DIFFERENCES BETWEEN THE RELATIONSHIP OF INTEGRITY AND LEADERSHIP STYLES ACCORDING TO THE MODEL OF BERNARD BASS

FLORINA GUADALUPE ARREDONDO TRAPERO*

Doctorado en Economía y Dirección de Empresas, Universidad de Deusto, España.
Profesora Titular, Departamento de Filosofía y Ética, DHCS, Instituto Tecnológico de Estudios Superiores de Monterrey-Campus Monterrey, México.
Cátedra de Ética Empresarial y Democracia, Tecnológico de Monterrey, Campus Monterrey, México.
Dirigir correspondencia a: Av. Eugenio Garza Sada #2501 Sur, Col. Tecnológico, Monterrey, Nuevo León, México C.P. 64849, México.
farredon@itesm.mx

VERÓNICA MALDONADO DE LOZADA

Doctorado en Economía y Dirección de Empresas, Universidad de Deusto, España.
Profesora Asociada, Departamento de Administración, DAF, Instituto Tecnológico de Estudios Superiores de Monterrey-Campus Monterrey, México.
Cátedra de Ética Empresarial y Democracia, Tecnológico de Monterrey, Campus Monterrey, México.
verito@itesm.mx

ABSTRACT

This article aims to prove empirically that there are significant differences in the correlation that shows no leadership, transactional leadership and transformational leadership (MLQ) with the perceived lack of integrity of the leader (PLIS). It also sought to test whether there was an increased intensity of the relationships between each of the variables of leadership with integrity (T-test). The results show that both transformational leadership and transactional relationship are directly related to integrity. Also based on the empirical results of this investigation is concluded that the relationship of transformational leadership with integrity is stronger than the relationship of leadership with transactional integrity. And that transactional leadership is in turn associated with more integrity that no lead.

KEYWORDS

Transformational leadership, integrity, transactional leadership.

Clasificación JEL: M12

---

*   Autor para correspondencia

RESUMEN

Diferencias entre la relación de la integridad y los estilos de liderazgo de acuerdo con el modelo de Bernard Bass

El objetivo de la investigación es probar empíricamente que sí existen diferencias significativas en la correlación que muestra el No liderazgo, el liderazgo transaccional y el liderazgo transformacional (MLQ) con la falta de integridad percibida del líder (PLIS). Además se buscó probar si había una mayor intensidad entre las relaciones de cada una de las variables de liderazgo con la integridad (T-test). Los resultados reflejan que tanto el liderazgo transformacional como el transaccional tienen una relación directa y significativa con la integridad. Se concluye también que la relación del liderazgo transformacional con la integridad es más fuerte que la relación del liderazgo transaccional con la integridad, y que el liderazgo transaccional está a su vez más relacionado con la integridad que el No liderazgo.

PALABRAS CLAVE

Liderazgo transformacional, integridad, liderazgo transaccional.

RESUMO

Diferenças entre a relação de integridade e estilos de integridade conforme o modelo de Bernard Bass

O artigo visa demonstrar de forma empírica que existem diferenças significativas na correlação da não liderança, liderança transacional e liderança transformacional (MLQ) com a aparente falta de integridade do líder (PLIS). Também se procurou provar se existia um aumento na intensidade da relação entre cada uma das variáveis de liderança com a integridade (T-test). Os resultados mostram que tanto a liderança transformacional como a liderança transacional têm uma relação direta e significativa com a integridade. Com base nos resultados empíricos dessa investigação, também se conclui que a relação de liderança transformacional com a integridade é mais forte que a relação de liderança transacional com a integridade. E que a liderança transacional está por sua vez associada a uma maior integridade que a não liderança.

PALAVRAS-CHAVE

Liderança transformacional, integridade, liderança transacional.

INTRODUCTION

In the literature of leadership it has been established that transformational and transactional leaders have their own dimension of integrity. It is important to distinguish one from another considering their level of integrity. Integrity is demonstrated by leaders in the decision making and actions they undertake. Regarding transactional leadership, it has been said that it has less integrity than transformational leadership. This is thought because the orientation of the relationship with collaborators is based on exchanges, as well as interpersonal conformity. In as much as he/she is interested in relating to others and encouraging them to be better collaborators, then he/she will be more of a transformational leadership and with more integrity. A transformational leadership operates in post conventional levels; it is interested in others, not just as elements of work but also as people. It assumes the responsibility that it has been given by its collaborators and displays its leadership with the intention of helping others by creating the environment that makes them better collaborators.

The objective of this article is to study the differences between the leadership style perceived by collaborators (MLQ, Multifactor Leadership Questionnaire) and the lack of integrity perceived in their immediate boss (PLIS, Perceived Leader Integrity Scale).

The hypothesis is that transformational leaders have more integrity than transactional ones, and that transactional leaders have more integrity than Laissez Faire style.

To prove this hypothesis, Pearson correlation studies were conducted. Also T-tests are part of the study to evaluate the significant differences between the relationships of lack of integrity (PLIS) and leadership (MLQ) variables. According to Craig y Gustafson (1998) a leader who is related inversely with lack of integrity, is a leader with integrity. Taking this as reference one can conclude that transformational leadership is related in a higher degree with integrity than transactional leadership is with integrity. And transactional leadership is related in a higher degree with integrity than Laissez Faire style. Although Parry and Proctor-Thompson (2002) already had demonstrated the relationship between transformational, transactional and Laissez Faire leadership style and integrity, they did not establish any findings about which of the styles are more or less related to integrity. Thanks to the findings obtained in this study it is possible to conclude which style of leadership is perceived as less related to lack of integrity within the model proposed by Bernard Bass (Bass, 1985). In addition, it is demonstrated that there is a relation between integrity and leadership found in Latin-America business context.

1. BACKGROUND

1.1. Integrity

Integrity is understood as a virtue that must be distinguished from moral actions. In other words, one can have integrity but can act immorally (Stanford Encyclopedia of Philosophy, 2007). Regarding the concept of integ-

rity, it has been established that it is perceived as the pattern that aligns words with facts. Also, integrity has been understood as the commitment to the values one assumes and the compliance with the promises made. And finally it has been related to the level to which the collaborator thinks about his/her leader congruency (Worden, 2003). However, different authors argue that integrity must be based on morally justified principles. In other words, one has not integrity as a virtue by taking any value as a reference. Values must share an important characteristic: they must be ethical (Aranzadi, 2000).

Going back to Aristoteles' *Nicomachean Ethics*, integrity can be present when the particular goals of human beings are linked and oriented towards a personal project of realization. According to Aristóteles (2004) a flourished man is the one who lives well and acts well. In this sense, integrity is also present in those acts that the human being performs. For Aristoteles there must be an agreement with those virtuous acts, not just for the acts themselves, but these must be done with full consciousness and complete resolution (Aristóteles, 2004). In other words, if one of these two elements is missing, then the act is not considered with integrity. Lack of integrity in humans has also been attributed to a fragmentation of conscience due to an ignorance of the difference between role integrity that is living according to specific responsibilities. Verstraeten (2003) contention about integral integrity is where the elements of life are concentrated and articulated in a single element. Role integrity precludes man and woman to having double morals, one at home and one in the workplace, for instance, and thus generating an inadmissible duplicity.

When one combines both definitions one arrives at the following: integrity means acting in accordance with what one thinks says and does, and these acts have their bases in a sense of respect to one's human dignity and the human dignity of others. This is the way to enable the integration of the human being with himself/herself, with others and with the environment.

1.2. Transformational Leadership Model

Literature concerning leadership argues for a different leadership that is able to respond to the transition towards more modern organizational models. The paradigm transition in strategic transformation models in organizations, from a traditional strategic model to a modern one requires a new style of leadership and thus a new leader, different to those from the past (Vargas and Guillén, 2005). These new models of organizational leadership require a new type of leader who is centered in the human aspect. The types of leadership that are emerging are built around the central premise of situating the human aspects in the foreground. Leadership centered in people is substituting the traditional leadership centered in control processes or operational and asset control (Puga and Martínez, 2008). This new type of leadership, which is more appropriate to modern organizations, is no longer centered on elements of hierarchy or rigid control. The functions of this new leadership are more evenly distributed, which is why

group compromise is sought as well as the possibility for workers to enact and develop their own sources of empowerment (Vargas and Guillén, 2005). This new type of organization demands a leadership that allows the taking of responsibilities in a joint manner. The concept is taken up along with the idea that leadership (intelligent, acquired through merit and not just charisma, and more humane and interested in well being) must allow subordinates to participate in the decision making process. Participation is important in order to effectively deal with change and with the acceptance of joint responsibilities (Vargas and Guillén, 2005). It is a type of leadership that is centered on the collaborator instead of around the leader, a type of leadership model that respect the collaborator. That is the central element in the quality of the work environment (Mercado, 2007). A leadership that inspires and not just operates; a leadership centered in more integral ways of interacting with collaborators, professional who inspire others appealing to the higher moral standard instead of operating on a practical level (Molina, 2000). One of the models that respond to the new forms of leadership is the Transformational Leadership Model developed by Bernard Bass (Bass, 1985). This model will be explained theoretically and later it will be applied in the empirical study.

The transformational leadership model includes three different styles of leadership, each one with its own corresponding types: Laissez Faire leadership, transactional leadership (with three different types: management by exception passive/active, and contingent reward), and transformational leadership (with four types: individual consideration, intellectual stimulation, inspirational motivation, and idealized influence).

Based on the model of Transformational Leadership proposed by Bernard Bass (Bass, 1985), the transformational leadership as well as the transactional leadership is present in the profile of most leaders. The way in which one can classify the styles of leadership is based on identifying the style that the leader acts upon the most. Those leaders that identify themselves as transformational follow the transformational style most of the time, and not the transactional style. On the other hand, the leaders that identify themselves as transactional act most of the time in a transactional style, instead of in a transformational style. These styles are not mutually exclusive, and both can be present to a certain degree in the leader.

With the purpose of understanding the way in which integrity relates with leadership, the authors will propose some ideas about the integrity of each model supported on the model of transformational leadership by Bernard Bass.

1.3. The integrity of Laissez Faire

A Laissez Faire leader does not put enough effort into encouraging the development of his/her or the organization's collaborators. This type of leader is satisfied with attending his/her own personal needs and shows no interest in the activities of his/her collaborators. It is a style with low integrity because he/she abandons his/her collaborators. It

does not assume the responsibility that he/she as a leader must, and is neither responsible for the team that is on his/her care (Ayerbe, 2006).

1.4. The integrity in the Transactional Leadership

In transactional leadership, there's a relationship of leadership that limits the possibility of a human connection between both actors. There is no differential influence, just a formal influence that derives from his/her organizational position. There is no trust between people, just trust in an agreement. There is no interpersonal relationship, just a contractual relationship. There is no liberating power that enhances the human being, just a traditional power relationship, either of reward or punishment. Both the leader and the collaborator can become means instead of ends. The leader can become a mean for collaborators who are merely interested in obtaining rewards or avoiding punishments. The collaborator can become a mean for the leader when he/she is interested in obtaining maximum efficiency and the least possible flaws. The notion of a complete human being does not appear in this leadership relationship.

In spite of the previously mentioned limitations, it is possible to identify that in transactional leadership there is certain integrity in the fulfillment of agreements. This is based on a philosophy of individualistic orientation that is at the heart of transactional leadership. It is a philosophy in which leaders and collaborators rationally pursue their own interests and nothing else.

The moral legitimacy of transactional leadership is based on offering the same liberties and opportunities for others as well as for oneself. It is based on speaking truthfully, keeping promises, sharing responsibilities, and creating incentives and valid sanctions. Transactional leadership is valid as long as it is based on a legitimate moral contract that is accepted by all the actors (Bass and Steidlmeier, 1999).

In the next sections the authors explain how a transactional leadership´s style relates to integrity: management by exception (passive-active) and contingent reward.

1.4.1. Management by exception (passive)

The leader takes corrective measures at the end of the process: he or she applies controls to detect deviations from the standard. The leader does not encourage or maintain a personal relationship with the collaborators, but may show interest in their well being in seeking they perform a better job.

Since there is no interpersonal relationship, trust in this type of transactional leadership is based on the optimal functioning of control mechanisms and the effective application of punishments; but the person is forgotten.

1.4.2. Management by exception (active)

The leader prevents any deviation from the standard, and takes the necessary steps to maintain collaborators in line. This type of transactional leader, as the one mentioned before, is based on the use of controls and

punishments, except that this type of leader uses it with more intensity during the process. The control and possible punishment for unfulfilled goals are the leverage used as part of the strategy to change the collaborators' attitude.

1.4.3. Contingent reward

There is a reciprocal negotiation between the leader and collaborator in seeking to achieve goals. The majority of relationships in this type of transactional leadership are based on the exchange between the leader and collaborator, where the collaborator receives something in exchange for giving something to the leader (Burns, 1978).

The leader, however, has no particular interest in satisfying the higher level needs of his or her collaborators. There is no interest as well in the development of the collaborator based on autonomy and responsible liberty, although the leader may be honest about his or her relationship with the collaborators.

The leader's effectiveness will be based in how long the mechanism of motivation lasts. This style of leadership is the most common one in organizations (Conger and Kanungo, 1998). Specifically, the systematic use of contingency recognition to obtain a specific behavior in the employee may result in a situation similar to bribery.

Although the contingency reinforcement has been proven effective in the management arena, one must also remember that when recognition is taken away from a person, his or her conduct is no longer the one wished for. That person has formed an expec-

tation and is dependent on positive reinforcement.

Lastly, positive reinforcement may not be perceived by the employee as a form of manipulation. This form of reinforcement may be very powerful with collaborators, since the person that is being manipulated may not even be aware of it. The influencing process may have been subtle and almost imperceptible. Nevertheless it is also important to recognize that contingent reward transactional leadership does include certain aspects of justice and respect for agreements, and this gives it certain bases of integrity (Arredondo, 2007).

1.5. Integrity in Transformational Leadership

Transformational leadership has a different type of influence, which comes directly from the person. The leader influences the collaborator as a person and not just through the upholding of agreements. An interpersonal relationship is generated through quality and quantity not just at a contractual level. The collaborator gives the leader a liberating power that in turn gives him or her potential to reach new goals. The traditional power is ousted, and becomes unnecessary. Based on these reasons it is possible to assume that transformational leadership has the person as an end.

On the one hand, in transformational leadership, both the leader and the collaborator are an end. The collaborator is an end for the leader, and the leader is an end for the collaborator. Short-term goals like obtaining rewards or avoiding punishment are replaced by a search for a transcendent

end. More than obtaining maximum performance and the least possible flaws, the leader and collaborator are able to visualize the importance of transcending one in the other. For this reasons, transformational leadership, in any of its modalities, generates an integral leadership (Arredondo, 2007).

On the other hand, this style of leadership has been severely criticized. Even after its moral legitimacy has been questioned, transformational leadership continues to be considered as having a higher level of integrity than transactional leadership; it has been defined as that type of leadership that elevates collaborator's morality (Bass, 1998).

Although one may see the transformational leadership style as related to integrity, it is also important to recognize that there are leaders that intend to be transformational when in reality they are not, becoming instead pseudo-transformational leaders. This has opened fierce debates because of the difficulty when it comes to distinguishing an integral transformational leader from a pseudo-leader who is manipulative, exploitative, and deceitful and a threat to human dignity (Babiak, 2005; Datta, Arredondo and Craig, 2005; Facteau, Elizondo and Van Landuyt, 2005; Gustafson, 2005).

2. HYPOTHESIS

Objective

The objective of this study is to analyze the differences in the relationship between direct boss' style of leadership as perceived by the collaborators and the lack of integrity

in those leaders as perceived by the collaborators.

Hypothesis 1: There is a higher significant and inverse relation between *the lack of integrity* and *transformational leadership* than between *lack of integrity* and *transactional leadership.*

Hypothesis 2: There is a higher significant and inverse relation between *the lack of integrity* and *transactional leadership* than between *lack of integrity* and *Laissez Faire style.*

Hypothesis 3: There is a higher significant and inverse relation between *the lack of integrity* and *contingent reward* than between *lack of integrity* and *management by exception.*

3. METHODOLOGY

3.1. Design of empirical study

The empirical study's design is based on the perception the collaborator has of the leader's lack of integrity as well as his or her leadership style. For this study's design the experience of other researchers who conducted studies like this was taken into consideration, for instance studies published by Parry and Proctor-Thompson (2002), as well as Craig and Gustafson (1998). According to the analysis they conducted, collaborators were in the best possible vantage point to give a useful perception of their leaders. Because of their position, collaborators are most able to express their perception about the leadership styles and the lack of integrity of their leader. Taking these evidences as bases for the study, it was decided that the collaborator's perception would be used in order to evaluate the lack of integrity and

leadership style of their direct boss, and to exclude the auto-evaluation form for leaders, which would not have been helpful for the objectives of this study.

3.2. Justification of the statistical analysis

Pearson Correlation: this method of analysis was chosen in order to determine the relationship between the lack of integrity and the style of leadership. This method is required in order to fulfill the objective of this study that is to analyze how the lack of integrity and the different styles of leadership are related. In addition, Parry and Proctor-Thompson (2002) also conducted statistical correlation analysis to determine the relationship between lack of integrity and leadership.

Student T-test: additionally, this statistical test was conducted in order to determine if there were significant differences related to the values of correlation found between lack of integrity and the different styles of leadership.

The need for this empirical research resides in that there is no consensus in published literature between integrity and leadership styles. Basically there are two opposing attitudes. On the one hand, those who are oriented to understanding transformational leadership as leadership style with integrity, as opposed to transactional leadership, which ignores people and concentrates on results (Conger and Kanungo, 1998; Kanungo and Mendonca, 1996; Price, 2003). And on the other hand there are arguments in favor of transactional leadership as a leadership style with integrity

because it is based on agreements and these arguments question the integrity of transformational leaders who may manipulate the will of their collaborators (Altio-Majorsolo and Takala, 2000; Giampetro, Brown; Browne y Kubasek, 1998). Previous research about leadership and integrity reported by Parry and Proctor-Thompson (2002) demonstrated the relationship between transformational, transactional and Laissez Faire leadership style and integrity. Nevertheless they did not establish any findings about which of the styles are more or less related to integrity. Thanks to the findings obtained in this study it is possible to clarify which style of leadership is perceived as less related to lack of integrity within the model proposed by Bernard Bass.

3.3. Measurement instruments

3.3.1. Perceived Leader Integrity Scale

Craig and Gustafson (1998) designed the PLIS (Perceived Leader Integrity Scale) measurement tool. PLIS is composed of 32 items and is a one-dimensional scale. It has a high internal consistency and there is statistical evidence of the equivalence between both versions (English and Spanish); the sample shows a high reliability level: Cronbach Alpha of 0,92 and 0,96 respectively (Datta *et al.*, 2005). The PLIS authors defined clearly non-integral behaviors and non-positive or desired behavior. According to both authors, when one asks for the leader's positive conduct, the leader's lack of integrity cannot be evidenced. It could be risky to ask for positive conducts, since the

collaborators may include desirable acts, but these acts may not be morally demanding.

3.3.2. MLQ (Multifactor Leadership Questionnaire)

The MLQ is a questionnaire that includes 46 items, in which 35 of them identifies the styles of leadership described further. The other 11 items evaluate the organization's variables such as efficiency, extra effort, and collaborators' satisfaction. Cronbach Alpha for each style of leadership shows a strong internal consistency and is similar to that reported in other studies (Den Hartog, House, Hanges and Ruiz-Quintanilla, 1999); Transformational Leadership: 0,937, transactional leadership: 0,8106 and Laissez Faire: 0,5912. The questionnaire has two different versions: the leader's auto-evaluation and the collaborator's evaluation of the leader. Taking in consideration that the PLIS questionnaire measures the collaborator's perception of the leader, the authors decided to use the MLQ questionnaire version, which measures the collaborator's perception of the leader's style of leadership. This version of the questionnaire evaluates three styles proposed by the model of Transformational Leadership by Bernard Bass: Laissez Faire, Transactional Leadership, and Transformational Leadership.

The grouping of items in MLQ when conducting the empirical study are based on the findings reported by Den Hartog *et al*. (1999) and supported by Avolio, Bass and Jung (1999) who stated that there is a three factor structure in leadership: Laissez Faire, Transactional Leadership

(contingent reward and management by exception) and Transformational Leadership.

3.3.3. Participants

Population: collaborators that report to executives and managers of the first and second organizational level at the company named EMPRESA COMERCIAL.

Area: corporate offices in organization headquarters and 52 offices at a national level in the 32 states of Mexico.

Participants: 600 employees that report directly to medium and high-level executives.

Questionnaires received: 344

Response Rate: 0,57

4. RESULTS

In order to prove the differences between the styles of leadership and the lack of integrity, three artificial variables were constructed, and this is how each style was grouped: Laissez Faire variables, Transactional variables, and Transformational Variables. Additionally, an analysis was done between transactional leadership styles: Contingent Reward and Management by Exception, and with this objective two more artificial variables were created to group them in each style of transactional leadership. As a last step, this new artificial variables were correlated with the leader's lack of integrity. Tables 1, 2, and 3 includes the correlation and the t-test between the variable integrity and each artificial variable: Transactional and Transformational variables, Laissez Faire variables and Transactional variables, Con-

Table 1. Transactional variable and transformational variable and lack of integrity -r Pearson and t-Test (first 4 items)

Lack of integrity variable	Transactional variable				Transformational Variables			
	r Pearson	n	Sig	t-test	r Pearson	N	Sig	t-test
Ridicules people for their mistakes	-0,28	315	0,00	-5,26	-0,41	308	0,00	-8,00
Tries to get even	-0,34	315	0,00	-6,50	-0,43	308	0,00	-8,45
Shows unfair favoritism toward some people	-0,37	315	0,00	-7,22	-0,47	308	0,00	-9,41
Would lie to me	-0,37	314	0,00	-7,21	-0,42	308	0,00	-8,26

Table 2. Laissez Faire variable and transactional variable and lack of integrity -r Pearson and t-Test (first 4 items)

Lack of Integrity Variable	Laissez Faire variable				Transactional variable			
	r Pearson	N	Sig	t-test	r Pearson	n	Sig	t-test
Ridicules people for their mistakes	0,15	319	0,00	2,84	-0,28	315	0,00	-5,26
Tries to get even	0,14	319	0,00	2,66	-0,34	315	0,00	-6,50
Shows unfair favoritism toward some people	0,17	319	0,00	3,22	-0,37	315	0,00	-7,22
Would lie to me	0,22	317	0,00	4,09	-0,37	314	0,00	-7,21

Table 3. Contingent reward variable and management by exception and lack of integrity -r Pearson and t-Test (first 4 items)

Lack of Integrity Variable	Contingent Reward				Management by exception			
	r Pearson	n	Sig	t-test	r Pearson	n	Sig	t-test
Ridicules people for their mistakes	-0,33	325	0,00	-6,28	-0,10	320	0,01	-1,95
Tries to get even	-0,36	325	0,00	-7,02	-0,20	320	0,00	-3,81
Shows unfair favoritism toward some people	-0,40	325	0,00	-8,00	-0,20	320	0,00	-3,69
Would lie to me	-0,39	324	0,00	-7,78	-0,21	319	0,00	-3,93

tingent Reward and Management by exception variable. The R Pearson correlation demonstrated there is a significant relationship between leadership and integrity. And the t-test probes that there are significant differences between the correlations values (Table A1). Considering the statistical results obtained from the empirical research, hypothesis 1, 2, and 3 are accepted (significance level >=0,10).

5. DISCUSSION

Hypothesis 1: Accepted. The transformational variable demonstrates an inverse and significant relation to the leader's lack of integrity (median value of statistical t -7,42), and with a higher causality effect than the transactional variable with the leader's lack of integrity (median value of statistical t -5,87) (Table 1). Considering the median value of t, calculated in both styles, it is perceived that the relation of integrity with transformational leadership style is 1,28 times stronger than the relation of integrity with transactional leadership.

Hypothesis 2: Accepted. The transactional variable demonstrates an inverse and significant relation to the leader's lack of integrity (median value of statistical t -5,87), and with a higher causality effect than the Laissez Faire variable with the leader's lack of integrity (median value of statistical t 3,29) (Table 2). Considering the median value of statistical t calculated for both styles it is perceived that the relationship of integrity with transactional leadership style is 1,82 times stronger than the relationship of integrity with Laissez Faire.

Hypothesis 3: Accepted. The contingent reward variable demonstrates an inverse and significant relation with the leader's lack of integrity (median value of statistical t -6,59), and with a higher causality effect than the management by exception variable with the leader's lack of integrity (median value of statistical t -2,90) (Table 3). Considering the median value of t calculated for both styles, it can be perceived that the relation between integrity with contingent reward leadership style is 2,33 times stronger than

the relationship between integrity and management by exception style.

Considering that the r Pearson statistical is significant and negative for the transformational leadership style as well as for the transactional leadership, it is demonstrated that both styles not only are related in a significant manner with lack of integrity but that both maintain an inverse relation. Thus, an inverse relation to lack of integrity is interpreted as a direct relation with integrity as has been reported by similar studies using Perceived Leader Integrity Scale and Multifactor Leadership Questionnaire (Parry and Proctor-Thompson, 2002). Unlike transformational and transactional leadership, Laissez Faire is the style that does show a significant and direct relation with lack of integrity (Table 2).

Even if the statistical methods demonstrates no cause and effect relation between the lack of integrity and leadership style variables, the statistical analysis is interpreted from the style of leadership in order to understand its relation with the lack of integrity. This way of analyzing the relation between both variables is based on the theoretical grounding offered by Burns (1978), which establishes on the one hand that leaders that are closer to the transformational style demonstrates more integrity. On the other hand a person with integrity does not necessarily demonstrate a particular leadership style.

6. CONCLUSION

Although Parry and Proctor-Thompson (2002) already had demonstrated the relationship between transformational, transactional, and Laissez

Faire leadership style and integrity, they did not establish any findings about which of the styles are more or less related to integrity. An important contribution of this article to the leadership theory are the following conclusions that establishes which style of leadership is perceived as less related to lack of integrity within the model proposed by Bernard Bass.

Transformational leadership has more integrity than transactional leadership.

From the results of this empirical research, it can be concluded that transformational leadership is perceived as being with more integrity than transactional leadership. This does not mean that transactional leadership has not integrity, but that collaborators do perceive it as related to integrity but in a lower degree. Taking as a reference the definitions established of the Transformational Leadership Model (Bass and Avolio, 2000) it is possible to infer that transactional leaders are centered on reciprocity and the transformational leader in the person. The collaborator perceives the transformational leader with more integrity and, in order of importance, reciprocity of the agreements comes as a second term.

A theoretical explanation of the difference found in the relationship of integrity to the transactional and transformational leadership styles, could be attributed to the former definition of transactional and transformational leader established by Bass. Transactional leadership is defined as not interested in elevating the morality of his or her collaborators. This is a more restrictive type of leadership and is focused exclusively on meeting expected goals and objectives. Instead, transformational leadership is defined as the one where the leader and his or her collaborators together raise their morality levels. It is possible to assume this could be the main reason that explains why the transformational leader is perceived as having more integrity than the transactional one.

Transactional leadership has more integrity than Laissez Faire leadership.

Based on the results of this empirical research there is a difference found in the relationship between transactional leadership and Laissez Faire leadership style with integrity. According to Transformational Leadership Model proposed by Bass (Bass and Avolio, 2000), Laissez Faire is defined as not responsible for the accomplishments of the team nor interested in the development of collaborators. The empirical results demonstrated that Laissez Faire style is the only one that presents an inverse relation with integrity, unlike the transactional style. The reason of the differences found could be attributed to the theoretical definitions based on Bass explanations. According to his contention, Laissez Faire tends to abandon his/her responsibility and dump it on the collaborators. Transactional leaders, on the other hand, has more integrity because it uses his/her position of power and his/her control capacity through a system of rewards and sanctions. This power is used in order to influence collaborators to act in the desired manner, demanding commitment and loyalty. The integrity of this type of leadership resides

in the fulfillment of the agreements previously reached between the leader and his or her collaborators, unlike the Laissez Faire, which forsakes the necessities and interests of the collaborators. Based on this explanation it is possible to assume this could be the reason because Laissez Faire has lower degree of integrity related to transactional leadership.

Contingent reward leadership has more integrity than management by exception.

The integrity of contingent reward leadership is higher than that of management by exception. Taking Bass and Avolio (2000) definition as a reference, the former is based on a clear establishing of goals and challenges, and is keen on fulfilling the promises incurred in by leaders. This type of leadership employs incentives and sanctions agreed upon by both collaborators and leaders and in so far as they are enforced it will be considered a leadership style with more integrity. Justice and respect are the bases for the integrity in this relationship between collaborators and leaders in the contingent reward style. These are two important bases which are not necessarily present in management by exception. Additionally, management by exception, unlike contingent reward, is less related to integrity because it only supervises when things fail or at the end of the operative process, and focuses only on mistakes made. Based on the former definitions and taking in consideration the empirical data, it is possible to infer that having rules and agreements of reciprocity between the leader and his or her collaborators, as is the case in contingent reward,

will be perceived as a way of leading with more integrity, than a style that focuses only in correcting mistakes or results.

7. LIMITATIONS AND FUTURE LINES OF RESEARCH

There are various limitations of this work, which in turn lead us to propose future lines of research. The results of this study do not demonstrate causality, because they only establish differences between the relations of integrity to different leadership styles. The findings cannot be generalized as well, since this is a study conducted in a specific company. The sampling was non probabilistic, and that is a limitation too. Also, collaborators who participated in this study did so willingly and anonymously, and thus, there remains the possibility of different perceptions for those collaborators who were invited but declined to participate in the study. Lastly, the findings of this study are limited to collaborators perceptions about their direct boss and are not based on specific facts, so the results may tend to be subjective.

It is necessary to continue research focused on integrity and leadership. Taking in consideration the results obtained in this research the following question would be interesting to explore Why Laissez Faire leadership style is related to the lack of integrity of the leader? Some explanations were included in this paper based on the theoretical definition. It is necessary to conduct quantitative and qualitative research in order to answer this question.

In addition the pursuit of further analysis of integrity and leader-

ship, the following lines of research are put forward: a) Analyzing how leadership style as perceived by the leader relates to the integrity level the collaborators perceive in him or her, b) Include 360 degree studies (collaborators, colleagues and bosses) to compare holistically the styles of leadership as well as perceptions of integrity of organizational leaders, c) Examine the results of integrity and its relation to organizational variables such as workplace satisfaction and organizational efficiency.

BIBLIOGRAPHIC REFERENCES

1. Altio-Majorsolo, L. and Takala, T. (2000). Charismatic leadership, manipulation and the complexity of organizational life. *Journal of workplace learning*, *12*(4), 146.

2. Aranzadi, D. (2000). *El arte de ser líder empresarial hoy*. Deusto, España: Universidad de Deusto.

3. Aristóteles. (2004). *Ética Nicomaquea*. México, DF: Porrúa.

4. Arredondo, F. (2007). *Integridad del directivo de empresa y su relación con los estilos de liderazgo, una aproximación al modelo de liderazgo transformacional de Bernard M. Bass*. Unpublished doctoral dissertation, Universidad de Deusto, San Sebastián, España.

5. Avolio, B., Bass, B., and Jung, D. (1999). Reexamining the Components of Transformational and Transactional Leadership Using the Multifactor Leadership Questionnaire. *Journal of Occupational and Organizational Psychology, 72*, 441-462.

6. Ayerbe, M. (2006). *Manual del curso Xabide Liderazgo Transformacional*. San Sebastián, España: Universidad de Deusto.

7. Babiak, P. (2005). B-Scan 360: Development of a measure of psychopath for organizations. In S.B. Craig (chair), *Illuminating the Dark Side: Tools for Assessing Destructive Leadership*. Symposium of the Society for Industrial and Organizational Psychology, Los Angeles, California.

8. Bass, B. (1985). *Leadership and performance beyond expectations*. New York, NY: Free Press.

9. Bass, B. (1998). The ethics of transformational leadership. In: J.B. Ciulla (Ed.), *Ethics the heart of leadership* (pp. 169-189). Wesport, CT: Praeger.

10. Bass, B.M., and Avolio, B.J. (2000). *MLQ: Multifactor questionnaire: Third edition manual and sampler set*. Redwood City, CA: Mind Garden.

11. Bass, B. and Steidlmeier, P. (1999). Ethics, Character and authentic transformational Leadership Behavior. *The Leadership Quarterly, 10*(2), 181-217.

12. Burns, J. (1978). *Leadership*. New York, NY: Harper and Row.

13. Conger, J.A. and Kanungo, R.N. (1998). *Leadership in Organizations*. London, UK: Sage.

14. Craig, B. and Gustafson, S. (1998). Perceived Leader Integrity Scale: An instrument for assessing employee perception of leader integrity. *Leadership Quarterly, 9*(2), 127-145.

15. Datta, A., Arredondo, F. and Craig, B. (2005). Assessing destructive leadership in Spanish-speaking populations: Adapting the Perceived Leader Integrity Scale. In S.B. Craig (chair), *Illuminating the Dark Side: Tools for Assessing Destructive Leadership*. Sympo-

sium of the Society for Industrial and Organizational Psychology, Los Angeles, California.

16. Den Hartog, D., House, R., Hanges, P. and Ruiz-Quintanilla, A. (1999). Cultural specific and cross-cultural widespread implicit leadership theories: Are attributes of charismatic/transformational leadership universally endorsed? *Leadership Quarterly*, *10*(2), 235-243.

17. Facteau, J., Elizondo, F. and Van Landuyt, C. (2005). Dysfunctional personality dispositions and leader effectiveness: Bad and good news. In S.B. Craig (chair), *Illuminating the Dark Side: Tools for Assessing Destructive Leadership.* Symposium of the Society for Industrial and Organizational Psychology*, Los Angeles, California.

18. Giampetro, M.A., Brown, T., Browne, M.N. and Kubasek, N. (1998). Do we really want more leaders in business? *Journal of Business Ethics*, *17*(15), 1727-1736.

19. Gustafson, S. (2005). Out of their own mouths III: Identifying organizational aberrant self-promoters. In S.B. Craig (chair), *illuminating the Dark Side: Tools for Assessing Destructive Leadership*. Symposium of the Society for Industrial and Organizational Psychology, Los Angeles, California.

20. Kanungo, R. and Mendonca, M. (1996). *Ethical Dimensions of Leadership*. London, UK: Sage.

21. Mercado, P. (2007). La responsabilidad social en empresas del Valle de Toluca (México): un estudio exploratorio. *Estudios Gerenciales*, *23*(102), 119-135. Disponible en: http://bibliotecadigital.icesi.edu.co/biblioteca_digital/bitstream/item/1082/1/Responsabilidad_social_empresas_valle_Toluca.pdf

22. Molina, H. (2000). El desarrollo organizacional como facilitador del cambio. *Estudios Gerenciales*, 77, 13-25. Disponible en: http://biblioteca2.icesi.edu.co/cgi-olib?session=30387453&infile=&sobj=2831&source=webvd&cgimime=text%2Fhtml

23. Parry, K., and Proctor-Thompson, S. (2002). Perceived integrity of transformational leaders in organizational settings. *Journal of Business Ethics*, *35*(2), 75-96.

24. Price, T. (2003). The ethics of authentic transformational leadership. *The Leadership Quarterly*, 14, 67-81.

25. Puga, J. and Martínez, L. (2008). Competencias directivas en escenarios globales. *Estudios Gerenciales*, *24*(109), 87-103. Disponible en: http://biblioteca2.icesi.edu.co/cgi-olib?session=83393756&infile=&sobj=3289&source=webvd&cgimime=text%2Fhtml

26. Stanford Encyclopedia of Philosophy. (2007). December 2007 [last update] http://plato.stanford.edu/.

27. Vargas, J.G. and Guillén, I.J. (2005). Los procesos de transformación estratégica en relación con la evolución de las organizaciones. *Estudios Gerenciales*, 94, 65-80. Disponible en: http://biblioteca2.icesi.edu.co/cgi-olib?session=91841495&infile=&sobj=1527&source=webvd&cgimime=application%2Fpdf

28. Verstraeten, J. (2003). *Leiderschap met hart en ziel. Spiritualiteit als weg naar oorspronkelijkheid.* Leuven, Koninkrijk België: Lannoo.

29. Worden, S. (2003). The Role of Integrity as a Mediator in Strategic Leadership: A recipe for Reputational Capital. *Journal of Business Ethics, 46*(1), 31-44.✸

Table A1. Lack of Integrity and Leadership style-Pearson Correlations and T-test

Integrity Variable	Laissez Faire variable				Transactional variable				Contingent Reward				Management by exception				Transformational Variables			
	r Pearson	n	Sig	t-test	r Pearson	n	Sig	t-test	r Pearson	n	Sig	t-test	r Pearson	n	Sig	t-test	r Pearson	n	Sig	t-test
Ridicules people for their mistakes	0,16	319	0,00	2,85	-0,29	315	0,00	-5,26	-0,33	325	0,00	-6,28	-0,11	320	0,02	-1,96	-0,42	308	0,00	-8,00
Tries to get even	0,15	319	0,00	2,66	-0,35	315	0,00	-6,50	-0,36	325	0,00	-7,02	-0,21	320	0,00	-3,81	-0,44	308	0,00	-8,45
Shows unfair favoritism toward some people	0,18	319	0,00	3,22	-0,38	315	0,00	-7,22	-0,41	325	0,00	-8,01	-0,20	320	0,00	-3,70	-0,47	308	0,00	-9,42
Would lie to me	0,23	317	0,00	4,10	-0,38	314	0,00	-7,21	-0,40	324	0,00	-7,79	-0,22	319	0,00	-3,94	-0,43	308	0,00	-8,26
Would risk other people to protect himself/herself in work matters	0,19	317	0,00	3,36	-0,40	313	0,00	-7,63	-0,43	323	0,00	-8,53	-0,19	318	0,00	-3,40	-0,48	308	0,00	-9,57
Deliberately fuels conflict among other people	0,16	319	0,00	2,92	-0,35	315	0,00	-6,57	-0,39	325	0,00	-7,68	-0,17	320	0,00	-3,04	-0,39	308	0,00	-7,50
Is evil	0,21	319	0,00	3,77	-0,35	315	0,00	-6,59	-0,38	325	0,00	-7,41	-0,16	320	0,00	-2,96	-0,44	308	0,00	-8,57
Would use feedback as an excuse to criticize someone as a person	0,12	316	0,00	2,21	-0,27	312	0,00	-4,96	-0,28	322	0,00	-5,30	-0,15	317	0,00	-2,67	-0,32	306	0,00	-5,91
Has it in for me	0,20	318	0,00	3,61	-0,25	314	0,00	-4,52	-0,29	324	0,00	-5,48	-0,09	319	0,06	-1,55	-0,35	307	0,00	-6,48
Would allow someone else to be blamed for his/her mistake	0,21	319	0,00	3,81	-0,35	314	0,00	-6,58	-0,40	325	0,00	-7,94	-0,14	320	0,00	-2,59	-0,45	308	0,00	-8,77
Would falsify records if it would help his/her work situation	0,24	315	0,00	4,37	-0,32	312	0,00	-5,97	-0,34	322	0,00	-6,51	-0,19	316	0,00	-3,41	-0,38	305	0,00	-7,11
*Has high moral standards	0,12	312	0,01	2,20	-0,15	308	0,00	-2,56	-0,17	317	0,00	-3,12	-0,07	313	0,14	-1,15	-0,27	301	0,00	-4,89
Would deliberately exaggerate people's mistakes to make them look bad to others	0,15	318	0,00	2,68	-0,33	314	0,00	-6,11	-0,37	324	0,00	-7,21	-0,14	319	0,00	-2,59	-0,42	307	0,00	-7,99
Is vindictive	0,21	318	0,00	3,82	-0,33	313	0,00	-6,08	-0,35	323	0,00	-6,76	-0,18	318	0,00	-3,25	-0,42	307	0,00	-8,06
Would withhold information or constructive feedback because he/she wants someone to fail	0,17	317	0,00	3,10	-0,34	314	0,00	-6,36	-0,37	324	0,00	-7,17	-0,18	319	0,00	-3,30	-0,42	308	0,00	-7,98
Would treat some people better if they were of the other sex or belonged to a different ethnic group	0,21	317	0,00	3,76	-0,29	312	0,00	-5,38	-0,33	322	0,00	-6,15	-0,16	317	0,00	-2,80	-0,34	305	0,00	-6,19
Would deliberately distort what I say	0,16	317	0,00	2,78	-0,37	314	0,00	-6,95	-0,40	324	0,00	-7,76	-0,20	319	0,00	-3,58	-0,45	307	0,00	-8,73
Is a hypocrite	0,21	317	0,00	3,79	-0,37	312	0,00	-7,06	-0,42	322	0,00	-8,23	-0,19	317	0,00	-3,43	-0,49	307	0,00	-9,74
Would try to hurt someone's career because of a grudge	0,20	318	0,00	3,65	-0,36	314	0,00	-6,79	-0,40	324	0,00	-7,79	-0,19	319	0,00	-3,43	-0,46	307	0,00	-9,02
Would blackmail an employee if (s)he thought (s)he could get away with it	0,17	319	0,00	2,98	-0,34	315	0,00	-6,42	-0,38	325	0,00	-7,34	-0,17	320	0,00	-3,08	-0,40	309	0,00	-7,67
Enjoys turning down requests	0,23	319	0,00	4,23	-0,32	316	0,00	-5,94	-0,35	325	0,00	-6,76	-0,13	321	0,00	-2,34	-0,40	308	0,00	-7,59
Would make trouble for someone who got on his/her bad side	0,14	319	0,00	2,55	-0,33	316	0,00	-6,13	-0,34	326	0,00	-6,49	-0,19	321	0,00	-3,46	-0,39	309	0,00	-7,51
Would try to take credit for other people's ideas	0,17	320	0,00	3,13	-0,40	315	0,00	-7,77	-0,43	325	0,00	-8,44	-0,22	320	0,00	-3,96	-0,42	308	0,00	-8,14
Would steal from the organization	0,15	318	0,00	2,61	-0,24	313	0,00	-4,34	-0,26	323	0,00	-4,86	-0,11	318	0,02	-1,89	-0,27	307	0,00	-4,90
Would risk other people to get back at someone else	0,19	319	0,00	3,50	-0,34	315	0,00	-6,35	-0,36	325	0,00	-6,85	-0,20	320	0,00	-3,62	-0,40	308	0,00	-7,52
Would engage in sabotage against the organization	0,12	317	0,01	2,09	-0,25	312	0,00	-4,45	-0,25	322	0,00	-4,70	-0,15	317	0,00	-2,62	-0,26	306	0,00	-4,77
Would try to get people fired just because (s)he doesn't like them	0,20	320	0,00	3,58	-0,31	314	0,00	-5,78	-0,33	324	0,00	-6,36	-0,17	319	0,00	-3,02	-0,41	309	0,00	-7,83
Would do things that violate organizational policy and then expect others to cover for him/her	0,23	317	0,00	4,14	-0,31	311	0,00	-5,67	-0,34	321	0,00	-6,44	-0,15	316	0,00	-2,67	-0,36	306	0,00	-6,77
Would risk hurting the organization to further his/her own personal interests	0,19	319	0,00	3,37	-0,29	314	0,00	-5,29	-0,31	324	0,00	-5,79	-0,13	319	0,00	-2,41	-0,35	307	0,00	-6,42