

How to be a Responsible Leader

Leadership Models in Comparison

Bachelor Thesis

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The challenge of leadership is to

Be strong, but not rude;

Be kind, but not weak;

Be bold, but not bully;

Be thoughtful, but not lazy;

Be humble, but not timid;

Be proud, but not arrogant;

Have humor, but without folly.

- Jim Rohn -

EXECUTIVE SUMMARY

The modern business environment requires much more from leaders than just generating profits. Rather, they ought to be responsible. This means that they shall find a way to link performance with corporate social responsibility.

A stakeholder perspective instead of a plain economic orientation is the first step toward this goal. The best example of a stakeholder-oriented leader is the integrator, who truly cares for the needs of others. Although this type of leader keeps an eye on profits, he or she is in fact more interested in creating value for various stakeholders.

Which competencies a leader needs to perform responsible leadership can be assessed with the help of the personality theory. This states that human personality is arranged according to several levels. These are built upon each other, ranging from physiology to competencies.

Concerning the physiological level, neuroscientific research indicates that effective leadership is strongly connected to the functioning of the right brain hemisphere. Among other impacts, it is responsible for the capability of balancing concerns of multiple stakeholders.

There are four more levels between the physiological and the competency level. These are: motives, values, skills, and specific behaviors.

The goal of this thesis, which is to assess the essential competencies for responsible leadership, has resulted in the formation of a holistic model. According to this, the vital competencies for acting as a responsible leader are:

- Cognitive Intelligence
- Emotional Intelligence
- Social Intelligence
- Ethical Intelligence
- Spiritual Intelligence

It is advisable to make an effort to develop these to their full potential.

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GLOSSARY

Brand equity	The value premium a company can realize from a product's recognition value by making it memorable, easily recognizable as well as superior in quality and reliability.
Hidden costs	The costs of a product/service that are not included in the purchase price but might cause a negative impact or additional costs to the individual or society over the long term (e.g. opportunity costs, unseen problems, unintended consequences).
Invisible hand	A theory established by Adam Smith that through the effort of individuals to maximize their own wealth with the help of trading and entrepreneurship, society as a whole is better off. Government intervention is not needed due to the invisible hand being the best regulator for the economy.
Limbic system	A complex system of nerves and networks in the brain, involving several areas near the edge of the cortex (the brain's outer layer), concerned with instinct and mood.
Principal-agent problem	Also referred to as agency dilemma, this problem occurs when one party (principal) delegates work to another (agent), their goals, however, are different. The principal and the agent may prefer different actions because they have different attitudes toward the risk that is involved.
Workplace spirituality	A framework of organizational values that promotes employees' sense of interconnectedness through the work process, resulting in feelings of compassion and joy.

1 INTRODUCTION

1.1 Problem Statement

After corporate scandals (e.g. Enron), which are related to leadership failure, being a ‘regular’ manager in today’s business world is just not enough. Responsibility is demanded from corporations as well as from their leaders, since not being responsible equals not being effective (Waldman & Galvin, 2008, p. 327). However, according to Maak and Pless (2009), business leaders are confronted with a trust gap, as stakeholders expect superior performance, on the one hand, while at the same time they do not trust managers regarding their intentions (p. 538). Thus, leading effectively means demonstrating genuine interest in stakeholders and associates (Goleman & Boyatzis, 2008, p. 74).

It is to mention that there is a difference between managing and leading. While management seeks to bring order and consistency into the organization of a corporation, the function of leadership is to cope with change. Thus, managers plan and budget, leaders set a direction. Managers engage in organizing and staffing, leaders aim to align people. Managers ensure goal accomplishment by controlling and solving problems, leaders achieve visions by motivating and inspiring (Kotter, 1998, pp. 40-41).

With regard to global interconnectedness and the demand for stakeholder interaction, leaders find themselves confronted with several challenges (Pless & Maak, 2005, p. 11). The ones that are particularly important for responsible leadership and relevant for this thesis are:

- How to deal with stakeholder interests in terms of ethics.
- How to do business in a responsible way.
- How to establish trustful and reliable relationships with stakeholders.

The mentioned requirements on leaders call for a more holistic way of leading. According to Fry (2003), this integrates four levels of human existence: the physical, the rational, the emotional, and the spiritual (p. 694).

1.2 Aim

The aim of this thesis is to examine which factors contribute to the formation of a responsible leader. To be precise, it shall be analyzed how the above-mentioned levels interact and which aspects of them cause an individual to be more than a manager, hence a responsible leader.

1.3 Research Question

Based on the aim for this thesis, the research question can be formulated as follows:

Which competencies enable a person to be a genuinely responsible leader?

1.4 Methodology

This thesis is based exclusively on secondary research. Thus, it uses mainly peer-reviewed articles for the elaboration of the theory. Furthermore, information from survey-based secondary data is being employed.

This work commences with definitions regarding responsibility and responsible leadership. Then, the focus is set on different orientations within the context of responsible leadership. Subsequently, the most essential part for this thesis, a detailed analysis of leadership competencies, follows. The findings will then be discussed in the next part. Finally, limitations are going to be outlined and a conclusion will be drawn.

2 DEFINITIONS

Before addressing the concept of responsible leadership, a definition thereof needs to be provided. Since the term ‘responsible leadership’ consists of two distinct words, two definitions will be specified. First of all, the meaning of responsibility will be explained in the following section. Then, in the next section, the term responsible leadership as a whole will be defined.

2.1 Responsibility

The Oxford Dictionary of English offers three interpretations for the term responsibility (‘Responsibility’, 2015):

1. *‘the state or fact of having a duty to deal with something or of having control over someone’*
2. *‘the state or fact of being accountable or to blame for something’*
[in sing.] *‘a moral obligation to behave correctly towards or in respect of’*
3. *‘the opportunity or ability to act independently and take decisions without authorization’*

The term originates from the Latin word *responsabilis*, which means ‘accountable for one’s actions’. Responsibility used in reference to the meanings explained above is known since the 17th century (Harper, n.d. a).

According to American philosopher Richard McKeon (1990), responsibility consists of three related dimensions (p. 64). The first, the external dimension, describes the legal and political analysis in which penalties on individual actions are imposed by the state. Furthermore, officials and governments are liable for their actions. The second one is the internal dimension. It encompasses the moral and ethical analysis in which the individual is in charge of his or her choices and the consequences thereof. The third, comprehensive or reciprocal dimension concerns the social and cultural analysis where values are rated based on individual character and the structure of civilization.

The three dimensions of responsibility are illustrated in Figure 1.

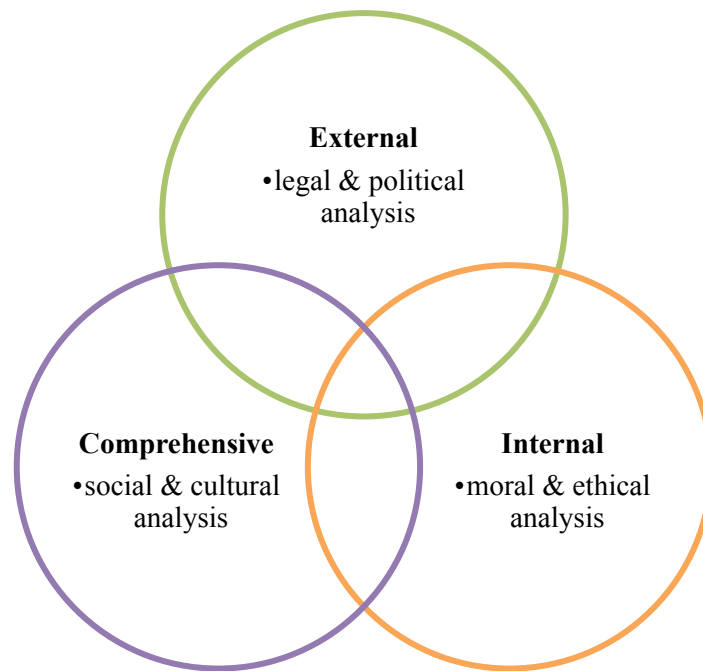


Figure 1. The Three Dimensions of Responsibility. Based on Freedom and History and other Essays: An Introduction to the Thought of Richard McKeon (p. 64), by R. McKeon, 1990, University of Chicago Press. Copyright (1990) by the University of Chicago.

2.2 Responsible Leadership

In simple terms, responsible leadership aims to define the meaning of ‘responsible’ with regard to leadership. Hence, it explicitly focuses on the concept of responsibility. This, in turn, entails ‘accountability, appropriate moral decision making and trust’ (Pless & Maak, 2011, p. 4). By definition, responsible leadership deals with the question to whom and for what leaders are responsible (Pless & Maak, 2011, p. 4). However, it does not solely focus on the leader-subordinate relationship inside the company, as it has formerly been presented in theory. Rather, it deals with the interaction between leaders and a variety of followers, such as stakeholders, *in- and outside* the organization (Maak & Pless, 2006, p. 99). In a nutshell, research aimed at responsible leadership analyzes the leadership dynamics in the context of stakeholder society (Pless, 2007, p. 438). Based on this statement, it can be placed in the center of McKeon’s previously mentioned three dimensions of responsibility. Hence, responsible leadership concerns the internal, external as well as comprehensive dimension (see Figure 1).

According to Pless, Maak and Waldman (2012), responsible leadership forms a link between corporate social responsibility (CSR) and performance (p. 51). Nevertheless, it

has to be mentioned that the actions associated with this concept are diverse and strongly depend on those who perform leadership and the ones who evaluate their actions. In this context, company success is determined by the leader's attitude and approach towards corporate social responsibility (Pless et al., 2012, p. 52). The European Commission (2011) defines CSR as 'the responsibility of enterprises for their impacts on society' (p. 6). Additionally, it states that corporations should aim at creating shared value for their stakeholders and overall society. In today's world, being successful at generating profits is simply not sufficient anymore. In fact, companies and their leaders have to ensure that they, besides being profitable, contribute to the good of society and the environment (Schüz, 2015). Therefore, they ought to adopt processes to address various issues, such as social, ethical, environmental, human rights, or consumer concerns into their daily business and corporate strategy. For this purpose, companies should cooperate closely with their stakeholders (European Commission, 2011, p. 6). However, given the fact that leaders may have different understandings of influencing society, Waldman and Galvin classify responsible leadership based on two orientations: (1) an *economic* view and (2) a *stakeholder* view (as cited in Pless et al., 2012, p. 53).

The perspectives on responsible leadership concerning corporate social responsibility and responsible leadership are analyzed in the following chapter.

3 RESPONSIBLE LEADERSHIP ORIENTATIONS

As mentioned in Section 2.2, responsible leadership is rooted in the question to whom and for what leaders are responsible. This means that it focuses on the concerns of others, which is part of corporate social responsibility. Who these others are and how leaders demonstrate responsibility towards them is defined in the following sub-chapters.

3.1 Economic Perspective

Proponents of the economic orientation regard CSR only as a means to an end. They believe that the use of it should be of an instrumental manner (Pless et al., 2012, p. 53). Thus, contributions to corporate social responsibility should only be made if there is clear evidence that this will result in higher profits for the corporation (Waldman & Galvin, 2008, p. 329). Apparently, generating return on investment for shareholders is the economists' main goal (Pless et al., 2012, p. 53). This is why they consider the firm's shareholders or owners as 'the only true stakeholders of a responsible leader' (Waldman & Galvin, 2008, p. 328). For them, responsibility begins and ends with this particular stakeholder group.

Economists claim that besides satisfying shareholders, being efficient and profitable has a positive impact on society. Hence, 'the key to societal success is the economic success of individual firms' (Waldman & Galvin, 2008, p. 328). Their belief is that the community can profit far more from an enterprise that succeeds in maximizing long-term shareholder value than from one that makes altruistic attempts at CSR (Waldman & Galvin, 2008, p. 329). Therefore, responsible leaders should be highly strategic and calculating about how to achieve revenues for shareholders or owners. However, to avoid the principal-agent problem, leaders ought to be rewarded for serving the interests of shareholders, and they should be punished when failing to do so (Waldman & Galvin, 2008, pp. 329-330).

3.2 Stakeholder Perspective

In contrast to the economist's perspective, the stakeholder view is based on the conviction that leaders are responsible to a broader set of stakeholders instead of shareholders alone. Consequently, maximizing shareholder value is not the top priority, as this requires more than just generating profits (Waldman & Galvin, 2008, p. 330). The stakeholder perspective focuses rather on the creation of social value along with business value (Pless et al., 2012, p. 54). First and foremost, however, a responsible leader should take the needs and interests of his or her stakeholders into account. Nevertheless, it has to be mentioned that the term 'stakeholders' does include the shareholders as well as employees, consumers, and the greater community (Waldman & Galvin, 2008, p. 331). Those needs and desires should be balanced in the decision-making process.

Waldman and Galvin (2008) point to incidents of the past (e.g. Enron) that have demonstrated which consequences a lack of responsibility can have (p. 331). Focusing primarily on shareholders may cause damage to the very same. A contribution to corporate social responsibility, however, could reduce business costs, instead of causing them. These could be hidden costs in form of government fines or legal expenses which are mainly buried in the overall costs of business. Additional, less quantifiable, costs that may be associated with a lack of leader integrity are, for instance, those due to lower employee morale, increased employee turnover or loss of company reputation. The reason why the stakeholder perspective does not rely as much on calculations and a strategic approach as the economic view is that responsible leadership is difficult to calculate. Particularly returns on long-term investments may often not be easy to predict (Waldman & Galvin, 2008, p. 331).

Supporters of the stakeholder perspective believe that leaders should, instead of applying a strategic approach, let their values guide them (Waldman & Galvin, 2008, p. 331).

To sum up, the economic and the stakeholder perspective are two possible orientations within responsible leadership. Both define responsibility in their own ways. The stakeholder view, however, builds on the concept of corporate social responsibility. This, in turn, is an essential aspect, since it is a vital factor of responsible leadership.

More precisely, responsible leadership is the link between CSR and performance. The next section provides a further, more detailed, categorization of responsible leaders.

3.3 Alternative Orientations toward Responsible Leadership

Pless et al. (2012) provide a more distinct categorization of responsible leadership orientations (pp. 55-56). According to them, leaders can be divided into four different groups. These are differentiated according to the leaders' breadth of focus as well as the degree of accountability towards others (see Figure 2).

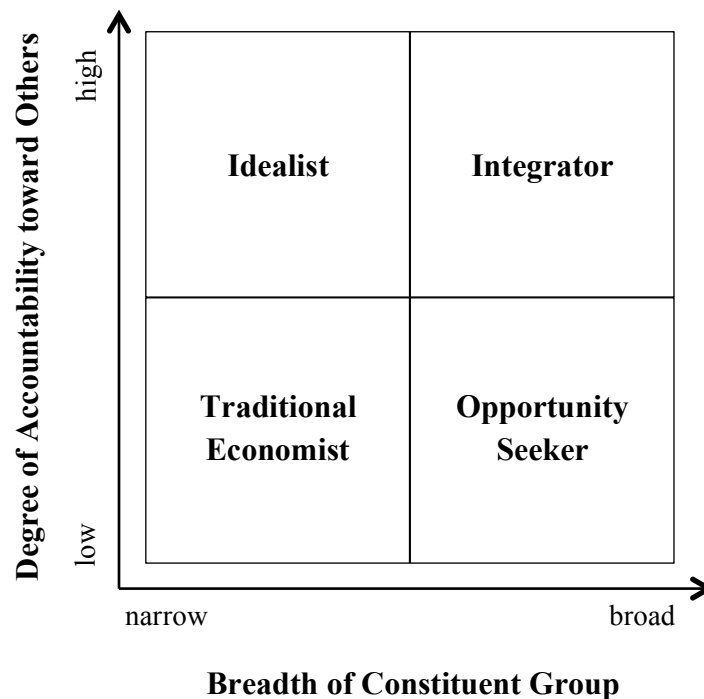


Figure 2. Matrix of Responsible Leadership Orientations. Reprinted from 'Different Approaches toward Doing the right Thing,' by N. M. Pless et al., 2012, *Academy of Management Perspectives*, 26(4), p. 56. Copyright (2012) by Academy of Management Perspectives.

Leaders with a *narrow* group focus work to satisfy one specific stakeholder group. They create value in only one business domain. If the shareholders or owners are the main stakeholder group a leader concentrates on, then his or her goal will be to maximize shareholder value. Is the leader's main goal to satisfy specific stakeholders in need or society in general, he or she will aim at creating social value (Pless et al., 2012, p. 55). On the contrary, leaders with a *broad* focus take into account the needs of multiple stakeholders (Pless et al., 2012, pp. 55-56).

If a leader has no sense of accountability toward stakeholders other than shareholders, his or her degree of accountability is considered as *low* (Pless et al., 2012, p. 56). They believe that the business they operate in serves to maximize profits. Additionally, the opinion prevails that profit maximization is not only beneficial for shareholders or owners, but also for society (Pless et al., 2012, p. 56). Moreover, leaders who adhere to such an ideology tend to believe that it is not their obligation to be accountable for other stakeholder groups, since this is the responsibility of the government. After all, it is paid for such actions through tax revenue which, in turn, is the result of an efficient free-market system (Friedman, 2007, p. 175). In other words, low accountability leaders support the idea of the invisible hand.

According to Donaldson and Dunfee, a *high* degree of accountability implies that leaders feel a responsibility toward other stakeholder groups than just shareholders (as cited in Pless et al., 2012, p. 56). They value the interests of non-business stakeholders as much as of those who are connected to the business and even consider them as morally relevant (Pless et al., 2012, p. 56).

The following sections provide a more detailed explanation for each responsible leadership orientation, as illustrated in Figure 2. For an overview of detailed characteristics of the alternative orientations refer to Appendix A.

3.3.1 Traditional Economist

Traditional economists are driven by the ambition to create short-term economic value for a firm's shareholders (Pless et al., 2012, p. 57). Profit maximization along with other quantifiable indicators, such as sales growth, serves as the basic principle on which the manager bases his or her decisions. In his or her business approach, the manager is perceived to be very rational and analytic (Sully de Luque, Washburn, Waldman & House, 2008, p. 628). Furthermore, traditional economists will likely try to avoid risks that could threaten profit maximization (Pless et al., 2012, p. 57). Moreover, subordinates of leaders who emphasize predominantly economic values are often seen as autocratic leaders. Such a leadership style, in turn, may result in decreased firm performance due to little motivation and effort from subordinates (Sully de Luque et al., 2008, p. 627). Ghoshal (2005) even goes a step further and describes the leader who operates according to traditional economic values as a 'ruthlessly hard-driving, strictly

top-down, command-and-control focused, shareholder-value-obsessed, win-at-any-cost' type (p. 85). Hence, the traditional economist is expected to show little commitment to corporate social responsibility (Pless et al., 2012, p. 57).

3.3.2 Opportunity Seeker

Similar to traditional economists, opportunity seekers find their purpose of doing business in generating profits (Pless et al., 2012, p. 57). The difference to the strategy of the traditional economist is that the opportunity seeker is interested in a long-term value creation. Due to this, he or she is not as cost-focused and analytic as the short-term profit pursuer. Thus, the opportunity seeker makes instrumental use of CSR by integrating it into the business strategy. The motivation for this, however, is pure calculation, since opportunity seekers have come to realize that a pursuit of corporate social responsibility can offer competitive advantages. This could, for example, be a better reputation or enhanced brand equity. For this purpose, managers with such an orientation are trying to understand and address the needs and desires of multiple stakeholders (e.g. customers, employees, local communities). Finally, this kind of leader understands that CSR can significantly contribute to a company's image improvement. However, not only the enterprise can profit from CSR's public relations value, but also the leader him- or herself can boost his or her reputation (Pless et al., 2012, p. 57).

To derive value from corporate social responsibility, enterprises make use of green marketing. This means that they convey 'green' messages to their customers, stating how the products or services they sell contribute to society. Using corporate social responsibility for marketing purposes and making false claims about products or services is called *greenwashing* and has little to do with real CSR (Alves, 2009, p. 3).

3.3.3 Integrator

Integrative leaders consider corporate social responsibility as more than just a means to an end. Their understanding of responsibility exceeds economic and legal concerns. Thus, they believe that business responsibilities do not only include those relevant to business, but also the ones significant to society. Therefore, for integrators a compliance with minimum standards is not sufficient. Rather, they want to be the ones who set CSR standards in the industry, instead of the ones who just follow them. This, however,

involves a proactive engagement (Pless et al., 2012, p. 57). For integrative leaders, running a business means creating value for various business stakeholders in addition to shareholders (Pless et al., 2012, p. 58). In contrast to traditional economists and opportunity seekers, integrative leaders have a different motivation for doing business. Although they do not disregard economic performance and value creation, serving the needs of others is what really drives them. Integrators do believe that, to fulfill their primary goal of sustainable business, generating profits is inevitable. The difference is that for them, profits are just a welcome side effect of a responsible and successful business (Pless et al., 2012, p. 58).

Integrators have a strong sense of accountability and are thus able to combine rational thinking with an understanding for needs and emotions of multiple stakeholder groups (Pless et al., 2012, pp. 58-59). Hence, they are often perceived as visionary leaders who motivate employees to go the extra mile. This, in turn, results in an increased company performance (Sully de Luque et al., 2008, p. 627).

3.3.4 Idealist

The idealistic approach has a similar orientation as the integrative one. Idealists, however, are more extreme in their principles. They are driven by the intention to address social problems and serve stakeholders in need. Idealistic leaders often strive to reach psychological fulfillment and intrinsic satisfaction through altruistic behavior. Their determination is often based on strong ethical values and religious or spiritual beliefs. This is why idealists are likely to be more emotional than rational. Such an approach can often be found among social entrepreneurs (Pless et al., 2012, p. 59).

3.3.5 Conclusion

In conclusion, the idealist and the traditional economist are rather extreme orientations. These tend to be difficult to apply in today's business world. Especially the traditional economist orientation is no longer practical. Societal and economical forces demand an increased adherence to CSR practices and paying attention to different stakeholders (Pless et al., 2012, p. 59). Schüz (2015) even argues that Adam Smith's idea of the invisible hand, which the traditional economist orientation is based upon, is no longer justifiable. However, also the idealist orientation is not very practical. Above all, most

business managers do not have to account to stakeholders (in need) alone, but also to shareholders or owners. Thus, the most popular responsible leadership orientations with practicing managers today are the opportunity seeker and the integrator (Pless et al., 2012, p. 59). Both have a broad group focus concerning stakeholders. The difference, however, is that only integrative leaders feel actual accountability towards others. Their orientation is ‘in line with traditional ways of moral thinking’ (Pless et al., 2012, p. 56). This means that they are truly concerned for others. Opportunity seekers, too, focus on stakeholder groups beyond shareholders or owners. Their accountability, however, remains directed to shareholders (Pless et al., 2012, p. 56).

The integrative and the opportunity seeker orientations also conform to the definition of responsible leadership. They have a positive attitude and approach toward corporate social responsibility (see Section 2.2).

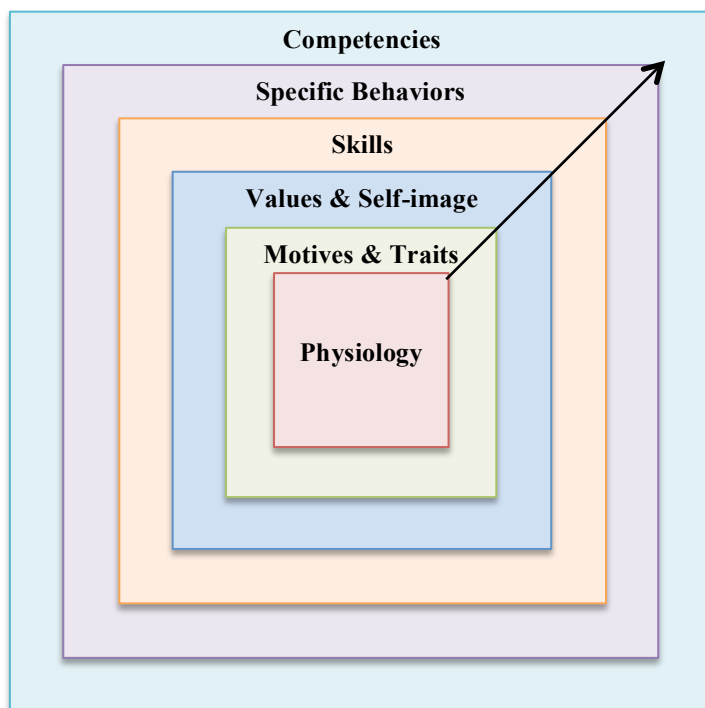
This chapter has established that there are different orientations regarding responsible leadership. However, it has to be noted that different interpretations of the term ‘responsible leader’ exist. Thus, identifying his- or herself as a responsible leader does not necessarily result in the person actually being responsible. It takes a lot more. What, exactly, will be explained in the next chapter.

4 RESPONSIBLE LEADERSHIP COMPETENCIES

This chapter examines the competencies which are essential for responsible leadership. As illustrated in Figure 3 in Section 4.1, there are different levels that influence leaders. Each level has an impact on the subsequent levels, looking from the center outward. Those factors are crucial for the understanding of responsible leadership and are thus analyzed in the following sections. Here it is to mention that due to the emergence from other levels, which will be explained in detail, the skills will not be examined in depth and specific behaviors will be omitted, since they are being mentioned in context the other levels.

4.1 Personality Theory

Competencies are originally described as ‘a behavioral and functional approach to *emotional* (EI), *social* (SI), and *cognitive* intelligence (CI)’ (Boyatzis, 2011, p. 95). Boyatzis (2011), argues that they are ‘part of an integrated holistic theory of personality’ (p. 95). This theory is built upon a scheme which shows the



interconnectedness between an individual’s unconscious motives and traits, values and self-image, skills, specific behaviors as well as competencies. Boyatzis established this scheme in 1982; later Goleman added the physiological level to the personality theory (Boyatzis, 2011, p. 95). Figure 3 illustrates the scheme, with the order of influence

Figure 3. Personality Levels. Based on ‘Managerial and Leadership Competencies,’ by R. E. Boyatzis, 2011, *Vision: The Journal of Business Perspective*, 15(2), p. 95. Copyright (2011) by Management Development Institute. evolving from the center to the outer levels.

Figure 4 depicts a simplified version of the personality theory model shown in Figure 3 above.

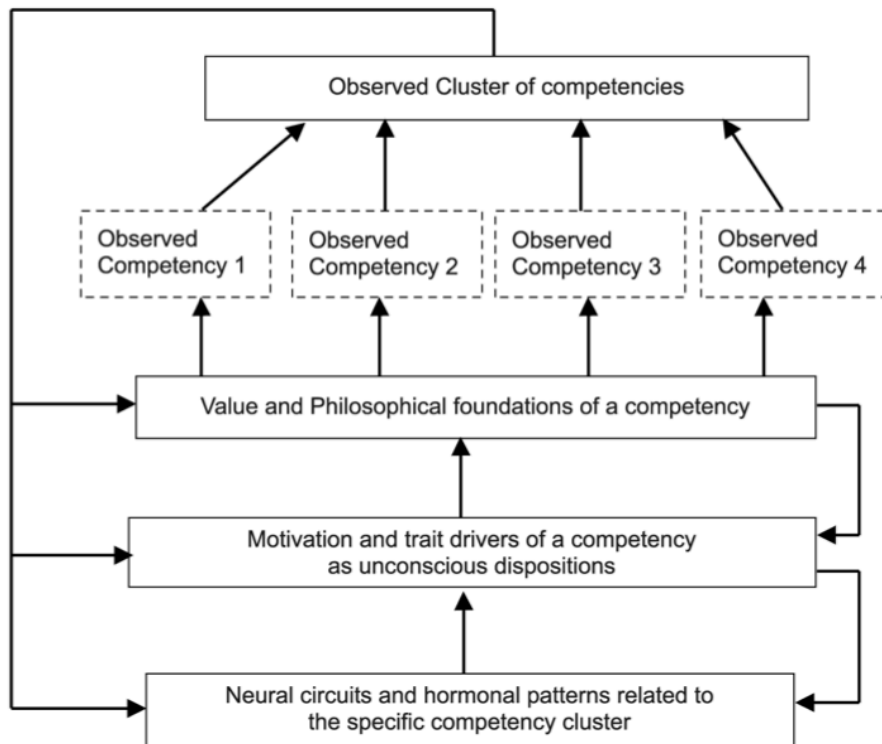


Figure 4. Simplified Scheme of Personality Levels. Reprinted from 'Competencies in the 21st Century,' by R. E. Boyatzis, 2008, *Journal of Management Development*, 27(1), p. 9. Copyright (2008) by Emerald Group Publishing Limited.

How both schemes function can be explained on the example of a person's power motive: The arousal of an individual's power motive takes place in the sympathetic nervous system (SNS), which is attributed to the physiological level. When this motive is stimulated, the person is likely to demonstrate behavior attributed to certain competencies. These competencies, again, form a cluster of intelligence competencies (Boyatzis, 2011, p. 95).

According to Boyatzis (2008), a competency is a set of behaviors that are related but distinct (p. 6). These behaviors are organized around the intent, or motive. In other words, behaviors are 'alternate manifestations of the intent' (Boyatzis, 2008, p. 6). Therefore, this thesis will proceed by analyzing the levels of the personality theory, which are essential for the understanding of the big picture of responsible leadership competencies: physiology, motivation, values, skills, and competencies.

4.2 Neuroscientific Aspects of Leadership

When attempting to grasp neuroscientific aspects of leadership, the specific area of social cognitive neuroscience is the most accurate (Waldman, Balthazard & Peterson, 2011, p. 60). Ochsner and Lieberman (2001) define social cognitive neuroscience as an interdisciplinary field which tries to define three levels of human interactions (p. 717): First, the social level which deals with the motivational and social factors that have an influence on behavior and experience. Second, the cognitive level that is responsible for information-processing mechanisms. Third, the neural level which is related to brain mechanisms that trigger cognitive-level processes.

Mintzberg (1976) found that there might be significant differences between managers with regard to the dominance of their brain hemispheres (p. 53). This means that individuals with a stronger left hemisphere may make good planners, since that side of the brain is responsible for logic and rational thinking. Those with a dominant right hemisphere, on the other hand, may make good managers or leaders, as the right half is associated with imagination, creativity, emotional response, and visual imagery (Finkelstein & Hambrick, 1996, p. 65; Waldman et al., 2011, p. 62).

Apart from focusing on the left and right hemispheres of the brain, Waldman and his colleagues (2011) suggest to take into account the frontal region as well (frontal cerebral cortex) (p. 63). According to them, the front part of the brain is the area where emotional regulation and expression happens. It is also responsible for higher cognitive functioning. Goleman, Boyatzis and

McKee (2002) argue that intelligence and emotions are shaped in separate neural systems of the brain (p. 27).

However, these systems are intimately connected to each other. The circuitry that is responsible for emotional regulation runs from ‘the prefrontal area to the amygdala,

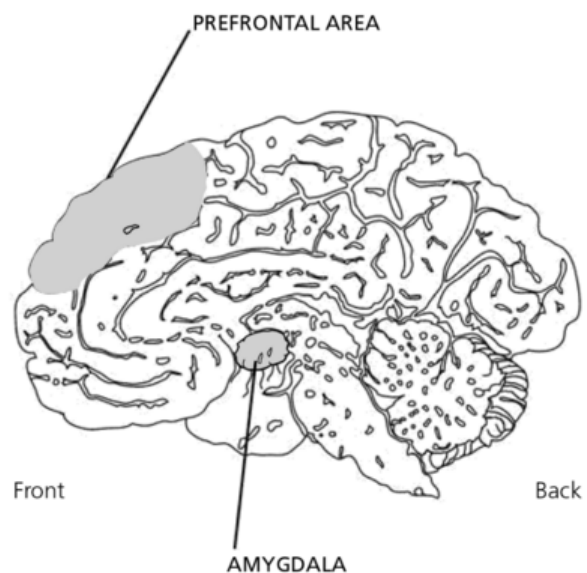


Figure 5. Emotional Regulatory Circuitry. Reprinted from *Primal Leadership*, p. 27, by D. Goleman et al., 2002, Boston: Harvard Business School Press. Copyright (2002) by Daniel Goleman.

located on either side of the mid-brain as part of the limbic system' (Goleman et al., 2002, p. 27) (see Figure 5). In other words, the mentioned circuitry links thoughts and feelings. This, in turn, is the neural basis of primal leadership; leadership based on emotional intelligence (Goleman et al., 2002, p. 27). Additionally, Heisel and Beatty (2006) have identified the right frontal part of the brain as being vital for social relationships and effective interpersonal communication (p. 250). A damage of the ventromedial prefrontal cortex (frontal region of the brain), situated right above the eye sockets, however, can result in an inability of using emotions in decision making. This in particular concerns personal, financial, and moral decisions (Naqvi, Shiv & Bechara, 2006, p. 261).

Brain activity can be properly interpreted with the help of coherence, since this is a metric for measuring interaction between different parts of the brain. Thus, coherence is perfectly suited for the analysis of complex behavioral concepts that engage multiple areas of the brain as, for instance, responsible leadership. Coherence is normally indicated in percentage and can reveal different behavioral patterns for different locations in the brain. Hence, a high measurement of coherence in the right hemisphere, for example, could point to an elevated emotional balance. This also includes the understanding of emotions, be it one's own or those of others (Waldman et al., 2011, p. 62). An effective leader will be capable of regulating his or her emotions. An example for such a control of emotions is when a manager curbs his or her own negative feelings in order to cheer up the team. This can be described as a form of using emotions for intelligent thinking (Bersade & Gibson, 2007, p. 40). Furthermore, leaders with greater coherence in the right frontal brain area seem to be better capable of balancing concerns of multiple stakeholders, dealing with uncertainties, and moral issues (Waldman et al., 2011, p. 64).

One possibility to examine brain activity that may be relevant to responsible leadership is to measure the amplitude (size) of brainwaves on the one hand, and the frequency of waves per second on the other hand. This may be performed by means of electroencephalography (EEG). Amplitude and frequency can be attributed to five different bandwidths, ranging from low arousal (sleeping) to high arousal (intense awareness). These arousal levels, from lowest to highest, are also known as delta, theta, alpha, beta, and gamma rhythms. The most frequent waves in the alert brain are beta

waves. Hence, they are responsible for affection, cognition, concentration, selective attention, and anticipation (Waldman et al., 2011, p. 64).

Waldman et al. (2011) have investigated how brain activities influence leadership by assessing the coherence of brain waves in a sample of 50 leaders (p. 64). This included individuals with a salary of above \$125,000, who identify as senior executive, owner, entrepreneur, or professional. Thus, the sample consisted, amongst others, of company executives, lawyers, physicians, politicians, and community activists (Waldman et al., 2011, p. 65). The participants were placed 19 electrodes on their scalp of which the three positioned on the right frontal region delivered the most interesting data. In order to estimate the coherence index of that area, the scientists calculated the average coherence of the scores from the three electrode combinations. It is to mention that they focused on the coherence associated with the high-frequency beta rhythm (20-30 Hz), since this is the frequency of the active mental state. What they found was that the leaders with right frontal coherence (ranging toward 100%) were the ones with a high degree of socialized visionary communication (Waldman et al., 2011, p. 66). Their followers, in turn, perceived leaders with socialized vision as inspirational or charismatic. Thus, it is suggested that coherence in the right frontal brain could aid in forming the basis of socialized visionary communication. This could then help transform a manager into a charismatic or inspirational leader.

According to Furtner and Baldegger (2013), being an effective leader is rooted in an individual's personality and the corresponding motives (p. 13). This means that certain motives and traits have an adjuvant impact on leadership behavior. Therefore, the next section will analyze which motivation(s) and traits drive responsible leaders.

4.3 Motivational Drivers

Psychological research indicates that the development of responsible leadership behavior begins already in early childhood and develops over time through emotional and moral experiences (Pless, 2007, p. 439). According to Kets de Vries and Lichtenberg, Lachmann, and Fosshage, this behavior is motivated by two kinds of drivers: intrapsychic and normative (as cited in Pless, 2007, p. 439).

4.3.1 Intrinsic: Intrapsychic Drivers / Motivational Need Systems

Kets de Vries and Lichtenberg et al. have examined that motivational need systems (MNS) are activated in infancy and further developed throughout the human lifecycle. These MNS have essential influence on how people make decisions and choices or act in certain ways (as cited in Pless, 2007, p. 439).

There are five different motivational systems that are based on fundamental human needs (Lichtenberg et al., 2016, p. 1). These systems are:

1. The need for psychic regulation of physiological requirements.
2. The need for attachment and later affiliation.
3. The need for exploration and assertion.
4. The need to react aversively through antagonism or withdrawal.
5. The need for sensual enjoyment and sexual excitement.

Three out of the five above-mentioned motivational need systems are essential for the explanation of leadership behavior (Pless, 2007, p. 439). These are:

1. The need for exploration and assertion.
2. The need for attachment and affiliation.
3. The need for sensual enjoyment.

The need for exploration and assertion corresponds to the ability to learn, play, work, and experiment. This need is also closely linked to self-perception and personal development (Kets de Vries, 2004, p. 186).

The need for attachment and affiliation describes the desire for being close to others. This also includes the pleasure of affirmation and sharing (Kets de Vries, 2004, p. 186).

According to Kets de Vries, the need for sensual enjoyment, which describes the ability to have fun, be playful and experience joy, is essential for organizational as well as individual mental health (as cited in Pless, 2007, p. 439).

In a nutshell, intrapsychic drivers are motivated by personal needs. However, these drivers are not the only determinants for a leader's behavior. In addition to intrapsychic

drivers, responsible leadership behavior is influenced by normative drivers (Pless, 2007, p. 440), which are analyzed in the following section.

4.3.2 Extrinsic: Normative Drivers

While intrapsychic drivers concern the individual dimension, normative drivers belong to the interpersonal dimension. They are influenced by value systems and social norms (Pless, 2007, p. 440).

Just like intrapsychic drivers, normative drivers are developed in early childhood and further established throughout life. The development evolves from social interaction with different individuals and groups. Learning, experience, and growth reinforce the normative drivers (Pless, 2007, p. 440).

Based on her research, Pless (2007) has identified three normative drivers that influence responsible leadership behavior (p. 440). The three drivers are:

1. The need for justice.
2. The need for recognition.
3. A sense of care.

Pless (2007) explicates that the need for justice provides a moral framework, which serves as a basis for human interaction (p. 440).

The need for recognition is a vital part of the human nature. Recognition is supposedly linked to identity, which means that individuals define themselves through the appreciation of others or the absence of it (Taylor, 1994, p. 25). However, this does not only encompass receiving recognition, but also giving it. Recognizing others for their abilities and contribution is an important quality for leaders, since relationships should be built on mutual recognition (Pless, 2007, p. 440).

According to Gilligan, caring is an aspect of responsibility that combines social connecting, empathetic feeling, and moral thinking (as cited in Pless, 2007, p. 440). Moreover, Leininger (1981) argues, 'caring attitudes and activities tend to stimulate human qualities in communication and relationship with other humans' (p. 135). A sense of care is strongly linked to the context of corporate social responsibility. It

motivates responsible leaders to consider the needs and interests of others (Pless, 2007, p. 441).

Furtner and Baldegger (2013) support a theory similar to the findings from Sections 4.3.1 and 4.3.2 regarding human motivation. This will be explained in the following subchapter.

4.3.3 The Big Three

According to the mentioned authors, motives refer to the reasons why, how, and when individuals perform certain acts (Furtner & Baldegger, 2013, p. 17). In other words, motives describe the ‘why’ of a behavior. Hence, they are defined according to a person’s aims (Winter, John, Stewart, Klohn & Duncan, 1998, p. 234). Furtner and Baldegger explain that three main motives influence human behavior (2013, p. 32). These have been established by David McClelland (as cited in Boddy & Paton, 2010, p. 463). They are:

1. The need for affiliation – to develop and maintain interpersonal relationships.
2. The need for power – to have control over one’s environment.
3. The need for achievement – to set and meet standards of excellence.

McClelland suggests that the mentioned needs are not arranged in hierarchical order, which would mean that when one need is satisfied another higher need occurs (cf. Maslow’s hierarchy of needs). He argues that individuals rather possess all of the needs and that those can also be conflicting (as cited in Boddy & Paton, 2010, p. 463).

Regarding the need for power, Furtner and Baldegger (2013) specify that it goes beyond having control of one’s environment (p. 32). To be precise, it refers to having impact on other people, including their mind, emotions, and behavior, while simultaneously feeling one’s own power. Thus, the power motive is strongly associated with emotions, as its purpose is to influence others by evoking strong feelings in them (Winter, 1988, p. 510). Furthermore, the standards of excellence, related to the need for achievement, can be of personal or social manner. This means that people are either competing with themselves or someone else, which pushes them to constantly improve their performance (Furtner & Baldegger, 2013, p. 32).

Furtner and Baldegger (2013), in dependence on McClelland (1985), have specified characteristics attributable to individuals following any of the three motives (p. 34), which are listed in Appendix B.

Hall and Donnell have proved it empirically that an increased power motivation results in faster career progress (as cited in Furtner & Baldegger, 2013, p. 42). Especially in small companies in their takeoff phase, the highly power driven leader serves as a role model (Schmalt & Heckhausen, 2010, pp. 231-232). With a growing company size, the power motive gains in importance. Nevertheless, for a long-term success a combination of a *high* need for power, a *high* need for achievement, and a *low* need for affiliation are necessary, which is described as ‘imperial motive’ (Furtner & Baldegger, 2013, p. 42). If a leader, however, pursues an alternative motivational constellation (e.g. high need for affiliation, low need for power, low need for achievement), it is likely that the enterprise he or she leads will not be successful (Kock, as cited in Furtner & Baldegger, 2013, p. 43). Especially an increased need for affiliation may have a negative impact, since leaders with a dominant affiliation motive are often not taken seriously because they are perceived as peers rather than superiors (Furtner & Baldegger, 2013, p. 43).

McClelland found that for achieving success at higher managerial levels, the ‘leadership motive pattern’, or ‘empire-building pattern’ is essential (as cited in McClelland & Boyatzis, 1982, p. 737). This entails an at least *moderate* power motive, a *low* affiliation motive, and *high self-control*. High power motivation reflects an interest in influencing others, which is also called the ‘influence-game’. A low need for affiliation indicates ability for making difficult decisions without the fear of being disliked. And finally, high self-control is vital, for it implies that the leader is willing to maintain organizational systems and follow procedures.

4.4 Traits

Traits are factors that define stable and distinct differences between individuals (Furtner & Baldegger, 2013, p. 17). Allport also describes them as ‘the very essence of personality’ and explains that they are correlating clusters of behavior (as cited in Winter et al., 1998, p. 233). According to McAdams and Pals (2006), traits are responsible for individual differences between people (p. 207). They make for ‘interindividual consistency and continuity in behavior, thought, and feeling across

situations and over time'. This means that traits influence how a person adjusts to his or her social environment by defining how he or she typically thinks, does certain things, and feels about those things in general (McAdams & Pals, 2006, p. 207).

It is to mention that, although combined in the personality theory, motives and traits do actually not function on the same level (McAdams, 1995, p. 377). While motivation explains why, how, and when a person does certain things, personality traits describe the qualities that he or she possesses (Winter et al., 1998, p. 234).

In the end, it is the personality that distinguishes people and attributes individuals with certain traits (Furtner & Baldegger, 2013, p. 17). Thus, personality traits enable some insight into human individuality by creating a recognizable personal signature which is expressed in various situations (not in all) and over a long time span (not forever) (McAdams & Pals, 2006, p. 207). In contrast to motives, which can be influenced and developed through training, an individual's personality remains relatively stable throughout the lifespan. Hence, it is not easily change- or adaptable (Furtner & Baldegger, 2013, p. 13). Furthermore, research indicates that certain traits are linked to the functioning of the brain. For example, differences in extraversion are associated with the behavioral approach system (BAS). The BAS, in turn, is activated in the frontal left region of the brain (McAdams & Pals, 2006, pp. 207-208).

Personality traits can either have a beneficial or constraining influence on motives. Extroversion, for instance, is a trait which stimulates the power motive. Introversion, on the other hand, prevents the exertion of the power motive. Thus, personality traits are a vital indicator for leadership success, since they make the difference between effective and ineffective leaders. However, they are not a guarantee for success (Furtner & Baldegger, 2013, p. 17). According to Stogdill, in order to evaluate true leadership success, traits need to be examined together with context-sensitive attributes (as cited in Furtner & Baldegger, 2013, p. 17). These could, for example, be the position, age, or experience of the leader. Furthermore, personality traits vary according to the motive they are associated with (Furtner & Baldegger, 2013, p. 18). This means that the same trait can result in different behaviors depending on whether the person is motivated by power, achievement, or affiliation. Finally, personality traits define the first impression others get of a person.

4.4.1 The Big Five

Costa and McCrae have established the Five Factor Model which is said to be the most influential and accurate for the assessment of human personality (Furtner & Baldegger, 2013, pp. 19-20). Also called ‘The Big Five’, this model ‘offers a comprehensive

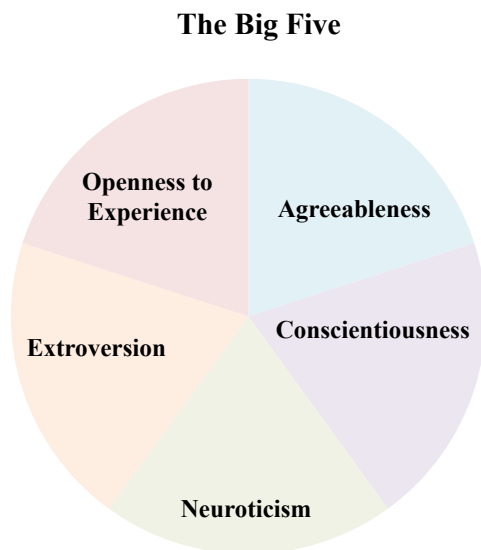


Figure 6. The Big Five Personality Traits. Adapted from *Self-Leadership und Führung*, p. 19, by M. Furtner and U. Baldegger, 2013, Wiesbaden: Springer Gabler. Copyright (2013) by Springer Fachmedien Wiesbaden.

system for organizing basic personality tendencies that have proven to evoke consequential differences in social life’ (McAdams & Pals, 2006, p. 208). The model comprises the five dimensions depicted in Figure 6:

According to Soldz and Vaillant (1999), particularly neuroticism, extroversion, and openness to experience (i.e. NEO personality inventory) remain relatively stable over adulthood (p. 208). Extroversion and conscientiousness are, furthermore, related to career functioning and success. There are several positive as well as negative aspects of the big five personality trait dimensions. These are listed in Appendix C.

4.4.2 Agreeableness

Agreeableness is a personality dimension that is strongly related to altruistic and cooperative behavior. Others often perceive someone who is highly agreeable as cordial, sympathetic, social, and emotionally supportive. As persons with high agreeableness have a strong need for interpersonal harmony, they are more popular with other people, which shows similarities to the affiliation motive (see Section 4.3.3). Agreeableness and conscientiousness, which is explained in the next section, are representatives of an individual’s character. In society, agreeable persons are habitually the ‘good’ ones, while less agreeable individuals are seen as the ‘bad’ ones (Furtner & Baldegger, 2013, p. 21).

4.4.3 Conscientiousness

The main factor in human personality responsible for performance is conscientiousness, hence it is related to the need for achievement. Conscientious people have strong willpower, are highly motivated, and are good at organizing and planning. Furthermore, they are very capable of containing impulsive behavior. The performance of individuals with little conscientiousness, in turn, is often insufficient. They are often perceived as weak-minded, lazy, disorganized, and unreliable (Furtner & Baldegger, 2013, p. 21).

4.4.4 Neuroticism/Emotional Stability

Emotionally unstable, hence neurotic, individuals are anxious and stressed. This leads to them constantly experiencing negative emotions and being frustrated. They are easily upset, since they possess low self-confidence and limited impulse control. Furthermore, they often demonstrate irrational thinking. Emotionally stable persons, in turn, are calm, balanced, and carefree (Furtner & Baldegger, 2013, p. 21).

4.4.5 Extroversion

Extroverted people are optimistic and cheerful. Being very dynamic and active, they enjoy engaging with people and do not shy away from approaching them enthusiastically. While doing so, they display dominance and determination (Furtner & Baldegger, 2013, p. 20). According to McCrae and Costa (1989), extroversion is a combination of warmth, on the one side, and dominance on the other (p. 590). Hence, extroversion is related to both the need for power as well as the need for affiliation (Furtner & Baldegger, 2013, p. 20). Hogan assigns the dominance in extroversion to ambition, while he connects the warmth to sociability (as cited in Furtner & Baldegger, 2013, p. 20). In contrast to extroverted persons, the introverted tend to avoid socializing and prefer to be alone. When interacting with others, introverted individuals are withdrawn and reserved. Borkenau and Ostendorf, however, state that this does not indicate that they are unhappy or depressed (as cited in Furtner & Baldegger, 2013, p. 20).

4.4.6 Openness to Experience

Individuals who are open to experience are perceived as innovative, sharp-witted, and intelligent (Furtner & Baldegger, 2013, p. 21). However, McCrae, and John (1992) emphasize that this is not necessarily an indicator for intelligence, since it is a dimension of personality, while intelligence refers to an intellectual ability (p. 198). Nevertheless, openness to experience is reflected in a pursuit of variety and new courses of action. Closeness to experience, on the other hand, is linked to conventionalism as well as to conservatism. People who are not open to experience favor established methods over new perspectives (Furtner & Baldegger, 2013, p. 22).

4.4.7 The Big Five and Leadership

A study conducted by Judge, Bono, Ilies and Gerhardt (2002) proves that agreeableness, conscientiousness, neuroticism, extroversion, and openness to experience all correlate with leadership (p. 770). However, neuroticism, as expected, is negatively related to leadership, while the other four personality dimensions have a positive correlation. Moreover, Judge and his colleagues found that extroversion is the most vital personality factor of leaders and effective leadership (p. 773). After extroversion, conscientiousness is overall the second strongest predictor for leadership. Agreeableness, in turn, has a very weak relation to it (Judge et al., 2002, p. 774). Although openness to experience is linked to leadership, it is the most controversial and least understood of the five factors. This is because it had no relation to many applied criteria in the study. However, it can be said that regarding the business setting it has, together with extroversion, the strongest connection to leadership (Judge et al., 2002, p. 773).

4.5 Values

Schwartz (1992) defines values as concepts or beliefs that represent desirable goals (p. 4). Wright (1971), moreover, concluded that values are linked to moral ideology. This means that they are concerned with beliefs about what is wrong, from which, then, positive life-goals emerge (p. 201). These goals, or rather values, are ordered according to their importance to the individual (Schwartz, 1992, p. 4). Similar to needs and motives, personal values are drivers of human behavior (Hemingway, 2005, p. 240). However, in contrast to traits for example, values can be modified or re-ordered

according to one's experience. Their function is to motivate individuals to 'achieve satisfactions and avoid dissatisfactions' (Rescher, 1969, p. 9). Hence, values have an impact on our self-esteem and can help us in re-defining ourselves (Hemingway, 2005, p. 240). Furthermore, their moral foundation results in them encouraging actions in favor of society (Rokeach, 1973, p. 9). This is because, apart from biologically based needs of the organism, they are also 'social interactional requirements for interpersonal coordination, and social institutional demands for group welfare' (Schwartz & Bilsky, 1987, p. 551). According to England (1973), personal value systems can be 'hard' or 'soft' as well as 'individualistic' or 'group-oriented' (pp. 83-84). The hard factors entail concepts as, for instance, achievement, ambition, aggressiveness, or risk. The soft factors, on the other hand, include cooperation, loyalty, trust, employee welfare, or social welfare. Hence, values are a vital aspect in the human decision-making process (Hemingway, 2005, p. 241). They influence judgment, preference as well as choice (Williams, 1979, p. 16). However, it is to note that humans are not necessarily consciously aware of what their values are (Hemingway, 2005, p. 240). Nevertheless, they seem to be essential determinants in the managerial choice of corporate strategy. In addition, Fagenson (1993) found that personal values of entrepreneurs vary significantly from those of 'ordinary' managers (as cited in Hemingway, 2005, p. 243).

Based on the fact that values are distinguished according to the desired aims they express, Schwartz established the Value Theory, which lists ten types of values that express ten different motivational goals (Roccas, Sagiv, Schwartz & Knafo, 2002, p. 790). Figure 7 illustrates the value theory, which, in turn, serves to explain the dynamic structure of

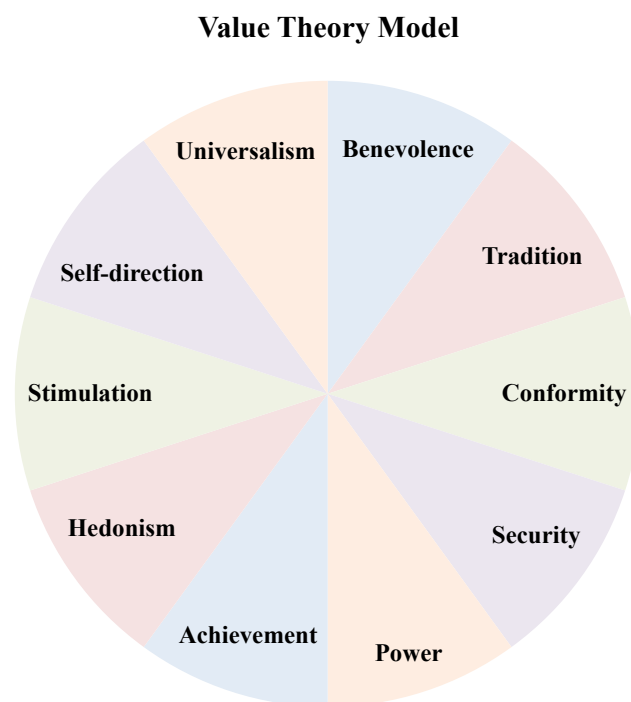


Figure 7. The Value Theory Model. Adapted from 'Universals in the Content and Structure of Values,' by S. H. Schwartz, 1992, *Advances in Experimental Social Psychology*, 25, p. 14. Copyright (1992) by Academic Press Inc.

relations among the value types. Values that are close to each other are the most compatible, while increasing distance around the circle indicates greater conflict (Schwartz, 1992, p. 14). Value types opposing each other are the least compatible, since they express conflicting motivational goals (Roccas et al., 2002, p. 791). For a list of single values corresponding to the ten value types refer to Appendix D.

Schwartz (1992), interprets the compatibilities as follows (pp. 14-15):

Power – Achievement	Emphasizing social superiority and esteem
Achievement – Hedonism	Concern with self-indulgence
Hedonism – Stimulation	Desire for effectively pleasant arousal
Stimulation – Self-direction	Intrinsic containment for mastery and openness to change
Self-direction – Universalism	Reliance on personal judgment and comfort with diversity
Universalism – Benevolence	Enhancement of others and transcendence of selfish interests
Tradition – Conformity	Self-restraint and submission
Conformity – Security	Protection of order and harmony in relations
Security – Power	Avoiding uncertainties by controlling relationships and resources

Apart from influencing each other, values can also have an impact on traits and vice versa. On the one hand, people tend to adjust their behavior to their values. This means that they will self-regulate in order to reduce discrepancies between their values and their behavior. On the other hand, individuals are likely to attempt to justify their actions by increasing the degree of the value that is attributed to the particular trait associated with their action (Roccas et al., 2002, p. 791). The correlation between values and traits is explained on the basis of the big five personality trait dimensions.

Extroversion is particularly compatible with achievement, hedonism, and stimulation values, while conflicting with traditional values (Roccas et al., 2002, p. 795). The correlation between extroversion and values decreases monotonically from achievement toward tradition values (Roccas et al., 2002, p. 796) (see Figure 7).

Openness to experience, on the other hand, is strongly associated with self-direction, universalism, and stimulation, which are all values that emphasize intellectual and emotional autonomy, innovation and change, acceptance, and cultivation of diversity. In contrast, this trait is not conforming to stability values that rely on the status quo. Hence, there is a negative correlation with conformity, tradition, and security. The strongest incompatibility, however, exists between openness to experience and power values. This is because having power means exercising control which, in turn, includes rejecting unfamiliar ideas if they represent a threat to the ability to control. This, again, is against the values of innovation and acceptance (Roccas et al., 2002, p. 796).

Agreeableness correlates positively with benevolence, tradition, and conformity. This is rooted in two different motivations. On the one hand, the concern for the welfare of close persons may evoke agreeable behavior, which responds to the values of benevolence. On the other hand, agreeable behavior may also result from the aim to fulfill social obligations and avoid disorder in relationships, which, in turn, goes hand in hand with tradition and conformity values. Negative correlations exist between agreeableness and values that are more concerned with self-interest than social impacts, such as power and achievement (Roccas et al., 2002, p. 796).

Conscientiousness is positively connected to achievement, security, and conformity values. However, it correlates negatively with stimulation values. The reason for this is that a motivator of conscientiousness is security. Therefore, it relies on the avoidance of risks. Stimulation, however, is a value that supports risks, which is in conflict with the avoidance of risk as a motivator for conscientiousness (Roccas et al., 2002, p. 797).

Neuroticism, however, is hardly associated with any value (Roccas et al., 2002, p. 797). This could be an explanation for the often (not always) depressed constitution of neurotic people, since they fail to reach the desired level of any of the ten values (Bilsky & Schwartz, 1994, p. 171) specified in Figure 7.

4.5.1 Values and Leadership

Values are vital for the understanding of leadership, as they contribute to the setting and directing of people's actions. Based on values, explicit managerial characters can be identified. These are: the *strategist*, the *analyst*, the *mentor*, and the *innovator* (Fernandez & Hogan, 2002, p. 25).

The *strategist*, being driven by power, recognition, and excitement, is forceful and decisive in interpersonal relations (cf. Traditional Economist, Section 3.3.1). Thus, he or she is likely to create a competitive and confrontational work environment. Due to their drive to succeed, strategists choose employees who are analytical and good at planning to whom they can delegate daily business operations (Fernandez & Hogan, 2002, p. 25). The mentioned facts indicate that strategists rely heavily on achievement and power values (see Appendix D).

Analysts aim at stability, predictability, and control of resources. Therefore, these individuals appreciate a structured workflow, which enables them to create an efficient system. Also, their interpersonal relations tend to be formal and structured, as they remain polite and businesslike. Finally, analysts value experience in their employees (Fernandez & Hogan, 2002, p. 26). The analyst's behavior can be attributed to tradition, conformity, and security values (see Appendix D).

A *mentor* is someone who strives to help others while maintaining high standards. Thus, he or she welcomes collaboration and is warm and friendly towards others. Therefore, the corporate climate with this kind of managerial character tends to be cordial and comfortable. Mentors are likely to be engaged in personnel-related activities, such as recruiting or reviewing performance. Furthermore, they seek continuity (Fernandez & Hogan, 2002, p. 26). Based on the mentioned characteristics, the values attributable to mentors are benevolence, universalism, and tradition (see Appendix D).

Innovators are people who value knowledge and imagination the most. For them, the process is more important than the outcome. Hence, they are always looking for ways to improve their enterprise's performance through the reinvention of business practices and adaptation of products. This is why they engage to a great deal with various stakeholders. Since they are curious, bright, and enthusiastic, they create a business environment that supports learning and experimentation. Thus, their main concern is

change, which is why they appreciate creative, independent, and aggressive individuals (Fernandez & Hogan, 2002, p. 26). These facts indicate that innovators mainly respond to self-direction and stimulation values (see Appendix D).

It has to be noted that the four introduced managerial characteristics do not necessarily apply to all executives, yet they do provide an adequate framework for leadership (Fernandez & Hogan, 2002, p. 26). Leaders whose actions deviate from their claimed values are perceived as hypocritical or even dishonest. Thus, it appears that effective leaders are the ones with integrity. Moreover, successful leadership relies on the conformity of the leader's values with the ones of the individuals he or she leads, because people are likely to only follow the lead of someone whose values they can identify with (Fernandez & Hogan, 2002, p. 27).

4.6 Skills

The Oxford Dictionary refers to the term 'skill' as 'the ability to do something well', or 'expertise' ('Skil', n.d.).

Zenger and Folkman (2014) have compiled data from 332,860 individuals of an enterprise on which skills they think have the biggest impact on leadership. To be precise, they asked people from four levels of the organization, including supervisors, middle managers, senior managers, and top executives. For this purpose, Zenger and Folkman provided a list with 16 skills out of which every respondent should choose the four most vital. They found that there is general agreement on all four levels on which skills are deemed the most important. It was concluded that a balance of those skills is indispensable for executives at every organizational level. Furthermore, moving up the corporate ladder does not significantly change the required skills. The findings (see Figure 8) are based on the order of importance of supervisors. Nevertheless, there are some minor deviations between the corporate levels in the relative importance of the skills. Thus, for the middle managers problem solving is the first priority, which is illustrated by the green graph in Figure 8. A powerful and prolific communication, however, is the number two priority for senior managers, as the orange graph indicates. Finally, for top executives displaying a strategic perspective moves to the number five spot, which is depicted by the purple graph (Zenger & Folkman, 2014).

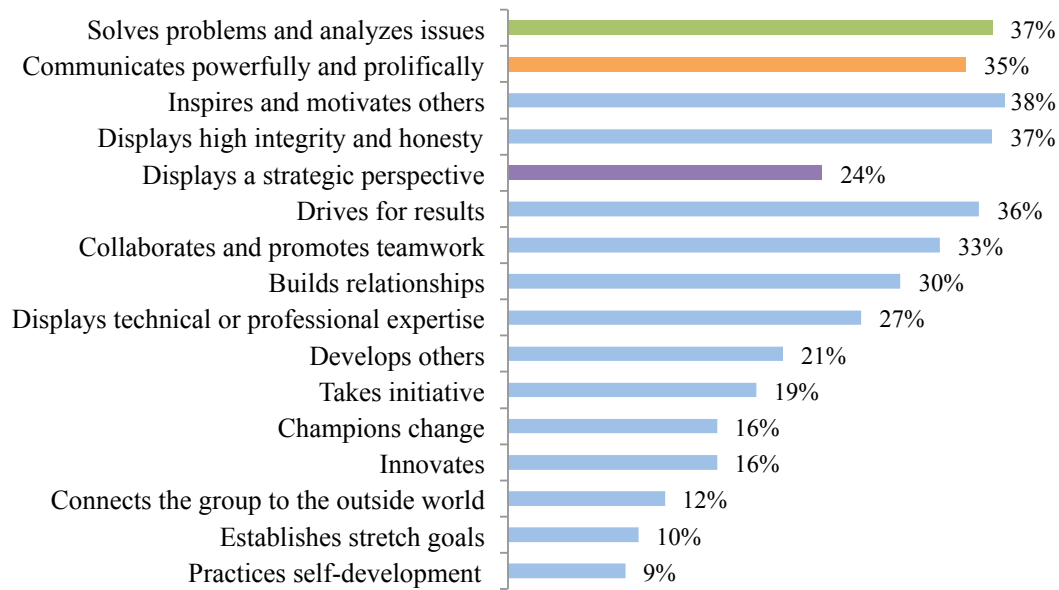


Figure 8. Essential Skills of Leaders. Reprinted from *Harvard Business Review*, by J. H. Zenger and J. R. Folkman, 2014, Retrieved from <https://hbr.org/2014/07/the-skills-leaders-need-at-every-level>.

Zenger and Folkman’s findings indicate that there is a set of skills that are critical to a leader’s career which remain, more or less, stable across organizational levels.

According to Zenger, Folkman, and Edinger (2011), skills are best advanced by nonlinear development (p. 85). This means that, in order to improve existing skills, it is best to work on complementary skills. For instance, if someone is technically adept, working constantly on that talent will not have as much of an impact as enhancing a complementary skill, such as communication. The complementary skill will accentuate the initial skill (Zenger et al., 2011, p. 86).

A detailed chart with behaviors assigned to the 16 skills listed in Figure 8 can be found in Appendix E.

4.7 Competency Clusters

According to Klemp, a job competency is ‘an underlying characteristic of a person which results in effective and/or superior performance in a job’ (as cited in Boyatzis, 1982, pp. 20-21). Successful leadership involves three clusters of behavioral habits. These are defined as threshold abilities. Furthermore, three clusters of competencies that distinguish outstanding performance are required. A combination of these two requirements results in the concept of *threshold competencies*. These, in turn, enable

individuals to comply with the minimal job requirements or to accomplish an average performance (Boyatzis & Ratti, 2009, p. 823). In other words, threshold competencies are indispensable for a sufficient performance. However, an extended use of them does not result in effectiveness (Amdurer, Boyatzis, Saatcioglu, Smith & Taylor, 2014, p. 3).

The threshold clusters of competencies are shown in Figure 9.

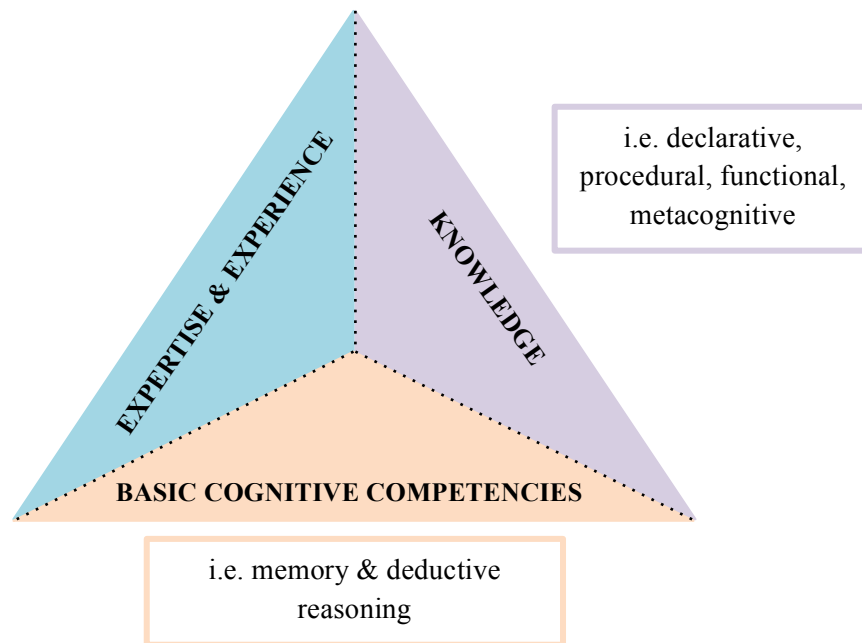


Figure 9. Threshold Clusters of Competencies. Based on ‘Emotional, Social and Cognitive Competencies distinguishing effective Italian Managers and Leaders in a Private Company and Cooperatives,’ by R. E. Boyatzis and F. Ratti, 2009, *Journal of Management Development*, 28(9), pp. 823-824. Copyright (2009) by Emerald Group Publishing Limited.

Apart from the threshold clusters of competencies, which enable individuals to reach an average job performance, there are six additional clusters of competencies. These specify the differences between average and outstanding performers (Boyatzis & Ratti, 2009, p. 824). They are illustrated in Figure 10.

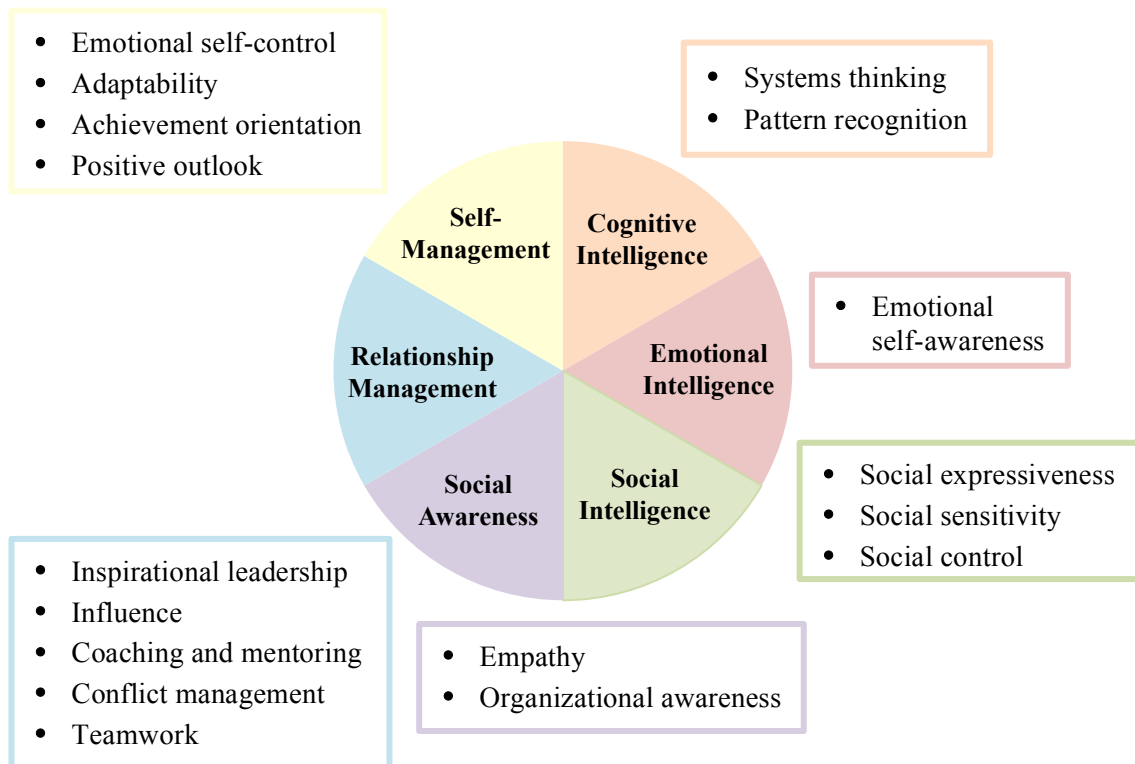


Figure 10. Extended Competency Model. Based on ‘Emotional, Social and Cognitive Competencies distinguishing effective Italian Managers and Leaders in a Private Company and Cooperatives,’ by R. E. Boyatzis and F. Ratti, 2009, *Journal of Management Development*, 28(9), p. 824. Copyright (2009) by Emerald Group Publishing Limited.

The particular factors of each competency cluster can be interpreted as follows (Boyatzis & Ratti, 2009, p. 824; Riggio & Reichard, 2008, p. 172):

Cognitive Intelligence Competency

- *Systems thinking*: Comprehending the interrelation between the flow of information, goods, or people within an organization, community, or society.
- *Pattern recognition*: Recognizing patterns in seemingly random events.

Emotional Intelligence Competency

- *Emotional self-awareness*: Being aware of one’s own emotions and evaluating their impact.

Social Intelligence Competency

- *Social expressiveness:* Being versed in verbal expression and engagement of others in social discourse.
- *Social sensitivity:* Being able to interpret the verbal communication of others and to understand social situations, norms, and roles.
- *Social control:* Being able to put oneself in the role of others as well as to present oneself effectively.

Social Awareness Competency

- *Empathy:* Understanding others' emotions and perspectives and taking active interest in them.
- *Organizational awareness:* Knowing the politics and functions of the decision networks at the organizational level.

Relationship Management Competency

- *Inspirational leadership:* Guiding and motivating through conveyance of a compelling vision.
- *Influence:* Persuading people with the help of various tactics.
- *Coaching and mentoring:* Providing feedback and guidance to help develop others' abilities.
- *Conflict management:* Resolving disagreements constructively.
- *Teamwork:* Promoting and facilitating cooperation and teambuilding.

Self-Management Competency

- *Emotional self-control:* Controlling negative emotions and impulses for the benefit of the common good.
- *Adaptability:* Being able to adapt to changing situations and dealing with uncertainty.

- *Achievement orientation:* Working on meeting inner standards of excellence by improving individual performance.
- *Positive outlook:* Having a positive mindset towards people, events and the future.

Boyatzis and Ratti (2009) state that competencies are ‘a behavioral approach to emotional, social, and cognitive intelligence’ (p. 824). An integrated concept of competencies attributed to these three intelligences, in turn, provides a theoretical structure for the characterization of personality, which is linked to job performance. In summary, the competencies of an individual that facilitate an outstanding performance at work can be classified in three major categories (Boyatzis & Ratti, 2009, p. 825). They are:

4.7.1 Cognitive Intelligence (CI)

A cognitive intelligence competency is defined as the ability to think as well as to analyze information and situations (Boyatzis & Ratti, 2009, p. 825). It is based on verbal, numerical, and spatial abilities in combination of abstraction handling and complex problem solving capabilities (Bass, 2013, p. 106). Also, cognitive intelligence is measurable. For this purpose, traditional intelligence tests can be applied. Furthermore, competencies in task completion, problem solving as well as technical skills can be assessed (Bass, 2013, p. 109).

4.7.2 Emotional Intelligence (EI)

Emotional intelligence is described as the competency of recognizing and processing emotional information about *oneself* and one’s relationships (Boyatzis & Ratti, 2009, p. 825; Goleman et al., 2002, p. 6). A look at the competencies associated to emotional intelligence, as defined by Goleman et al. (2002), reveals that three of the six competency clusters described in Figure 10 (p. 28) can be classified as emotional intelligence competencies (p. 39). These include the social awareness, relationship management, and self-management cluster. Additionally, the authors divide the competencies into two domains: personal competencies and social competencies. Personal competencies entail self-awareness and self-management aptitudes, while

social competencies are based on social awareness and relationship management (Goleman et al., 2002, p. 39).

4.7.3 Social Intelligence (SI)

Social intelligence refers to the ability of establishing effective interpersonal relations (Bass, 2013, p. 106). It is characterized by the aptitude to understand, acknowledge, and use emotional information about other individuals or groups (Boyatzis & Ratti, 2009, p. 825). This includes competencies such as sociability, friendliness, cooperativeness, social boldness, thoughtfulness, supportiveness, empathy, sympathy, closeness, warmth, and self-monitoring (Bass, 2013, p. 106; 109). For this, openness, extroversion, and agreeableness are required (Bass, 2013, p. 106).

Additionally, Goleman and Boyatzis (2008) define social intelligence as set of interpersonal competencies which inspire others to be effective (p. 76). Further, they argue that it is of particular importance in crisis situations. Finally, Boyatzis et al. have come to the conclusion that social and emotional competencies are more frequent in individuals with a humanistic operating approach, as opposed to the ones with a pragmatic approach (as cited in Boyatzis, 2008, p. 10). The humanistic orientation is also reflected in today's most popular responsible leadership orientations: the opportunity seeker and the integrator (cf. Section 3.3.5).

4.8 Basic Competency Model for Responsible Leadership

Based on the findings from the previous section, a new basic model can be derived. As depicted in Figure 11, a reduction of the six leadership competency clusters to three major clusters results in the following:

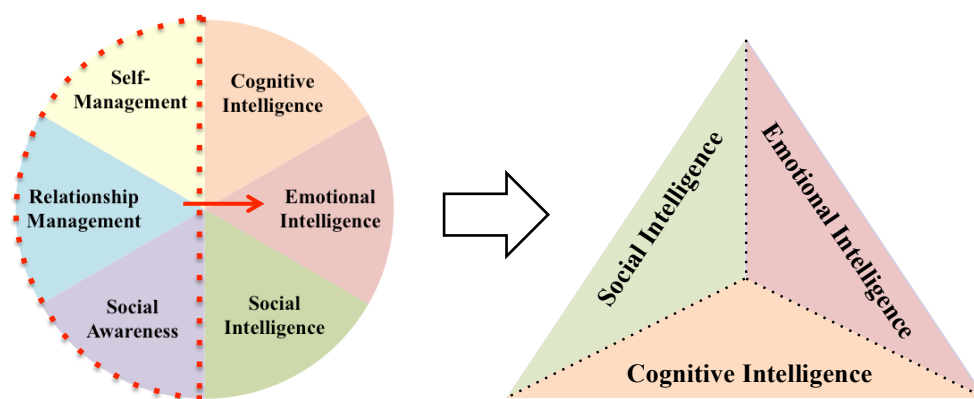


Figure 11. From the Extended to the Basic Competency Model.

The basic model focuses on the three main required competencies for responsible leadership: cognitive intelligence, emotional intelligence, and social intelligence. The definitions for each competency can be found in Section 4.7 as well. Additionally, the table in Appendix F provides an overview of the competencies attributed to each form of intelligence.

Pless and Maak (2005) argue that another form of intelligence is vital for responsible leaders (p. 12). They describe it as *relational intelligence*, which is explained in the following section.

4.9 Relational Intelligence

According to Pless and Maak (2005), relational intelligence is the capacity to establish and maintain relationships (p. 12). Furthermore, they describe it as ‘an ability to connect and interact effectively and respectfully with people and stakeholders’. For this purpose, leaders need to be *emotionally* and *ethically* intelligent. Here is to mention that the authors apparently do not classify emotional intelligence as a separate intelligence competency.

While emotional intelligence enables individuals to understand their own and others’ feelings, ethical intelligence allows them to reflect on their own and others’ values and norms. Additionally, ethical intelligence is said to be responsible for distinguishing right and wrong (Pless & Maak, 2005, p. 12). The following section provides more insight into ethical intelligence.

4.9.1 Ethical Intelligence

Pless and Maak (2005) argue that responsible leaders need to be ethically intelligent because this helps them in understanding situations from a moral point of view (p. 14). Ethical intelligence is built upon three ethical qualities: moral awareness, moral imagination, and reflective and (self-)critical thinking (Pless & Maak, 2005, pp. 13-14).

Moral awareness refers to the above-mentioned ability to recognize one’s individual as well as others’ values, norms, and interests. It is developed through education, socialization as well as growth and, eventually, leads to moral maturity (Pless & Maak, 2005, p. 14). According to Murphy and Enderle, possessing moral imagination means

that leaders are willing to go beyond the fulfillment of moral minima (as cited in Pless & Maak, 2005, p. 14). They rather use this imagination to come up with new ways and ideas of how to be ethically responsible. Reflective skills and (self-)critical thinking, however, refer to the capability to distance oneself from a situation in order to ‘see the bigger picture’ (Pless & Maak, 2005, p. 14). The aim is to create a basis for ‘balanced and sound decision-making’. However, Donaldson argues that there is not one right thing to do, as there may be different solutions to every moral issue (as cited in Pless & Maak, 2005, p. 14).

In a nutshell, ethical and emotional intelligence complement one another and result in relational intelligence. While ethical intelligence enables reflection and orientation, emotional intelligence allows for an interaction with empathy and care (Pless & Maak, 2005, pp. 14-15).

Figure 12 depicts the context of relational intelligence.

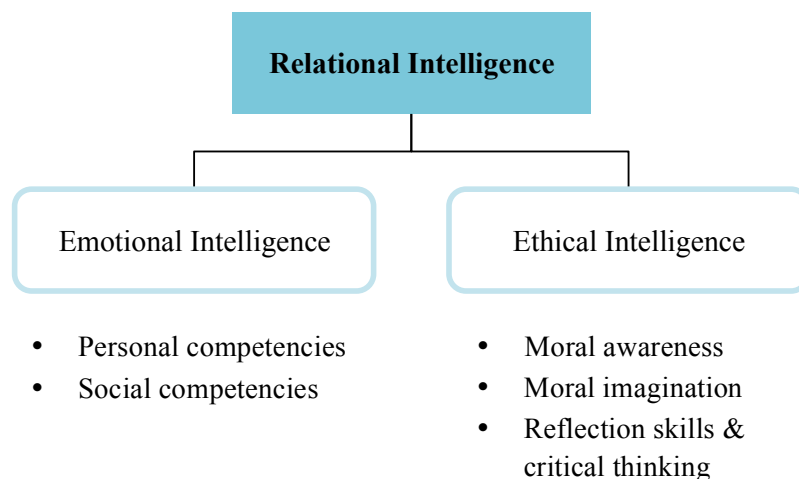


Figure 12. Relational Intelligence. Based on ‘Relational Intelligence for Leading Responsibly in a Connected World,’ by N. M. Pless and T. Maak, 2005, *Academy of Management Proceedings*, 2005(1), pp. 12-14.

Although Pless and Maak’s theory appears plausible, here it is noticeable that they seem not to distinguish between emotional and social intelligence. As mentioned above, they refer to emotional intelligence as the ability to understand one’s own and others’ feelings. Furthermore, they describe the whole concept of relational intelligence as the capacity to establish and maintain relationships. However, when looking at the definitions for emotional and social intelligence (cf. Section 4.7.2 and 4.7.3), it emerges

that the former stands for the capacity to recognize one's own emotions, while the latter is responsible for establishing interpersonal relationships. Thus, in order to receive a holistic concept, relational intelligence needs to be considered separately from social intelligence. The model in the following section illustrates this idea.

4.10 Extended Competency Model for Responsible Leadership

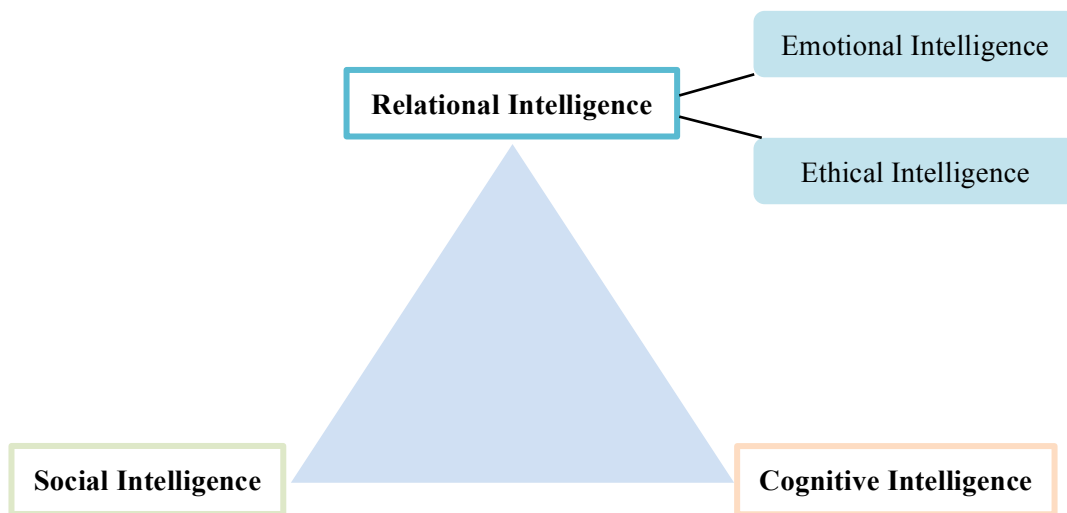


Figure 13. Extended Competency Model for Responsible Leadership.

As the theory explained in Section 4.9 indicates, emotional intelligence, together with ethical intelligence, can be a part of relational intelligence (see Figure 13). Therefore, it is suggested not to place emotional intelligence on the same level with social and cognitive intelligence, as previously indicated in the basic competency model (see Figure 11). Rather, emotional intelligence should be placed one level beneath relational intelligence. Furthermore, social intelligence, as per definition, is not a component of emotional intelligence. It is a distinct competency, which should be treated as such.

Similar to the basic and the extended competency models for responsible leadership is Schüz' triple responsibility model, which is further elaborated in the next section.

4.11 Triple Responsibility Model

It should be noted that this model was initially established to assess three aspects of *corporate* responsibility. However, the same model also applies to leadership responsibility.

According to Schüz (2015), responsible leadership can be divided into three dimensions (see Figure 14). The first dimension describes the functional, or ‘knowing how’ part. This means that a leader possesses technical knowledge of how to lead a company successfully. Arthur, Claman and DeFillippi (1995) state that this form of competency can be expanded through formal learning (e.g. at school or self-study) and practical ‘on-the-job’ experience (p. 10). The acquisition of knowledge is associated with *cognitive intelligence* (IQ). Second, a leader should know how to interact with stakeholders, which is attributed to the ‘knowing whom’, or social dimension. This, in turn, can be attributed to *emotional intelligence* (EQ). Finally, a leader is expected to also pay attention to the ecological dimension, which can be described as esthetical ‘knowing why’. In other words, the leader must be capable of weighing the consequences of his or her actions in the long term (Schüz, 2015). According to Arthur et al. (1995), the knowing why competency is based on personal beliefs and values (p. 9). These, in turn, are being triggered by extrinsic motivational drivers (cf. Section 4.3.2). This sense for responsibility is linked to *spiritual intelligence* (SQ) (Schüz, 2015). Schüz argues that only a balance of the three mentioned dimensions can lead to success. Hence, neglecting one of the aspects may sooner or later result in damage to the business.

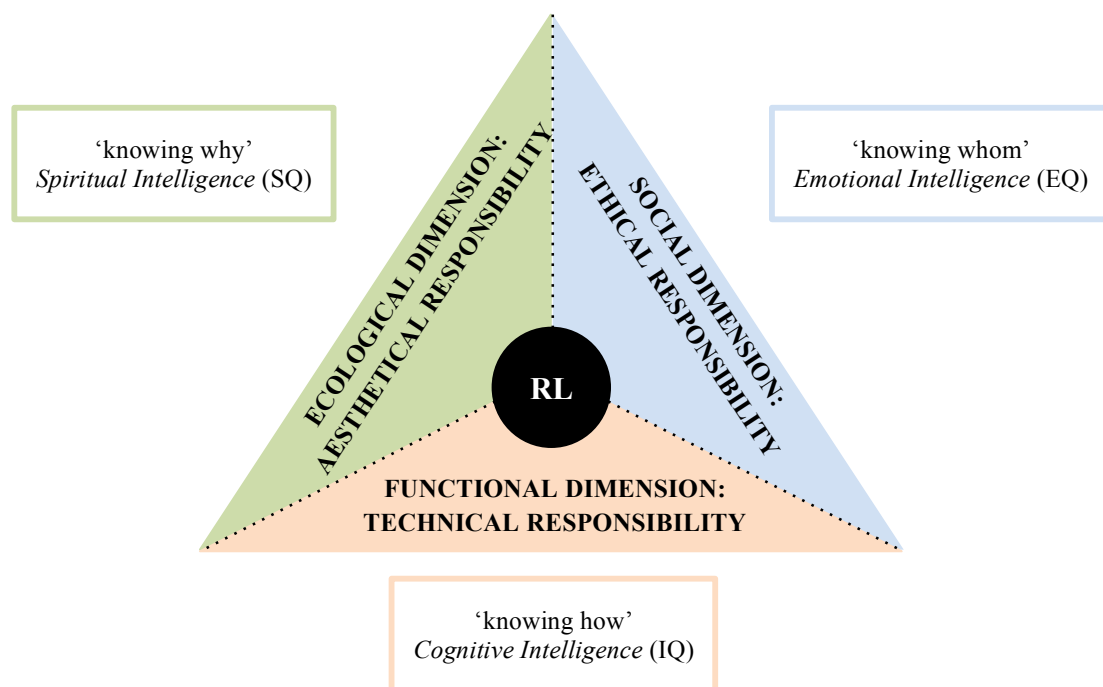


Figure 14. Triple Responsibility Model. Adapted from *HR Today*, by M. Schüz, 2015, Retrieved from <https://www.hrtoday.ch/article/warum-topmanager-spirituelle-intelligenz-n-tig-haben>. Copyright (2015) Jobinex Media AG.

An apparent difference between the triple responsibility model and the other introduced models is the inclusion of spiritual intelligence. While the bigger part of the existing theory focuses mainly on emotional and social intelligence, Schüz points to the importance of spiritual intelligence by putting it on the same level with cognitive and emotional intelligence (see Figure 14). It is argued that successful leaders often mention being fortunate as one reason for their success, apart from knowledge and good relations (Schüz, 2015). But what does that mean? To be fortunate or lucky in this context refers to the ability to recognize and capitalize on opportunities that occur throughout one's career path. According to Schüz (2015), this ability is associated with spiritual intelligence, which is explained in the next section.

4.11.1 Spiritual Intelligence

Self-explanatory, 'spiritual intelligence' refers to spirituality as a form of intelligence. 'Spirituality', in turn, stems from Latin 'spiritualis', which means breath, breathing, or air (Harper, n.d. b). This proves that spirituality does not necessarily stand for religion, or the belief in God, as its true meaning goes far beyond. In fact, spirituality does relate to the relationship to God, but it also involves the relationship to other humans and to the earth (Vaughan, 2002, p. 17). Hence, spirituality does not equal religion. It is rather the source for one's quest for meaning in life, insight into oneself, and interconnectedness with the world and other beings (Zinnbauer, Pargament & Scott, 1999, p. 895). Furthermore, it relies on a combination of cognitive, emotional, and social intelligences. Nevertheless, its degrees of depth and expression diverge widely. It may be conscious or unconscious, or developed or undeveloped, for instance (Vaughan, 2002, p. 17).

Spiritual intelligence is still a little explored field. Therefore, opinions and definitions vary. However, one seemingly adequate explanation describes spiritual intelligence as 'a capacity for a deep understanding of existential questions and insight into multiple levels of consciousness'. The awareness of relationships to ourselves, to others, to the earth, and all beings is the basis of spiritual intelligence (Vaughan, 2002, p. 19). Moreover, it is associated to emotional intelligence, as it involves the development of intrapersonal and interpersonal sensitivity as well as the cultivation of empathy. Additionally, it is related to cognitive intelligence through its reliance on the capacity to view matters from different perspectives. There are three ways of knowing that are

integral to spiritual intelligence: sensory, rational, and contemplative (Vaughan, 2002, p. 20).

According to Emmons (2000), spiritual intelligence is valued in a great number of cultures (p. 9). He states that there are (at a minimum) five abilities which characterize spiritually intelligent individuals (Emmons, 2002, p. 10). These are:

1. The capacity for transcendence.
2. The ability to experience elevated states of consciousness.
3. The ability to acknowledge the presence of divine in ordinary activities.
4. The ability to utilize spiritual resources for problem solving.
5. The capacity to engage in virtuous behavior

Transcendence refers to what is described above as relation to the self, to others, nature, and life. It can also be described as an intuition for synchronicity in life and one's surrounding (Piedmont, 1999, p. 988). The ability to acknowledge the presence of divine in ordinary activities, in turn, is referred to as *sanctification*. This describes the state of regarding work as a calling instead of a job. Recognizing the divine in even regular activities allows for a different approach to tasks and gives them spiritual significance (Emmons, 2002, p. 11). Moreover, sanctification could be seen as an expertise that aids in problem solving and effective planning. Revising and reprioritizing goals, which can be achieved with the help of spiritual resources, may also contribute to problem solving (Paloutzian, Richardson & Rambo, 1999, p. 1047). Finally, *virtues* account for effective behavior, since they are the sources of human strength which enables people to thrive. On the one hand, they are linked to motivation, thus needs, and on the other hand, they respond to values (Emmons, 2002, p. 13). Moreover, neuroscientific research indicates that spirituality is a result of processes in the limbic regions of the brain (Emmons, 2002, p. 15).

By developing a deeper consciousness and focusing on the things that really matter, spiritual intelligence can empower leaders to 'walk the talk'. Thus, in its most advanced state, 'spiritual IQ' should enable a realistic perception, free from unconscious distortions (Vaughan, 2002, p. 21). Spiritual leadership is a combination of values, attitudes, and behaviors that are able to intrinsically motivate individuals (Fry, 2003, pp. 694-695). It can aid in increasing organizational commitment and productivity in both

leaders and their followers (Fry, 2003, p. 694). Research conducted by Giacalone and Jurkiewicz indicates that workplace spirituality, apart from resulting in enhanced productivity, is also linked to reduced absenteeism and employee turnover (as cited in Fry, 2003, p. 703). The mentioned research also indicates that employees who work for companies where they experience spirituality at work demonstrate more ethics, commitment, and less fear. Mitroff and Danton even argue that spirituality could provide for an immense competitive advantage (as cited in Fry, 2003, p. 703).

Lynton and Thogersen (2006) have discovered that highly spiritually intelligent leaders have a different mindset (p. 171). They have established ways to make more use of the right and left sides of the brain, which allows them to be more intuitive and pay attention to situational details while being connected to the whole. Furthermore, executives who feel that connection are aware that they can use their power to do good to others and convey social responsibility. They are also conscious of the fact that whatever they do has an impact on others. However, spiritually intelligent leaders know that in order to affect others, they also have to affect themselves (Lynton & Thogersen, 2006, p. 177). Living up to one's own values and purposes is the definition of integrity (Lynton & Thogersen, 2009, p. 113). An executive with integrity, in turn, is likely to lead a successful organization (Lennick & Kiel, 2007, p. 163).

5 IMPACT OF RESPONSIBLE LEADERSHIP COMPETENCIES ON LEADERS' LIVES & CAREERS

This chapter demonstrates the impact emotional, social, and cognitive competencies have on the lives and careers of responsible leaders. It has to be mentioned that there is no material about the influence of relational intelligence as such. However, as mentioned before, emotional intelligence can be classified as a part of relational intelligence. There is also no conclusive evidence yet as to how far spiritual intelligence has an impact on career factors.

Amdurer et al. (2014) found that cognitive and emotional intelligence competencies are positively related to effectiveness (p. 3). Especially emotional intelligence competencies seem to be predictive for career performance and success, since it has been proven empirically that they produce outstanding leader performance (Amdurer et al., 2014, pp. 2-3). According to Miao, Humphrey and Qian, cognitive intelligence may be helpful in early career stages (as cited in Amdurer et al., 2014, p. 3). However, it could hinder further advancement, as it may cause leaders with high CI to be overly analytical instead of paying attention to people. Thus, it is assumed that emotional and social intelligence are responsible for greater career satisfaction regarding personal expectations and social comparison. Furthermore, Carmeli, Yitzhak-Halevy and Weisberg (2009) argue that EI and SI have a positive impact on psychological wellbeing (p. 68). Finally, life satisfaction, which goes beyond career satisfaction, is stronger related to EI and SI than to CI (Amdurer et al., 2014, p. 3).

In order to assess the impact of emotional, social, and cognitive intelligence competencies on leadership, Amdurer et al. (2014) have analyzed their influence on career success, career satisfaction, and life satisfaction (p. 4). For this purpose, they conducted a study with full-time MBA students from Case Western Reserve University (Ohio, USA), who graduated between 1992 and 2006. The aim was to evaluate how the students' competencies at the time of graduation predict their 'perceived career satisfaction, career success and life satisfaction later on in their work lives' (Amdurer et al., 2014, p. 5). The study sample, which the researchers consider as 'reasonably representative', consisted of 266 eligible graduates. Of those were 71% male and the average age was 39. They worked in different industries, ranging from financial services to non-profit.

The study was structured as follows:

Dependent Variables

The dependent variables were life satisfaction, career satisfaction, and career success. Life and career satisfaction were measured applying five-item scales, while career success was measured with a two-item scale. The answers were rated using Likert scales (Amdurer et al., 2014, p. 5).

Life satisfaction included sample items such as ‘In most ways my life is close to my ideal’ or ‘If I could live my life over, I would change almost nothing’. Participants were asked to rate the extent of their agreement or disagreement on a scale from 1 (= strongly disagree) to 7 (= strongly agree).

Career satisfaction was assessed by using samples as ‘I am satisfied with the progress I have made toward meeting my overall career goals’ and ‘I am satisfied with the progress I have made toward meeting my goals for income’. Again, the participants were asked to rate the extent to which they agreed or disagreed. However, the scale only went from 1 (= strongly disagree) to 5 (= strongly agree).

Career success included only two samples, of which the first was ‘Everything considered, how successful do you consider your career to date?’ This should be rated on a scale from 1 (= not too successful) to 7 (= very successful). In relation to the second item, participants were asked to rate the level of their success compared to their peers. For this, they should again apply a scale from 1 (= below average) to 7 (= above average).

Independent Variables

The independent variables were emotional, social, and cognitive intelligence competencies. They were measured applying the one-hour Critical Incident Interview (CII) and the External Assessment Questionnaire (EAQ), a 73-questions 360-degree questionnaire. In the EAQ, informants (e.g. boss, work colleagues, family members, friends) should rate on a scale from 1 to 4 how frequently the participants demonstrate each behavior. A total of twelve competencies associated to the three competency clusters was analyzed (Amdurer et al., 2014, pp. 5-6). Table 1 shows the impact of those competencies on life satisfaction, career satisfaction, and career success.

Table 1

Impact of Intelligence Competencies on Life Satisfaction, Career Satisfaction and Career Success

	Life Satisfaction	Career Satisfaction	Career Success
Emotional Intelligence			
Self-Confidence	-	-	+
Emotional Self-Control	-	-	-
Achievement Orientation	-	+	+
Initiative	+	+	+
Adaptability	+	+	+
Social Intelligence			
Empathy	-	+	+
Negotiation	+	-	-
Networking	+	+	+
Influence	-	-	-
Teamwork	+	+	+
Cognitive Intelligence			
Systems Thinking	-	-	-
Pattern Recognition	-	+	+

Note. Adapted from ‘Long term impact of emotional, social and cognitive intelligence competencies and GMAT on career and life satisfaction and career success,’ by E. Amdurer et al., 2014, *Frontiers in Psychology*, 5, p. 9.

The findings summarized in Table 1 indicate that greater emotional competencies do not necessarily increase life satisfaction. Nevertheless, most of them do contribute positively to career satisfaction and, in particular, to career success. Initiative and adaptability are strong predictors of life and career satisfaction as well as of career success (Amdurer et al., 2014, p. 8). It is argued that people who manage better to adapt to life and career demands are more appreciative of their life and career conditions. Furthermore, the ones with greater achievement drive seem to be more successful and satisfied with their careers. However, they are not satisfied with their life situation (Amdurer et al., 2014, p. 8). This could apply, for example, to the traditional

economist (cf. Section 3.3.1). Moreover, individuals who exercise a lot of emotional self-control are neither satisfied with their lives nor their careers. In contrast, social intelligence competencies largely have a positive influence on life as well as on career satisfaction and success. Except, executives who use more influence tend to be less satisfied with their lives and careers and perceive their level of success as insufficient. Higher networking and teamwork competencies, however, signify great satisfaction and success (Amdurer et al., 2014, p. 8). Advanced cognitive intelligence competencies even have a negative impact on life satisfaction. Especially the competency of systems thinking is a negative driver for both satisfaction and success. This is because discussing systems and causal relationships with others might be perceived as too analytic, which, in turn, could lead to a lower sense of career success (Amdurer et al., 2014, p. 10).

In short, the findings show that especially emotional and social intelligence competencies contribute a great deal to life and career satisfaction as well as to career success. Although cognitive intelligence competencies are essential for managers, emphasizing them too much can be disadvantageous, not only for satisfaction, but also for success.

6 DISCUSSION

This chapter discusses the interaction between motives, traits, values, skills, and competencies. Executives are well advised to internalize or develop these in order to perform responsible leadership.

As per definition, responsible leadership is based on accountability, appropriate moral decision-making, and trust in the interaction with different stakeholders. Thus, it serves as a link between a company's performance and corporate social responsibility. To be more precise, the corporation's success is determined by the leader's attitude and approach toward CSR. Hence, the definition implies that responsible leadership does not only involve the focus on economic progress. Leaders shall rather address various issues, such as, for instance, social, ethical or consumer concerns (cf. Section 2.2). This definition already leads to the conclusion that an economic perspective, the aim of which is to mainly generate profits for shareholders, has not much to do with responsible leadership (cf. Section 3.1). Thus, a responsible leader is likely to have a stakeholder orientation, which involves accountability toward various stakeholders and the creation of social value, along with business value. The idea of the stakeholder perspective is that leaders should allow to be guided by their own values (cf. Section 3.2). The best example for this is the integrator, who has true concern for others and is often perceived as visionary and motivating (cf. Section 3.3.3).

Being or becoming a leader like the integrator coincides with various facets of an individual, ranging from physiology to competencies. Looking at the neuroscientific aspects, for instance, shows that, especially, the right brain hemisphere influences effective leadership. It makes for emotional balance and the ability to regulate one's emotions as well as for the capability to balance multiple stakeholder concerns. Furthermore, great right frontal coherence of brain waves indicates a high degree of socialized visionary communication (cf. Section 4.2).

In Section 4.3, the following needs are said to motivate leadership behavior:

- The need for exploration and assertion
- The need for sensual enjoyment
- The need for justice
- A sense of care
- The need for affiliation
- The need for achievement
- The need for recognition
- The need for power

A look at these needs reveals an accordance with the Big Five traits explained in Section 4.4.1. These parallels are summarized below in Table 2. It is to note that the Big Three needs of affiliation, power, and achievement were compared according to their characteristics listed in Appendix B, while the comparison for the rest of the motivation factors is based on estimation. Furthermore, as expected, neuroticism does not result from any need and is, therefore, not included in the table. The terms for the five traits are abbreviated as follows: A = Agreeableness, C = Conscientiousness, E = Extroversion, OE = Openness to Experience.

Table 2

Parallels between Needs and Traits

	A	C	E	OE
Need for Achievement				
Willing to take risks				
Innovative				
Persistent				
Highly successful				
Need for Power				
Aggressive				
Willing to take risks				
Effective leadership behavior				
Control & influence				
Charismatic				
Need for Affiliation				
Cooperative				
Avoiding conflicts				
Compliant behavior				
Investing in social network				
Fearing rejection				
Need for Recognition				
Need for Exploration & Assertion				
Need for Sensual Enjoyment				
Need for Justice				
Sense of Care				
Relative Frequency $\frac{F_n(x)}{n}$	32%	21%	42%	5%

The Big Five are personality tendencies that have the biggest influence on our social life. The relative frequency of 42% indicates that, generally, the drivers of responsible leadership often result in extroversion. Further traits that habitually evolve from needs associated to leadership are agreeableness and conscientiousness. In contrast, it appears that openness to experience does not result much from motivation. However, it can be said that the need for power results in extroversion as well. The achievement motive induces conscientiousness, while the need for affiliation results in agreeableness, as may have been assumed.

Apart from traits, motives can also be linked to values, since these have strong correlations with needs. When comparing the above-mentioned needs with the single values in Appendix D, a certain analogy becomes apparent. Figure 15 illustrates the strongest values motivated by needs. The corresponding evaluation can be found in Appendix G. Apparently, security and power are the strongest values with regard to leadership motivation. Tradition and conformity, however, are not respected in this context at all.

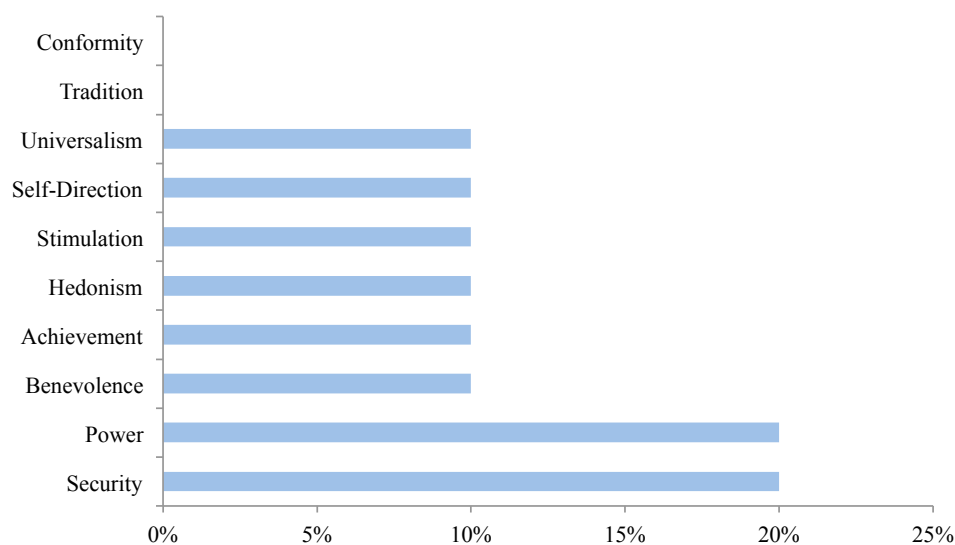


Figure 15. Correlation between Motives and Values.

The logical consequence of the coherence between the various personality levels is that there is as well a connection between traits and values. A comparison of the trait attributes, mentioned in Section 4.4.2 onwards and Appendix C, with the values from Section 4.5 and Appendix D, results in the findings compiled in the table in Appendix H. The findings (see Figure 16) indicate that extroversion is the base for most values

related to responsible leadership. Thus, it is assumed that extroversion is the most vital among the Big Five traits. However, similarly important are agreeableness, conscientiousness, and openness to experience.

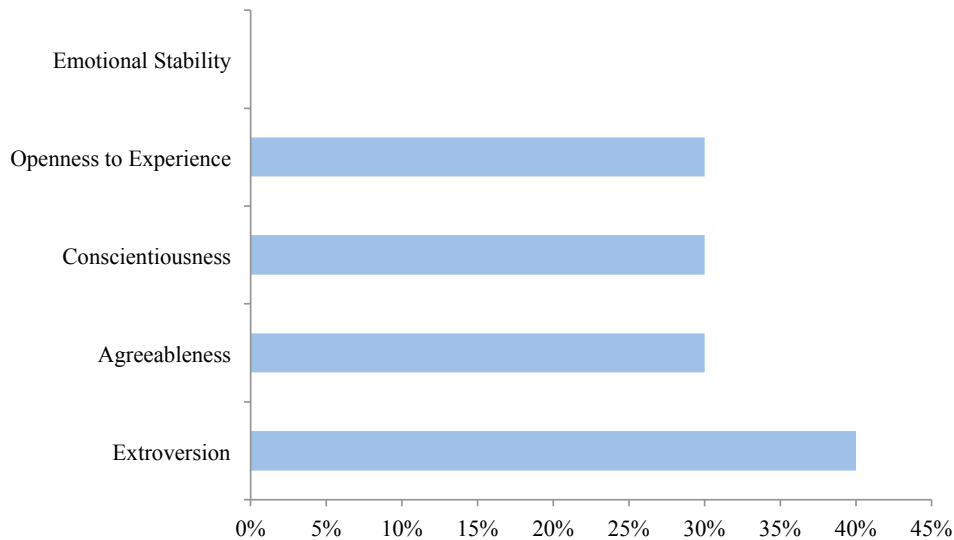


Figure 16. Correlation between Traits and Values.

According to the personality theory, skills are the next level after the above-mentioned levels. The following skills (cf. Section 4.6) are considered to be the most influential for responsible and effective leadership:

- Solves problems and analyzes issues.
- Communicates powerfully and prolifically.
- Inspires and motivates others.
- Displays high integrity and honesty.
- Displays a strategic perspective.
- Drives for results.

Evidently, these skills are a combination of responsibility and performance, which perfectly matches the definition of responsible leadership. They are organized according to the following pattern (see Figure 17):



Figure 17. Skill Pattern. Adapted from 'Making Yourself Indispensable,' by J. H. Zenger et al., 2011, *Harvard Business Review*, 89(10), pp. 88-89. Copyright (2011) by Harvard Business Publishing.

As depicted in Figure 18, the mentioned skills effectively combine the necessary traits and values. For detailed information on skills refer to Appendix E.

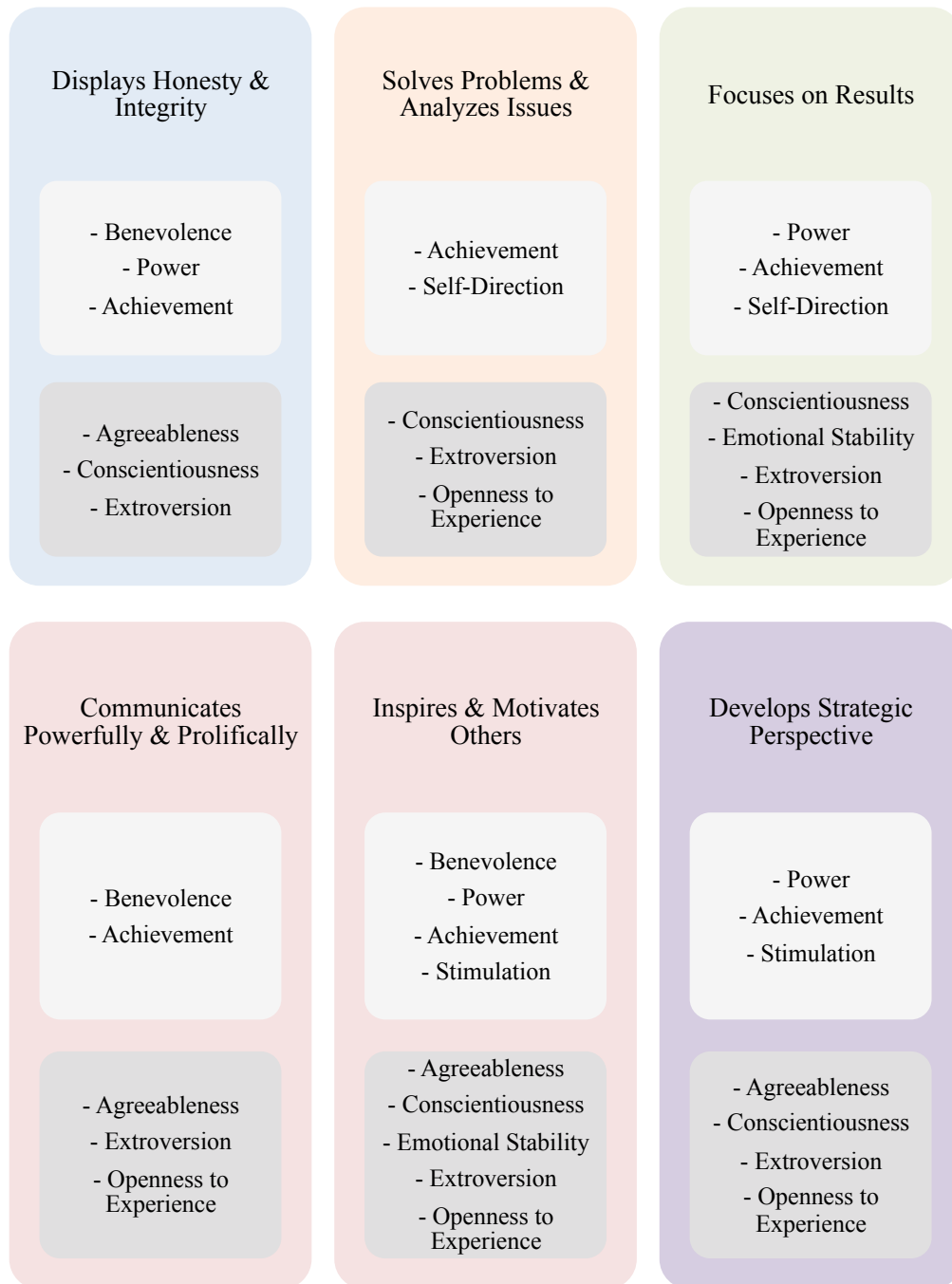


Figure 18. Skills and their Combination of Traits and Values.

Concerning competencies, the following needs to be mentioned first. Pless and Maak define relational intelligence as the capacity to establish and maintain relationships (cf. Section 4.7.4). However, as per definition of Daniel Goleman, one of the professionals who conceptualized emotional intelligence, it refers to the ability to recognize and process one's own and others' emotions (cf. Section 4.7.2). Social intelligence, on the other hand, corresponds to Pless and Maak's definition above. According to its definition (cf. Section 4.7.3), social intelligence refers to the ability to establish effective interpersonal relations and *use* emotional information about other individuals. Hence, there is a difference between *processing* emotional information (i.e. emotional intelligence) and *using* it (i.e. social intelligence). Thus, it is argued that the concept of relational intelligence cannot be applied as such, that is to say, without taking social intelligence into account. The aspect of ethical intelligence, however, is vital.

A similar discrepancy emerges when looking at the triple responsibility model (cf. Section 4.11). According to Schüz (2015), 'knowing whom' is attributed to emotional intelligence and forms part of the social dimension. However, Arthur et al. (1995) state that it refers to the 'set of interpersonal relationships' an individual has established (p. 10). Now, when looking at the competencies explained in Section 4.7, 'establishing effective interpersonal relationships' is the definition of the *social* intelligence competency (cf. Section 4.7.3). Hence, the interpretation of 'knowing whom' does not match with the emotional intelligence competency. This statement is underlined by the fact that emotional intelligence is defined as the competency of recognizing and processing emotional information about oneself and one's relationships (cf. Section 4.7.2). Thus, emotional intelligence may play a role in the social dimension, defining it as 'knowing whom', however, could lead to confusion. A further misunderstanding may occur due to the drawn link between 'knowing whom' and ethical responsibility. As explicated in Section 4.7.4.1, ethical intelligence stands for the ability to understand situations from a moral point of view. Thus, linking the term 'ethical' to emotional intelligence may result in a lack of clarity, which is even increased when combining the term with 'knowing whom', as already mentioned, the interpretation for social intelligence.

Based on the argumentation above, it is suggested to combine the following, distinct, competencies into a holistic model:

Cognitive Intelligence: The ability to think and analyze information and situations.

Emotional Intelligence: The ability to recognize and process emotional information about oneself and one's relationships.

Social Intelligence:

- The ability to establish effective interpersonal relations.
- The ability to understand, use emotional information about others.

Ethical Intelligence: The ability to understand situations from a moral point of view.

Spiritual Intelligence: The capacity for an understanding of existential questions and insight into multiple levels of consciousness.

The model is illustrated in Figure 19 below.

Five Competencies Model of Responsible Leadership

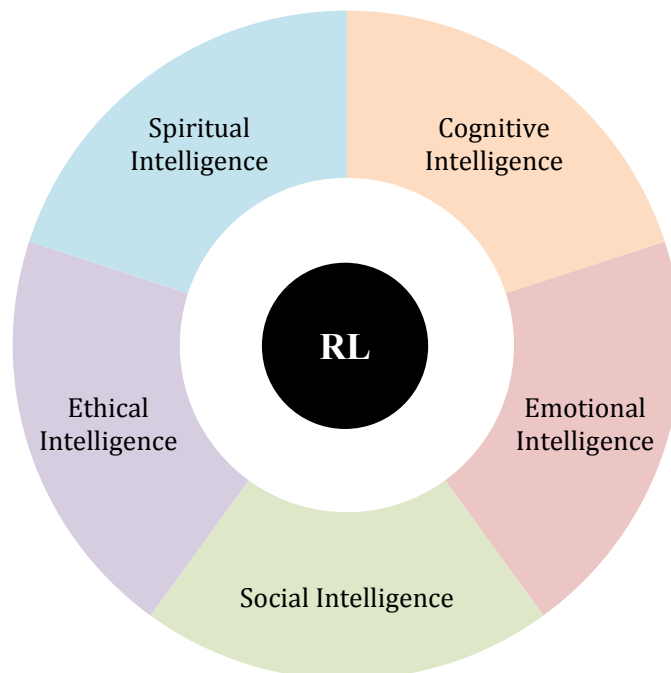


Figure 19. Five Competencies Model of Responsible Leadership.

It is assumed that the five competencies match with certain values (Appendix D). These relations are illustrated in Figure 20.

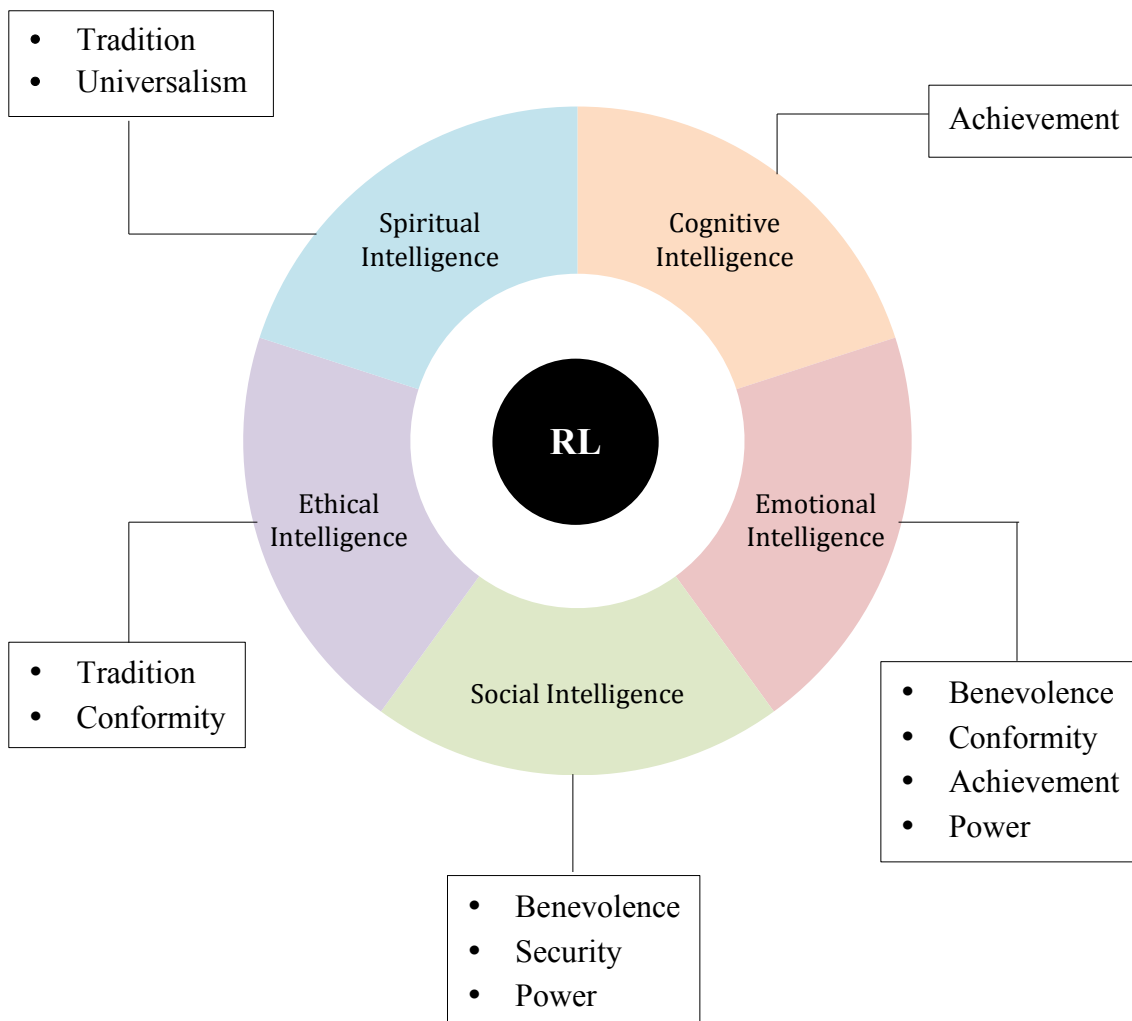


Figure 20. Values correlating with the Five Competencies Model.

It has to be noted that emotional intelligence in this model is a combination of social awareness, relationship management, self-management, and emotional intelligence itself. Thus, it entails values, such as achievement, which at first glance may not seem suitable. Furthermore, tradition and conformity have been found to be less important for responsible leadership. Nevertheless, ethical intelligence, which is based on those two values, is still considered to be an essential competency for a responsible leader.

7 LIMITATIONS & FURTHER RESEARCH

Certain limitations were encountered during the research phase for this thesis. For instance, there were no specific findings for the impact of ethical and spiritual intelligence on responsible leadership, or leadership in general. It would have been interesting to compare the impacts of these two competencies with the ones of the remaining competencies, as done in Chapter 5. Furthermore, no specific characteristics could be found for some of the motives assessed in this thesis. Therefore, they could not be properly compared to values and traits. A further limitation was that organizations which engage in the development of responsible leadership could not be reached. It would have been nice to learn about their approach and, perhaps, the theory they apply. It was attempted to contact the office of the Global Responsible Leadership Initiative, the Global Leadership Organization as well as the Foundation for Responsible Leadership from the Institute for Business Ethics in St. Gallen. Unfortunately, this attempt remained unsuccessful and could not be further pursued due to time restrictions.

As this thesis presents the required competencies for responsible leaders, it would be interesting to examine in further research in which ways they can be implemented or developed. One of the aspects worth looking at more closely may be self-leadership.

8 CONCLUSION

The purpose of this study was to assess which competencies individuals need to internalize in order to become genuinely responsible leaders. It is consciously emphasized that they need to be *genuinely* responsible, since research has shown that there are different understandings and approaches regarding responsible leadership. Thus, depending on the interpretation, even pure economists can suddenly become responsible leaders. However, it is argued that, following the definition according to which responsible leadership involves accountability, appropriate moral decision making, trust, and an interaction with various stakeholders, a truly responsible leader is likely to be an integrator. This type of leader is seeking to create value for various stakeholders, while setting new CSR standards in the industry. At the same time, however, he or she is keeping an eye on profits. Nevertheless, their motivation for engaging in business is to serve the needs of others.

According to the personality theory, human competencies are established based on a scheme that incorporates several levels. These are: physiology, motives, traits, values, skills, specific behaviors, and competencies.

Concerning the physiological level, it is essential to know that the right hemisphere of the brain is mainly responsible for good leadership. It enables emotional balance as well as balancing concerns of multiple stakeholders, which causes leaders to be effective.

It can be said that, apart from ‘weaker’ motives, as the need for justice, human behavior is generally motivated by three needs: the need for power, the need for achievement, and the need for affiliation. These needs correspond with personality traits. The strongest trait associated with needs is extroversion. However, other very present traits are agreeableness and conscientiousness, while openness to experience does not seem to result from our needs. The strongest values that individuals develop based on needs, on the other hand, are power and security, followed by achievement or benevolence amongst others.

Similar to needs, values also correspond to traits. As mentioned before, the strongest trait resulting from needs is extroversion. Consequently, this trait provides the greatest

base for values. Nevertheless, agreeableness, conscientiousness, and openness to experience are not to be neglected as foundations for values.

Vital for this thesis to mention is the relationship between traits, values, and essential leadership skills (see Figure 18). For the assessment of this relation, six of the most essential skills have been compared with values and traits. Regarding the traits, extroversion is, as expected, the one that is present with all six skills. Other essential traits, however, are conscientiousness and openness to experience. Concerning the values, achievement seems to be the most important value for leaders, since it is as well present with all six skills. Power and benevolence, for instance, are weaker, but still present values.

As for the competencies, it is considered that five of them in combination are indispensable for the performance of responsible leadership. Those are: cognitive intelligence, emotional intelligence, social intelligence, ethical intelligence, and spiritual intelligence. These mainly correspond with some of the strongest values that were mentioned before. However, it needs to be noted that, although research indicates that tradition and conformity have little in common with effective leadership, they are still perceived to be important, since they belong to ethical intelligence. This in turn, should not be neglected any longer with regard to today's business world. Moreover, it has been empirically proven that especially emotional and social intelligence competencies have a great impact on career satisfaction, success, and even life satisfaction.

To sum up, it to say that the transition from a manager to a responsible leader happens by development of the five mentioned competencies. However, it is advised to pay particular attention to spiritual and ethical leadership, since these are vital requirements nowadays. An alteration or improvement of the mentioned competencies can be achieved through the focus on the here mentioned needs and values. Traits are relatively stable and can, thus, not easily be altered. Nevertheless, they can be influenced by other personality levels, which are adaptable.

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APPENDICES

Appendix A: Responsible Leadership Orientations

		Traditional Economist	Opportunity Seeker	Integrator	Idealist
Leadership Characteristic	Core Purpose	create immediate or short-term value for shareholders	<ul style="list-style-type: none"> create long-term economic value for shareholders create value for other stakeholders if beneficial for shareholders 	create long-term value for a range of stakeholders in business and society	create long-term social value for targeted stakeholders in need or society as a whole
	Motivation	<ul style="list-style-type: none"> save costs and maximize profits manage risks obey the law 	<ul style="list-style-type: none"> competitive advantage personal and firm reputation (PR) 	Shared moral values and principles	psychological fulfillment
	Cognition	strongly rational and analytic	largely rational and analytic	integration of rationality and emotions	strongly emotional
	Leadership Style	<ul style="list-style-type: none"> rule-based autocratic management-by-exception 	transactional	transformational	servant
Stakeholder Relations	Relationship Focus	<ul style="list-style-type: none"> focus on shareholders engagement with a few key stakeholders if economically advisable (to avoid risks) 	<ul style="list-style-type: none"> focus on stakeholders who can be used to realize opportunities and ultimately satisfy shareholders limited commitment to stakeholders other than shareholders 	focus on all stakeholders perceived to be legitimate	focus on selected stakeholders (e.g. those in need) or society as a whole
	Relationship Approach	<ul style="list-style-type: none"> instrumental distance kept from stakeholders, other than shareholders or owners 	<ul style="list-style-type: none"> instrumental relations with stakeholders as a means to serving shareholders or owners 	<ul style="list-style-type: none"> balanced approach based on morals and principles collaboration with all stakeholders 	<ul style="list-style-type: none"> service-oriented approach to targeted stakeholders

continued

Strategic Emphasis	Performance Focus	<i>Narrow</i>	<i>Broad</i>	<i>Broad</i>	<i>Narrow</i>
		<ul style="list-style-type: none"> • Economic performance • creating value for shareholders • Strict adherence to cost-benefit analyses 	<ul style="list-style-type: none"> • primarily economic value creation for shareholders • value creation for other stakeholders if strategically beneficial • some use of cost-benefit analysis 	<ul style="list-style-type: none"> • balanced approach to creating value in different domains of business and society • minimal use of cost-benefit analyses 	<ul style="list-style-type: none"> • focus on value creation for targeted stakeholders or society • no use of cost-benefit analyses

Note. Adapted from ‘Different Approaches toward Doing the Right Thing,’ by N. M. Pless et al., 2012, *Academy of Management Perspectives*, 26(4), p. 58. Copyright (2012) by Academy of Management.

Appendix B: Motivation Characteristics

Need for affiliation	Need for power	Need for achievement
<ul style="list-style-type: none"> • Cooperative • Avoiding conflicts • Compliant behavior • Investing in social network • Fearing rejection • Healthier 	<ul style="list-style-type: none"> • Aggressive behavior • Willing to take risks • Seeking attention • Demonstrating effective leadership behavior • Buying prestigious objects (e.g. luxury goods) • Aspiring to positions where control and influence can be exercised • Charismatic • Strong communication skills • Humorous • Exploitative 	<ul style="list-style-type: none"> • Willing to take moderate risks • Innovative • Strong need for feedback • Persistent and responsible • Highly successful in the job (e.g. as entrepreneurs or lower-level managers)

Note. Adapted from *Self-Leadership und Führung*, p. 34, by M. Furtner and U. Baldegger, 2013, Wiesbaden: Springer Gabler. Copyright (2013) by Springer Fachmedien Wiesbaden.

Appendix C: Positive & Negative Aspects of the Big Five Traits

Personality	Positive	Negative
Agreeableness	<ul style="list-style-type: none"> • friendly • caring • positive social interactions • limited willingness to engage in conflicts 	<ul style="list-style-type: none"> • little ambition to take the lead • are easily prepossessed by power-driven followers
Conscientiousness	<ul style="list-style-type: none"> • persistent • set goals and pursue them effectively 	<ul style="list-style-type: none"> • low adaptability • monitoring and controlling
Emotional Stability (Neuroticism)	<ul style="list-style-type: none"> • more positive vision • higher ethics 	<ul style="list-style-type: none"> • weak at detecting risks • less familiar with dangers
Extroversion	<ul style="list-style-type: none"> • charismatic • inspiring • ambitious • like to lead 	<ul style="list-style-type: none"> • more impulsive • risk-taking • bad at listening
Openness to Experience	<ul style="list-style-type: none"> • innovative visionaries 	<ul style="list-style-type: none"> • hardly adaptable • less willing to accept direction from 'above'

Note. Adapted from *Self-Leadership und Führung*, pp. 30-31, by M. Furtner and U. Baldegger, 2013, Wiesbaden: Springer Gabler. Copyright (2013) by Springer Fachmedien Wiesbaden.

Appendix D: Motivational Types of Values & Associated Single Values

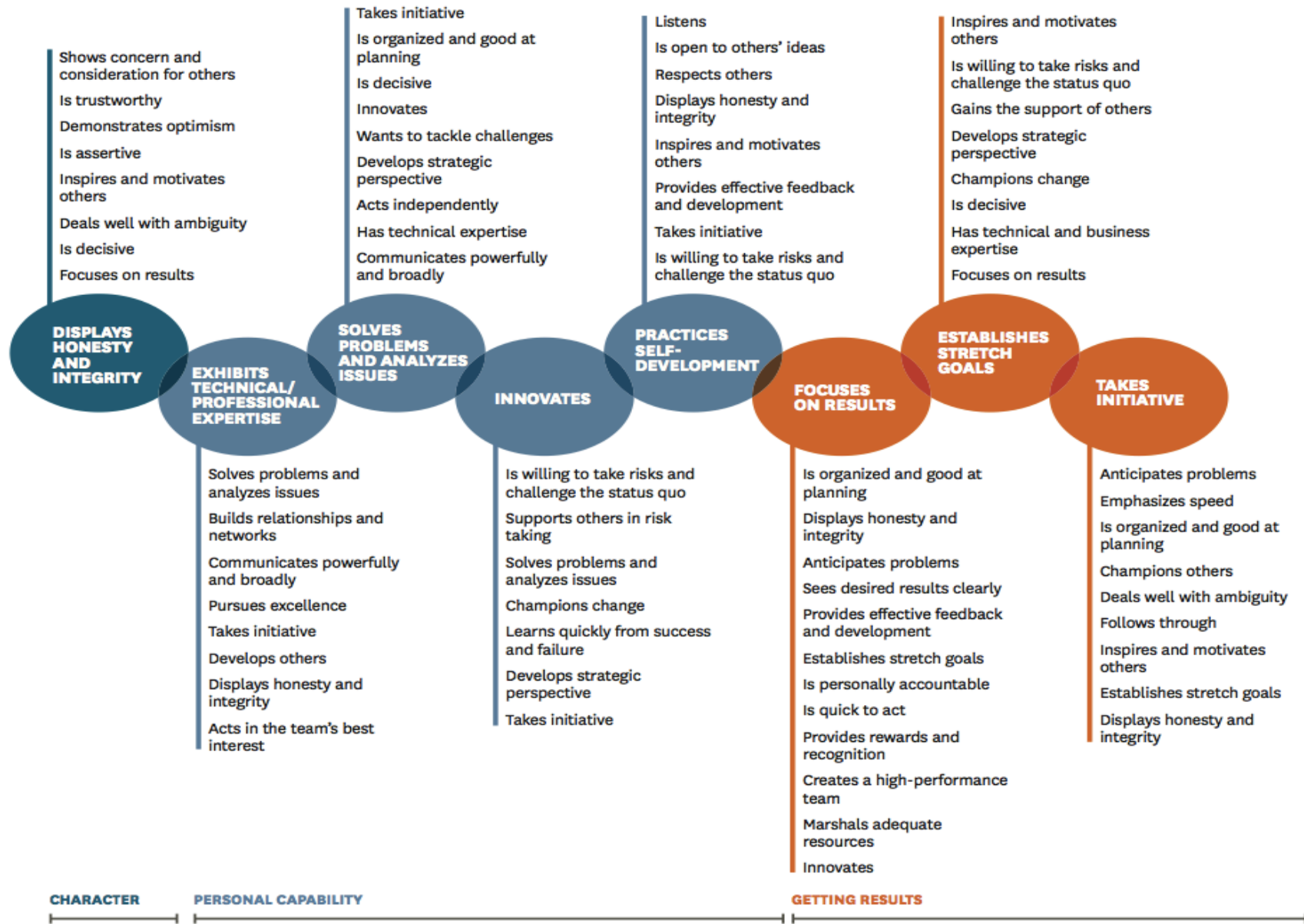
Benevolence	<ul style="list-style-type: none"> • Helpfulness • Responsibility • Forgiveness • Honesty • Loyalty • Mature love • True friendship
Tradition	<ul style="list-style-type: none"> • Respect for tradition • Devotion • Accepting of life circumstances • Humbleness • Moderation
Conformity	<ul style="list-style-type: none"> • Obedience • Self-discipline • Politeness • Honoring of parents and elders
Security	<ul style="list-style-type: none"> • National security • Family security • Reciprocation of favors • Sense of belonging • Social order • Health • Cleanliness
Power	<ul style="list-style-type: none"> • Social power • Wealth • Authority • Preservation of public image • Social recognition
Achievement	<ul style="list-style-type: none"> • Ambition • Influence • Capability • Success • Intelligence • Self-respect

continued

Hedonism	<ul style="list-style-type: none"> • Pleasure • Enjoying life
Stimulation	<ul style="list-style-type: none"> • Excitement in life • Variety in life • Daring
Self-direction	<ul style="list-style-type: none"> • Freedom • Creativity • Independence • Choice of own goals • Curiosity • Self-respect
Universalism	<ul style="list-style-type: none"> • Equality • Unity with nature • Wisdom • Beauty • Social justice • Broad-mindedness • Protection of environment • Peace

Note. Adapted from ‘Universals in the Content and Structure of Values,’ by S. H. Schwartz, 1992, *Advances in Experimental Social Psychology*, 25, p. 6-7. Copyright (1992) by Academic Press Inc.

Appendix E: Skills & According Behaviors





Note. Reprinted from 'Making Yourself Indispensable,' by J. H. Zenger et al., 2011, *Harvard Business Review*, 89(10), pp. 88-89. Copyright (2011) by Harvard Business Publishing.

Appendix F: Intelligence Competencies

Cognitive Intelligence	Emotional Intelligence	Social Intelligence
<ul style="list-style-type: none"> • Systems thinking • Pattern recognition • Use of technology • Written communications 	<p><u>Personal Competencies</u></p> <ul style="list-style-type: none"> • Emotional self-awareness • Emotional self-control • Adaptability • Achievement orientation • Positive outlook <p><u>Social Competencies</u></p> <ul style="list-style-type: none"> • Empathy • Organizational awareness • Inspirational leadership • Influence • Coaching and mentor • Conflict management • Teamwork 	<ul style="list-style-type: none"> • Openness • Extroversion • Agreeableness • Sociability • Friendliness • Cooperativeness • Social boldness • Thoughtfulness • Supportiveness • Empathy • Sympathy • Closeness • Warmth • Self-monitoring • Persuasiveness • Networking • Negotiating • Group management • Oral communications

Note. Adapted from Based on ‘Emotional, Social and Cognitive Competencies distinguishing effective Italian Managers and Leaders in a Private Company and Cooperatives,’ by R. E. Boyatzis and F. Ratti, 2009, *Journal of Management Development*, 28(9), pp. 823-824. Copyright (2009) by Emerald Group Publishing Limited; ‘Cognitive, Social, and Emotional Intelligence of Transformational Leadership,’ by B. M. Bass, 2013, *Multiple Intelligences and Leadership*, p. 106 & 109), Hove: Psychology Press. Copyright (2002) by Lawrence Erlbaum Associates Inc.; *Primal Leadership*, p. 39, by D. Goleman et al., 2002, Boston: Harvard Business School Press. Copyright (2002) by Daniel Goleman.

Appendix G: Accordance between Needs and Values

	B	T	C	S	P	A	H	ST	SD	U
Need for Achievement										
Need for Power										
Need for Affiliation										
Need for Recognition										
Need for Exploration & Assertion										
Need for Sensual Enjoyment										
Need for Justice										
Sense of Care										
Relative Frequency in %	10	0	0	20	20	10	10	10	10	10

B = Benevolence, T = Tradition, C = Conformity, S = Security, P = Power, A = Achievement, H = Hedonism, ST = Stimulation, SD = Self-direction, U = Universalism

Appendix H: Accordance between Values and Traits

	A	C	ES	E	OE
Benevolence					
Tradition					
Conformity					
Security					
Power					
Achievement					
Hedonism					
Stimulation					
Self-Direction					
Universalism					
Relative Freq.	30%	30%	0%	40%	30%

A = Agreeableness, C = Conscientiousness, ES = Emotional Stability, E = Extroversion, OE = Openness to Experience

Declaration of authorship

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