

Value-Based Leadership and Personality Type: The Influence on Organizational Change

Regina Durante

Greystone International Leadership Group, USA

INTRODUCTION

This chapter examines the impact value-based leadership and personality types have on leaders, managers, and team members undergoing organizational change. It will provide scholars and practitioners with an understanding of the influences personality and ethics play in driving leaders and the decision-making process during organizational change. Further, the psychological behaviors of stress and inaction of team members brought on by balancing work and home responsibilities during change, present readers with a deeper analysis and understanding of human behavior at work.

Value-based leadership and behavioral theories are discussed and examined through scenario learning activities for corporate, education, government, and non-profit sectors. Learning activities offer readers exercises in the decision-making process. Referencing personality strengths and areas of stress, readers have opportunities to engage in thoughtfully driven value-based solutions when managing an organizational change. Each scenario inculcates theories discussed into practical understanding.

In organizations, the issue of addressing change is multifaceted. However, when an organization's culture is founded on clearly expressed and understood values, decisions regarding how change is to be managed, who should lead the change, or even the type of change that must occur can help alleviate problems and facilitate success. Further, when clearly understood and accepted, values help alleviate employee behaviors that work against successfully implementing the needed change.

Value-based leadership encourages and guides decisions, thereby facilitating behaviors aligned with the organization's culture. Once a change is required, values clearly communicated enable employees to align with those values, while helping to manage the change and successfully transform an organization.

Value-based leadership is a model where the values of all stakeholders create an organizational code of standards and ethics that enables individuals to make independent decisions aligned to the organization's values (Mendonca & Kanungo, 2007). Because the nature of change is a constant state of flux, the multi-layer process of change often demands and requires employees to act and think independently when making decisions. Further, value-based leadership incorporates the values of all stakeholders to shape an organization's culture reflective of ethical standards of behavior and thinking. Faced with a conflict or dilemma, it enables individuals to reflect on the values held by the organization and make decisions aligned with those values.

Decision-making is a complex multi-layered process where personal values and outside influences affect perceptions of behavior. In education, value-based theory holds that as employees and teachers gain experience, a deeper understanding of the role personal and social values play in resolving conflicts

develops (Moore, 1992; Hamberger & Moore, 1997). This experience results in developing value-based behavior and thinking that can lead to solving dilemmas ethically when making decisions. These factors may serve to offset the influence of leaders' values and the values of an organization's culture.

When a value-based culture exists, a code of ethics is created that helps people perceive situations consistent with the culture and to know what appropriate action should be taken.

Values, Perceptions, and Personality

When transformational change is necessary, people can be expected to react in both positive and negative ways. What controlling factors should leaders and managers engage in to help offset negative reactions of team members experiencing stress or an unwillingness to facilitate the needed change within organizations? Keep in mind that leading and implementing any change strategy is filled with the possibility of failure. In fact, research shows that perhaps 65 to 75 percent of all public and private sector change initiatives fail (Oakland & Tanner, 2006; Kee & Newcomer, 2008).

Value-based leadership represents a leadership style and strategy grounded in ethics that form a fundamental belief system resulting in individuals taking action and demonstrating behavior aligned with the belief system. By guiding our actions and shaping the attitudes that form the decision-making process, values serve to establish our standard of right or wrong behavior (Rokeach, 1968, 1973). They help form the personal identity that reflects our personality and the social identity that reflects the role we choose in society (Hamberger & Moore, 1997).

An organization's culture socializes people to accept actions or behavior, whether the actions or behavior are legal or ethical (Sims, 1994) and binds leaders and followers through a common core of values that determine appropriate behavior. Value-based leadership is not just about articulating understood procedures or goals, but also about building relationships and creating an environment that establishes and encourages a set of ethical values for leaders and others to follow.

Values influence our perceptions; therefore, differences in values cause differences in perceptions, which may help to explain why individuals facing similar conditions respond differently. Much of the solution is having a culture defined by values of fairness and ethics that help guide individuals facing conflicts or dilemmas. Ethics represents a system of moral principles, values, or rules of conduct recognized by individuals, groups, or cultures that relate conduct or behavior with the rightness and wrongness of actions and the motives of the goodness and badness of those actions (Stein & Urdang, 1971). Ethics can be found to represent a spiritual domain or system in which individuals associate. Perception is the act of capturing or understanding by the senses or the mind thoughts that acknowledge and recognize moral qualities (Stein & Urdang 1971). Values, therefore, represent the beliefs, ethics, or principles that create a set of informal rules that regulate the behavior of a group or people bound by a common purpose (Feldman, 2001).

Value-based leadership plays an important role in understanding and forming the norms that determine correct behavior in an organization. Values shape behavior, thoughts, and actions and influence the interaction between people. Relational at their core, values emerge through social contexts where individuals are both givers and receivers (Reed, Turiel, & Brown, 1996). Leading then becomes a social context-driven activity comprised of individuals who desire to serve and where the distinct value-based characteristic is the relational foundation between leaders and others (Hamberger & Moore, 1997).

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