



The downside of transformational leadership when encouraging followers to network☆



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ABSTRACT

Network scholars argue that one responsibility of leaders is to help their followers develop social capital. We suggest that one way leaders do this is by encouraging followers to engage in networking behavior. However, we argue that such encouragement is more effective when leaders are seen as less transformational, because followers are then less able to benefit from their leaders' social capital. We support our arguments with a study of 142 followers and their leaders. Our findings show that followers engage in greater networking behaviors when encouraged by their leaders to do so, but this association is moderated by leaders' transformational leadership style such that it is stronger as transformational leadership behaviors decrease. We thus introduce an unrecognized cost of leaders' transformational leadership behaviors. Our findings contribute to research on networking behavior by investigating the role of transformational leadership style, and suggest avenues for research linking social capital and leadership.

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Introduction

The significant impact of social networks on individual performance within organizations is well-established (for reviews see Carpenter, Li, & Jiang, 2012; Kilduff & Brass, 2010). The size and configuration of employees' networks determines their social capital (Coleman, 1988)—defined as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit” (Nahapiet & Ghoshal, 1998, p. 243). Higher levels of social capital have been linked to a variety of benefits, including higher levels of career success (Seibert, Kraimer, & Liden, 2001) and entrepreneurial innovation (Miguèlez, Moreno, & Artís, 2011). Given the recognized importance of social capital for individuals' performance and success, researchers have argued that individuals should be proactive in developing social capital (Adler & Kwon, 2002; Gabbay & Leenders, 2001). A primary means of developing social capital is through networking behavior, which is the ability of individuals to both develop and use diverse networks of people (Ferris et al., 2005).

Given the recognized importance of social capital for individuals' performance and success, scholars have argued that leaders should help their followers develop their social capital (e.g., Balkundi & Kilduff, 2005). In their discussion of a network perspective on leadership, Balkundi and Kilduff (2005, p. 953) claim that “leader effectiveness involves building social capital that benefits individuals in the organization and extending the social networks of subordinates to facilitate career advancement.” They further argue that “One measure of leader effectiveness, therefore, is the success of the leader in promoting the social networks and leadership potential of subordinates” (p. 953). While we argue that a primary way leaders help their followers develop their social capital is

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through the encouragement of networking behaviors, our study examines the possibility of a potential downside to leader encouragement if the leader exercises a transformational leadership style. Building on the theory of Conservation of Resources (COR) (Hobfoll, 1989; Hobfoll, 1998, 2001), the possibility exists that leaders' encouragement will be less effective if the leader is seen as more transformational, because followers are better able to benefit from the social capital of their leaders and therefore have less incentive to expend resources to develop their own networks to the same extent. Conversely, we examine the possibility that when leaders display lower levels of transformational leadership, followers will have weaker access to their leaders' social capital, and hence will engage in greater networking behaviors when encouraged to do so.

Our study is the first we are aware of that empirically investigates this potential downside of transformational leadership. Most of the literature on transformational leadership focuses on its advantages, and by highlighting a potential disadvantage we make an important contribution to the small but growing stream of literature that examines the downside of transformational leadership (e.g., Tourish, 2013). We elaborate and develop our arguments below, and discuss their significant implications for research and practice.

Theory and hypotheses

Leadership, social capital, and networking behavior

An emerging stream of literature has begun to investigate the relationships between leadership and social capital (e.g., Balkundi & Kilduff, 2005). For example, leaders exhibiting more transformational leadership behaviors—as well as their followers—have been found to be more central in advice and influence networks (Bono & Anderson, 2005). Groups led by leaders who were more central in internal and external friendship networks have been found to have higher levels of objective group performance, and those leaders have better reputations (Mehra, Dixon, Brass, & Robertson, 2006). More densely connected networks of interpersonal ties among leaders and team members have been found to enhance both team effectiveness and team viability (Balkundi & Harrison, 2006). Leaders and followers who are central in advice networks have been found to receive higher LMX ratings (Goodwin, Bowler, & Whittington, 2009), and develop higher quality relationships (Venkataramani, Green, & Schleicher, 2010). More recently, transformational approaches to community leadership have been found to increase social capital within communities (Madsen & O'Mullan, 2014).

These studies have established a number of ways that social capital and leadership are related. Yet while they offer an impressive beginning, little is known about the role that leaders play in developing the social capital of followers, especially by promoting or inhibiting the networking behaviors by their followers. This is an important topic because leaders' social- and task-specific processes are responsible for enabling organizational success (Hambrick, 1998; Li & Zhang, 2002). While the size of the literature on social networks and social capital is staggering, the study of networking behavior has thus far attracted much less attention. The primary reason for this is that social network research has been dominated by sociological perspectives which rarely ask about or examine the actual behaviors of the actors being investigated, and this has led researchers to call for a greater examination of actual behaviors related to social network phenomena (e.g., Anderson, 2008; Mehra, Kilduff, & Brass, 2001). In line with recommendations by several scholars, our work combines sociological and psychological perspectives to better understand how leaders influence the networking behavior of their followers.

Networking behavior is a proactive behavior that enables the individual to develop a constellation of relationships (Kram, 1985). The literature on networking behavior is small but growing. A few studies have examined networking behavior in the context of job search, investigating whether it helps the unemployed find employment (Van Hove, van Hooft, & Lievens, 2009; Wanberg, Kanfer, & Banas, 2000). Several studies have examined gender differences in networking behavior (Forret & Dougherty, 2001, 2004; van Emmerik, Euwema, Geschiere, & Schouten, 2006). Other studies have found that networking behavior is positively related to career success (Langford, 2000; Orpen, 1996; Seibert et al., 2001; Wolff & Moser, 2009), and to changes in employers (Wolff & Moser, 2010).

Leader networking encouragement

We propose that one important way that leaders influence their followers' networking behavior is through leader encouragement. "Encourage," according to the Oxford Dictionary, is the act of giving support, confidence, or hope to someone. It is also the act of persuading someone to do something by giving support and advice, as well as stimulating the development of an activity. In the context of leadership, leaders can encourage followers to engage in a behavior by highlighting the value of that behavior to the organization and to followers, and directing their attention to the effectiveness of such behaviors that lead to productive outcomes (Zhang & Bartol, 2010). According to the theory of planned behavior (Ajzen, 1985), the intention of an individual to engage in a behavior is determined by the social pressure toward that behavior. Therefore, if leaders actively encourage their followers to engage in networking behavior, those followers are more likely to do so. For example, Jolink and Dankbaar (2010) argue that perceived supervisory support for networking increases inter-organizational networking by employees.

Empirical studies show how leader encouragement toward a behavior leads to more of that behavior by employees. For example, studies related to creativity show that leader encouragement strengthens the engagement of individuals in the creative process (e.g., Zhang & Bartol, 2010). Empirical research has also found a positive relationship between supervisory support and knowledge sharing behaviors (Cabrera, Collins, & Salgado, 2006). In the context of networking, in addition to specifying the importance of networking, leaders can also actively support the networking behavior of their followers. This helping behavior can come in the form of providing time and resources for followers to visit important stakeholders, to attend conferences and functions, and to be

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