

# Leadership, Trustworthiness, and Ethical Stewardship

Caldwell C., Hayes L.A., Long D.T.

Terry College of Business, University of Georgia, Athens, GA, United States; University of Houston - Victoria, Sugar Land, TX, United States; Vietnam National University, Hanoi, Viet Nam

**Abstract:** Leaders in today's world face the challenge of earning the trust and commitment of organizational members if they expect to guide their companies to success in a highly competitive global context. In this article, we present empirical results indicating that when leadership behaviors are perceived as trustworthy through the observer's mediating lens, trust increases and leaders are more likely to be viewed as ethical stewards who honor a higher level of duties. This article contributes to the growing body of literature about the importance of ethical stewardship in the trust relationship. © 2010 Springer Science+Business Media B.V.

**Author Keywords:** ethical stewardship; leadership; mediating lens; trust; trustworthiness

Year: 2010

Source title: Journal of Business Ethics

Volume: 96

Issue: 4

Page : 497-512

Link: Scopus Link

Correspondence Address: Caldwell, C.; Terry College of Business, University of Georgia, Athens, GA, United States; email: cam.caldwell@gmail.com

ISSN: 1674544

DOI: 10.1007/s10551-010-0489-y

Language of Original Document: English

Abbreviated Source Title: Journal of Business Ethics

Document Type: Article

Source: Scopus

Authors with affiliations:

- Caldwell, C., Terry College of Business, University of Georgia, Athens, GA, United States
- Hayes, L.A., University of Houston - Victoria, Sugar Land, TX, United States
- Long, D.T., Vietnam National University, Hanoi, Viet Nam

References:

- Aquaveque, C., Marketing and Market Development - Signaling Corporate Values: Consumers' Suspicious Minds (2005) *Corporate Governance*, 5 (3), pp. 70-81
- Barnard, C.I., (1938) *Functions of the Executive*, Cambridge, MA: Harvard Business School Press
- Barnett, T., Schubert, E., Perceptions of the Ethical Work Climate and Covenantal Relationships (2002) *Journal of Business Ethics*, 36 (3), pp. 279-290
- Bennis, W.G., Nanus, B., (2007) *Leaders: Strategies for Taking Charge*, New York: Harper

- Bentler, P.M., Chou, C.P., Practical Issues in Structural Equation Modeling (1987) *Sociological Methods and Research*, 16 (1), pp. 78-117
- Bews, N.F., Rossouw, G.J., A Role for Business Ethics in Facilitating Trustworthiness (2002) *Journal of Business Ethics*, 39 (4), pp. 377-390
- Block, P., (1993) *Stewardship: Choosing Service Over Self-Interest*, San Francisco: Berrett-Koehler Publishers
- Brown, F.W., Moshavi, D., Transformational Leadership and Emotional Intelligence: A Potential Pathway for an Increased Understanding of Interpersonal Influence (2005) *Journal of Organizational Behavior*, 26 (7), pp. 867-885
- Buber, M., (2008) *I and Thou*, New York: Touchstone
- Burns, J.M., (1978) *Leadership*, New York: Harper & Row
- Calder, B.J., Phillips, L.W., Tybout, A.M., Designing Research for Application (1981) *Journal of Consumer Behavior*, 8, pp. 197-207
- Caldwell, C., Bischoff, S.J., Karri, R., The Four Umpires: A Paradigm for Ethical Leadership (2002) *Journal of Business Ethics*, 36 (1-2), pp. 153-163
- Caldwell, C., Clapham, S., Organizational Trustworthiness: An International Perspective (2003) *Journal of Business Ethics*, 47 (4), pp. 349-364
- Caldwell, C., Hayes, L., Leadership, Trustworthiness, and the Mediating Lens (2007) *Journal of Management Development*, 26 (3), pp. 261-278
- Caldwell, C., Hayes, L., Karri, R., Bernal, P., Ethical Stewardship: The Role of Leadership Behavior and Perceived Trustworthiness (2008) *Journal of Business Ethics*, 78 (1-2), pp. 153-164
- Caldwell, C., Karri, R.J., Organizational Governance and Ethical Systems: A Covenantal Approach to Building Trust (2005) *Journal of Business Ethics*, 58 (1), pp. 249-259
- Caldwell, C., Karri, R., Vollmar, P., Principal Theory and Principle Theory: Ethical Governance from the Follower's Perspective (2006) *Journal of Business Ethics*, 66 (2-3), pp. 207-223
- Cameron, K.S., Ethics, Virtuousness, and Constant Change (2003) *The Ethical Challenge: How to Lead with Unyielding Integrity*, pp. 185-194. , N. M. Tichy and A. R. McGill (Eds.), San Francisco, CA: Jossey-Bass
- Cameron, K.S., Dutton, J.E., Quinn, R.E., (2003) *Positive Organizational Scholarship: Foundations of a New Discipline*, San Francisco, CA: Berrett-Koehler Publishers
- Carroll, A.B., Buchholtz, A.K., (2003) *Business and Society: Ethics and Stakeholder Management*, Cincinnati, OH: South-Western Publishing
- Chemers, M.M., (1997) *An Integrative Theory of Leadership*, Mahwah, NJ: Lawrence Erlbaum Associates
- Christensen, C.M., (2003) *The Innovator's Dilemma: The Revolutionary National Best Seller that Changed the Way We Do Business*, New York: Harper Collins
- Collins, J., (2001) *Good to Great: Why Some Companies Make the Leap ... and Others Don't*, New York: Harper
- Collins, J., Level 5 Leadership: The Triumph of Humility and Fierce Resolve (2005) *Harvard Business Review*, 83 (7), pp. 136-143
- Collins, J., Porras, J.I., (1994) *Built to Last: Successful Habits of Visionary Companies*, New York: Harper
- Collins, J., Powell, S., Spotlight: The Characteristics of Level 5 Leadership (2004) *Management Decision*, 42 (5-6), pp. 709-716
- Covey, S.R., (1990) *Seven Habits of Highly Effective People: Restoring the Character Ethic*, New York: Simon & Schuster
- Covey, S.R., (1992) *Principle-Centered Leadership*, New York: Simon & Schuster
- Covey, S.R., (2004) *The 8th Habit: From Effectiveness to Greatness*, New York: Free Press
- Daily, C.M., Dalton, D.R., Rajagopalan, N., *Governance Through Ownership: Centuries of Practice, Decades of Research*

- (2003) *Academy of Management Journal*, 46 (2), pp. 141-158
- de Pree, M., (2004) *Leadership is an Art*, , New York: Dell
  - Deming, W.E., (1986) *Out of the Crisis*, , Cambridge, MA: Massachusetts Institute of Technology Press
  - Dirks, K.T., Ferrin, D.L., *Trust in Leadership: Meta-Analytic Findings and Implications for Research and Practice* (2002) *Journal of Applied Psychology*, 87, pp. 611-628
  - Donaldson, T., Dunfee, T.W., (1999) *Ties That Bind: A Social Contracts Approach to Business Ethics*, , Cambridge, MA: Harvard Business School Press
  - Fiske, S., Taylor, (2007) *Social Cognition, From Brains to Culture*, , New York: McGraw-Hill
  - Galford, R., Drapeau, A.S., *The Enemies of Trust* (2003) *Harvard Business Review*, 81 (2), pp. 12-13
  - Galford, R., Drapeau, A.S., (2003) *The Trusted Leader - Bringing Out the Best in Your People and Your Company*, , New York: The Free Press
  - Gapp, R., *The Influence the System of Profound Knowledge Has on the Development of Leadership and Management Within an Organization* (2002) *Managerial Auditing Journal*, 17 (6), pp. 338-342
  - Gill, H., Boies, K., Finegan, J., McNally, J., *Antecedents of Trust: Establishing a Boundary Condition for the Relation to Propensity to Trust and Intention to Trust* (2005) *Journal of Business & Psychology*, 19 (3), pp. 287-302
  - Goelman, D., (2007) *Social Intelligence: The New Science of Human Relations*, , New York: Bantam Publishing
  - Graham, J.W., *An Essay on Organizational Citizenship Behavior* (1991) *Employee Responsibilities & Rights Journal*, 4 (4), pp. 249-270
  - Greenleaf, R., (1977) *Servant Leadership: A Journey into Legitimate Power and Greatness*, , Mahwah, NJ: Paulist Press
  - Hardin, R., (2004) *Distrust*, , New York: Russell Sage Foundation
  - Hernandez, M., *Promoting Stewardship Behavior in Organizations: A Leadership Model* (2008) *Journal of Business Ethics*, 80 (1), pp. 121-128
  - Hosmer, L.T., *Trust: The Connecting Link Between Organizational Theory and Behavior* (1995) *Academy of Management Review*, 20, pp. 379-404
  - Hosmer, L.T., (2007) *The Ethics of Management*, , 7th edn., Chicago: Irwin
  - Husted, B.W., Folger, R., *Fairness and Transaction Costs: The Contribution of Organizational Justice Theory to an Integrative Model of Economic Organization* (2004) *Organization Science: A Journal of the Institute of Management Sciences*, 15 (6), pp. 719-729
  - Ireland, R.D., Hoskisson, R.E., Hitt, M.A., (2006) *Understanding Business Strategy: Concepts and Cases*, , Mason, OH: South-Western Publishing
  - Judge, T.A., Heller, D., Mount, M.K., *Five-Factor Model of Personality and Job Satisfaction: A Meta-Analysis* (2002) *Journal of Applied Psychology*, 87 (3), pp. 53-79
  - Kolp, A., Rea, P., (2006) *Leading with Integrity: Character-Based Leadership*, , Cincinnati, OH: Atomic Dog Publishing
  - Kouzes, J.M., Posner, B.Z., (2003) *Credibility: How Leaders Gain and Lose It, Why People Demand It*, , 2nd edn., San Francisco, CA: Jossey-Bass
  - Kouzes, J.M., Posner, B.Z., (2003) *Encouraging the Heart: A Leader's Guide to Rewarding and Recognizing Others*, , San Francisco, CA: Jossey-Bass
  - Kouzes, J.M., Posner, B.Z., (2007) *The Leadership Challenge*, , 4th edn., San Francisco, CA: Jossey-Bass
  - Kramer, R.M., Cook, K.S., (2004) *Trust and Distrust in Organizations: Dilemmas and Approaches*, , New York: Russell Sage Foundation
  - Lado, A.A., Zhang, M.J., *Expert Systems, Knowledge Development and Utilization, and Sustained Competitive Advantage: A*

- Resource-Based Model (1998) *Journal of Management*, 24 (4), pp. 489-509
- Leeds, R., *Breach of Trust - Leadership in a Market Economy* (2003) *Harvard International Review*, 25 (3), pp. 76-82
  - Likert, R., (1961) *New Patterns of Management*, , New York: McGraw-Hill
  - Lines, R., Selart, M., Espedal, B., Johansen, S.T., *The Production of Trust During Organizational Change* (2005) *The Journal of Change Management*, 5 (2), pp. 221-245
  - Lussier, R.N., Achua, C.F., (2004) *Leadership: Theory: Application, Skill Development*, , Eagan, MN: South-Western Publishing
  - Manville, B., Ober, J., (2003) *A Company of Citizens: What the World's First Democracy Teaches Leaders About Creating Great Organizations*, , Boston, MA: Harvard Business School Publishing
  - Maslyn, J.M., Uhl-Bien, M., *Leader-Member Exchange and Its Dimensions: Effects of Self-Effort and Other's Effort on Relationship Quality* (2001) *Journal of Applied Psychology*, 86 (4), pp. 697-720
  - Mayer, R.C., Davis, J.H., Schoorman, F.D., *An Integration Model of Organizational Trust* (1995) *Academy of Management Review*, 20 (3), pp. 709-729
  - Mayer, R.C., Gavin, M.B., *Trust in Management and Performance: Who Minds the Shop While the Employees Watch the Boss?* (2005) *Academy of Management Journal*, 48 (5), pp. 874-888
  - McAllister, D., *Affect- and Cognition-Based Trust as Foundations for Interpersonal Cooperation in Organizations* (1995) *Academy of Management Journal*, 38 (1), pp. 24-59
  - Mintzberg, H., (1973) *The Nature of Managerial Work*, , New York: Harper & Row
  - Mook, D.G., *In Defense of External Validity* (1983) *American Psychologist*, 38 (4), pp. 379-387
  - Nunnally, J., (1978) *Psychometric Theory*, , New York, NY: McGraw-Hill
  - Organ, D.W., (1988) *Organizational Citizenship Behavior: The Good Soldier Syndrome*, , Lexington, MA: Lexington Books
  - Paine, L.S., (2002) *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance*, , New York, NY: McGraw-Hill
  - Pava, M., (2003) *Leading with Meaning: Using Covenantal Leadership to Build a Better Organization*, , New York: Palgrave McMillan
  - Pfeffer, J., (1998) *The Human Equation: Building Profits by Putting People First*, , Boston: Harvard Business School Press
  - Post, J.E., Preston, L.E., Sachs, S., (2002) *Redefining the Corporation: Stakeholder Management and Organizational Wealth*, , Stanford, CA: Stanford University Press
  - Primeaux, P., Karri, R., Caldwell, C., *Cultural Insights to Organizational Justice - A Preliminary Perspective* (2003) *Journal of Business Ethics*, 46 (2), pp. 187-199
  - Rousseau, D.M., (1995) *Psychological Contracts in Organizations - Understanding Written and Unwritten Agreements*, , Thousand Oaks, CA: Sage Publications
  - Schein, E.H., (2004) *Organizational Culture and Leadership*, , 3rd edn., San Francisco, CA: Wiley and Sons
  - Selznick, P., (1992) *The Moral Commonwealth: Social Theory and the Promise of Community*, , Berkeley, CA: University of California Press
  - Senge, P.M., (2006) *The Fifth Discipline: The Art & Practice of the Learning Organization*, , New York: Doubleday
  - Serva, M.A., Fuller, M., Mayer, R.C., *The Effects of Trustworthiness Perceptions on the Formation of Initial Trust: Implications for MIS Student Teams* (2004) *Journal of Information Systems Education*, 15 (4), pp. 382-395
  - Simon, H.A., (1997) *Administrative Behavior*, , 4th edn., New York: Simon & Schuster
  - Solomon, R.C., (1992) *Ethics and Excellence: Cooperation and Integrity in Business*, , New York: Oxford University Press
  - Solomon, R.C., Flores, F., (2003) *Building Trust: In Business, Politics, Relationships, and Life*, , New York: Oxford University

Press

- (1957) *Leader Behavior: Its Description and Measurement*, R. M. Stogdill and A. E. Coons (Eds.), Columbus, OH: Ohio State University Bureau of Business Research
- Westley, F., Mintzberg, H., *Visionary Leadership and Strategic Management* (1989) *Strategic Management Journal*, 10, pp. 17-32
- Wood Jr., J.A., Winston, B.E., *Toward a New Understanding of Leader Accountability: Defining a Critical Construct* (2005) *Journal of Leadership & Organizational Studies*, 11 (3), pp. 84-94