

2015

Taking a Transformative Leadership Approach to Stakeholder Trust

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Walden University

College of Management and Technology

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Christopher Roszak

has been found to be complete and satisfactory in all respects,
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the review committee have been made.

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Walden University
2015

Abstract

Taking a Transformative Leadership Approach to Stakeholder Trust

by

Christopher Roszak

MS, Touro University International, 2005

BS, Embry-Riddle Aeronautical University, 2000

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

March 2015

Abstract

Business leaders struggle with the application of appropriate leadership models to retain stakeholder trust. The purpose of this phenomenological study was to explore the lived experiences of mortgage and investment leaders and stakeholders on applying various leadership models to restore stakeholder trust. Stakeholder and stewardship theories formed the conceptual framework of this study. A purposive sample of 20 stakeholders from the investments and mortgage industry in central Colorado participated in semistructured interviews. The research questions were on a leader's application of various leadership traits to restore stakeholder trust. Six themes emerged following coding and reduction using a modified van Kaam approach: (a) benevolence, (b) transparency, (c) humility, (d) approachability, (e) authenticity, and (f) personality. The themes were consistent with transformative leadership traits and satisfied stakeholder affective needs for trust. These findings may be applicable to mortgage and investment business leaders who adopt a transformative leadership approach; such leaders may find an ethically sustainable leadership style that facilitates follower commitment and organizational change, reduces turnover, improves performance, and strengthens social relationships. Stakeholders may find that business leaders who adopt a transformative leadership approach may eventually commit to long-term wealth creation, maintain near-congruent values, and avoid self-serving behaviors.

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Dedication

I dedicate this study to my family who, through the continued trials and tribulations, and joys and frustrations associated with this journey, remained unwavering in their commitment and steadfast in their support. To my wife Stacy, whose love and commitment outshined the unavoidable fog and friction of this program; who encouraged continuously, celebrated my successes, quelled my shortfalls, and cheered during the many challenging times. To my kids, Heather, Julie, and Brandi, who willingly placed their needs after those of my own when studies required my full attention. To my Mom, who led me to believe during my earliest years that I could accomplish anything given the desire and fortitude.

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Section 1: Foundation of the Study

In the Great Depression (1930-1945) to the Great Recession (2007-2009), individuals fell victim to avoidable crises that stressed and challenged their faith and trust in leaders (Darcy, 2010; McFarlane, Enriquez, Schroeder, & Dew, 2011; Uslaner, 2010). Since 2000, the public witnessed 150 Ponzi schemes, spurred by arrogance, fraud, corruption, conflicts of interest, preferential treatment, and failure of gatekeepers (Darcy, 2010). During the 2007-2008 financial meltdown, analysts estimated a \$30 trillion loss in capital investments and an equal amount in lost trust (Boerner, 2011; Bolton et al., 2009; Werhane, Hartman, Archer, Bevan, & Clark, 2011). In 2009, 650,000 employees lost jobs, with 10% of homeowners and 29% of renters overdue on mortgage and rent (Bolton et al., 2009). Leaders created wealth for influential shareholders and continued economic crises for remaining stakeholders that challenged the perceived quality and morality of leaders (Peus, Wesche, Streicher, Braun, & Frey, 2012; Reed, Vidaver-Cohen, & Colwell, 2011; Shekari & Nikooparvar, 2012).

The crises of ethics and trust not only presented financial misrepresentation and subsequent losses, but also denied product culpability in safety incidents (Jennings, 2011). In the case of Audi and Toyota, executives and employees denied product culpability in the sudden acceleration events that eventually affected 3.3 million vehicles and resulted in 175 injuries and eight deaths (Jennings, 2011). Analysts calculated the unresponsive behavior and deniability plummeted sales and cost Audi 20 years of trust, confidence, and reputation (Jennings, 2011). In an effort to save \$100 million and delay resolutions, Toyota lost 13.8% in sales to competitors and 11% in consumer confidence

(Jennings, 2011). Leaders failed to focus on stakeholders' needs and rights, and maintain trusted stakeholder relationships; and therefore the organization lost significant competitive advantage (Cuilla, 2011; Tse, 2011; White, 2010).

Trust is a widely researched and developed phenomenon, vital to the strength of complex societies and economies, and central to performance in organizations (Fullmer, 2012; Harris & Wicks, 2010; Misztal, 2011; Quandt, 2012). Additionally, leadership is an extensively researched and developed phenomenon related to trust (Marques, 2010). U.S. public confidence in leaders reached its lowest level in 2011 (Rosenthal, 2011; Werhane et al., 2011). Seventy percent of the U.S. public believe leaders will return to the status quo once all recent events ebb (Werhane et al., 2011). Trust is critical to capital markets, civic engagement, and democracy (Colombo, 2010; Werhane et al., 2011). A continuing lack of trust has broad business implications related to reputation, relationships, cost, schedule, quality, and efficiencies (Armstrong, 2012; Bolton et al., 2009; Cook & Schilke, 2010; Dietz, 2011; Harris & Wicks, 2010; Koronis & Ponis, 2012).

Multidimensional leaders must be capable of adapting to varying situations with the highest morals, values, ethics, integrity, honesty, and trust (Marques, 2010). Donaldson's (1990) stewardship theory and Freeman's (1984) stakeholder theory provided a conceptual framework for this research. The results of this study might enhance economic and social relationships and prosperity within organizations and across society. The following section contains the background of the problem; a problem and purpose statement; nature of the study; research and interview questions; conceptual

framework; definition of terms; assumptions, limitations, and delimitations; impact to business practices and social change; and a review of academic literature.

Background of the Problem

Continued economic crises and human-made disasters left members of organizations and society contesting the quality and morality of leaders (Peus et al., 2012; Reed et al., 2011; Shekari & Nikooparvar, 2012). Individuals need of responsible, ethical, and transparent leaders. According to Rosenthal (2011) and Werhane et al. (2011), U.S. citizens' confidence in leaders reached its lowest level in 2011. Bankrupt corporations and financial markets, oil spills, and nuclear disasters are only some events that eroded confidence in leaders (Groves & LaRocca, 2011; Peus et al., 2012).

Leaders face dynamic situations, competitive marketplaces, and influential societies, from which theorists evolved and shaped a number of leadership models (Caldwell et al., 2012; Caldwell, Hayes, & Long, 2010). Leadership theorists and styles include Burns' (1978) transformational, Conger's (1989) charismatic, Greenleaf's (1991) servant, Covey's (1999) principle-centered, Collins' (2001) Level 5, George's (2003) authentic, Pava's (2003) covenant, and Caldwell et al.'s (2012) transformative leadership. Despite the number of available leadership models, leaders continue to struggle retaining stakeholder trust and grapple with the convolutions of ethical leadership in everyday application (Konig & Waistell, 2012).

People in the United States have lost confidence in leaders because leaders focused on competency, performance, and self, while neglecting excellence in moral, relational, and emotional dimensions (Reed et al., 2011; Rosenthal, 2011; Werhane et al.

2011). Stakeholders are calling for value congruence through honesty and transparency over competence through financial performance and product quality (Earle, 2010; Werhane et al., 2011). Lacking trustworthiness is endangering national stability and critical social systems (Abraha, 2010; De Cremer, Tenbrunsel, & van Dijke, 2010; Rosenthal, 2011). M. Barrett, director of the Better Business Bureau of Southern Colorado, indicated that individuals within the Colorado Springs and Denver metropolitan area suffer from eroded trust of the political, educational, business, financial, and social landscapes and personnel (personal communication, June 28, 2013). Stakeholders in the Colorado Springs and Denver metropolitan areas face challenges of leadership and trust that provide the requisite experiences to explore the phenomena of trust.

While people in the United States retain a level of confidence that the right leader can restore order in business and society, leaders must look to demonstrate ethical leadership traits and stewardship to stakeholders. Leaders must understand the significance and relevance of available leadership models, perceived trustworthiness, and contractual ethical duties towards stakeholders including welfare and long-term wealth creation (Caldwell et al., 2010; Konig & Waistell, 2012; Marques, 2010). According to Caldwell et al. (2012), the right leader will create relationships (charismatic), demonstrate humility and resolve (Level 5), abide by values and principles (principle-centered), serve stakeholders (servant), contribute to meaning (covenantal), drive synergistic change (transformational), and demonstrate authenticity and moral obligation (authentic). Business leaders who adopt a multifaceted leadership approach may find an ethically

sustainable leadership style that facilitates follower commitment and organizational change, reduces turnover, improves performance, and strengthens social relationships.

Problem Statement

Though leadership models have evolved between 1978 and 2012, business leaders continue resisting change and reverting to traditional and ineffective leadership models when addressing stakeholder needs (Caldwell et al., 2012). Nearly 63% of people in the United States do not trust leaders, and 83% believe leaders serve themselves, or a small constituent, over society as a whole (Peus et al., 2012). The general business problem is the capital investment and mortgage leaders' continued loss of stakeholder trust and the threat of diminishing confidence on social and economic stability. The specific business problem is some mortgage and investment leaders have limited knowledge and practical experience applying various leadership traits to restore stakeholder trust (Caldwell et al., 2012; Carter & Greer, 2013; Konig & Waistell, 2012; Marques, 2010).

Purpose Statement

The purpose of this qualitative, phenomenological study was to explore the experiences and perceptions of leaders and stakeholders regarding a leader's application of various leadership traits to restore stakeholder trust. The targeted population consisted of 20 Colorado capital investment and mortgage leaders and stakeholders who experienced intentional violations of trust. Walumbwa, Luthans, Avey, and Oke (2011) found relevance in using the U.S. banking industry on the latest turmoil and expectations of higher ethics and closer stakeholder relations. M. Barrett indicated that individuals within the Colorado Springs and Denver metropolitan area suffer from eroded trust of the

political, educational, business, financial, and social landscapes and personnel (personal communication, June 28, 2013). Therefore, the geographical scope of this study was the metropolitan areas of Colorado Springs and Denver. Business leaders may consider the findings of this study to broaden their application of leadership models (styles, traits, behavior, and character) to address welfare and long-term wealth creation and rebuild trust of stakeholders. Rebuilding trust in business leaders may lead to business successes, economic efficiencies, professional partnerships, community strength, and social responsibility.

Nature of the Study

This research study was a qualitative, phenomenological study using a modified van Kaam analysis to understand participant emotions and experiences related to the phenomena of leadership style impact on stakeholder trust (Brod, Tesler, & Christensen, 2009; Moustakas, 1994). Qualitative research is a robust method of sampling, data collection, data analysis, and interpretation to understand participant experiences related to the phenomenon (Brod et al., 2009; Hanson et al., 2011). A qualitative method differs from a quantitative method based on the complete integration of cultural and social aspects gathered from participant verbal and nonverbal responses, environmental cues, and the unexpected, allowing data to shape the research. Researchers use a quantitative method and measurement tools to test hypotheses or theories of previous research or experience and correlate or factor out cultural and social aspects (Wisdom, Cavaleri, Onwuegbuzie, & Green, 2012).

Quantitative methods do not allow researchers to capture the essences of trust and leadership. According to Barraquier (2011) and Brod et al. (2009), a quantitative method will not account for the depth of emotions of this topic and adequately address behavioral, cultural, and social effects. Erwin and Garman (2010) argued that a qualitative study can be used to achieve a broader perspective and more findings that are actionable. Larsson and Eid (2010), Marques (2010), and Resick et al. (2011) used qualitative studies to research leadership styles, models, and theories, and trust to gain a deeper understanding of a phenomenon without prescribed answers. Therefore, a qualitative method was the best method to probe and explore the reasoning behind the impact of leadership styles on stakeholder trust (Dincer & Dincer, 2011).

A quantitative study would have limited the findings of this study to trends and relationships among variables and remove the true essence of the phenomena. Thomas, Gould, Gaede, and Jurin (2011) prescribed the use of a mixed method when the application of both qualitative and quantitative designs better answer the research problem and questions. Cameron and Molina-Azorin (2011) found limited acceptance of a mixed method in both doctoral studies and disciplines best served by qualitative inquiry, such as sociological and behavioral fields. Leadership and trust are sociological and behavioral disciplines and best researched using qualitative methods (Savage-Austin & Honeycutt, 2011).

Phenomenological studies provide deep, contextual insight through flexible, open-ended explorations of individual experiences (Lincoln, 2010; Wisdom et al., 2012). Phenomenological studies provide layers of understanding consisting of new ideas,

images, patterns, and languages, providing new patterns from which researchers reinterpret a target phenomenon. Case study design contains descriptive and explanatory results of an individual or event using one or multiple bounded cases (Konig & Waistell, 2012; Rubin & Babbie, 2010; Yin, 2011). Case studies, bound by place and time, include background context to describe what happened to one or more subjects and limit the required breadth of experiences from a representative sample of participants (Hanson et al., 2011; Rubin & Babbie, 2010). Ethnographic design permit researchers to obtain the perspective and experience of processes and practices from within a selected culture and, therefore, would not target the vast population effected by trust issues with leadership (Hanson et al., 2011; Rubin & Babbie, 2010). Grounded theory requires researchers to immerse themselves into the data and develop theories for further study or evaluation (Hanson et al., 2011; Rubin & Babbie, 2010). I used existing theory to establish a conceptual framework. Narrative designs are chronological recollections of an individual, developed into a study of a person's life (Konig & Waistell, 2012; Rubin & Babbie, 2010). Similar to case studies, a narrative design limits the required breadth of experiences. A phenomenological design aligned with the intent of this study over narrative, ethnographic, case studies, and grounded theory because a phenomenological design permits researchers an opportunity to approach problems or interests anew without consideration of *priori* patterns (Lincoln, 2010; Savage-Austin & Honeycutt, 2011). Additionally, leadership philosophy is a social practice best addressed by a phenomenological study (Savage-Austin & Honeycutt, 2011).

Research Question

The central research question for this study was the following: What were the experiences and perceptions of leaders and stakeholders regarding a leader's application of various leadership traits to restore stakeholder trust? The secondary research question was the following: What were the experiences and perceptions of leaders and stakeholders regarding the challenges leaders face in applying new leadership traits?

Interview Questions

The primary instrument for this qualitative, phenomenological study was a semistructured interview with open-ended questions as supported by Hanson et al. (2011), Ogden (2010), and Wahyuni (2012). According to Cooper, Fleischer, and Cotton (2012), semistructured, qualitative interview questions should prompt participants to recall and answer from experience, keeping responses open-ended. Using the following interview questions, I was able to solicit context, establish credentials, gather background, assess the interviewee's interest and knowledge of leadership and trust, and collect information specific to the research question.

1. From your experience and perceptions, describe trust.
2. From your experience and perceptions, describe the effects of positive and/or negative leadership on an organization's internal climate and culture, and internal stakeholder trust.
3. From your experience and perceptions, describe the effects of positive and/or negative leadership on the organization's external environment

(such as community members, customers, and vendors) and external stakeholder trust.

4. From your experience and perceptions, describe how business leaders may intentionally betray stakeholder trust.
5. From your experience or perceptions, describe how business leaders could genuinely demonstrate concern for stakeholder interests and successes over self.
6. From your experience or perceptions, describe how business leaders could genuinely demonstrate concern for all stakeholders versus a select population.
7. Take a moment to visualize a trusted business leader and describe the behaviors, characteristics, actions, and traits of that trusted leader.
8. Now take a moment to visualize an untrusted business leader and describe the behaviors, characteristics, actions, and traits of that untrusted leader.
9. From the previous questions, describe why those behaviors, characteristics, actions, and/or traits impact stakeholder trust or the lack thereof.
10. From the previous questions, describe leadership traits that would make the larger population of internal and external stakeholders feel their concerns outweigh a business leader's self-interests.
11. From your experience and perceptions, describe desired trust recovery actions of business leaders.

12. Despite business leaders' best efforts, describe the difficulties and challenges leaders face in rebuilding and regaining trust.
13. From your experience and perceptions, what challenges or obstacles might cause business leaders to resist using a broader set of behaviors, characteristics, actions, or traits to build or sustain trust?
14. What are any other contributions you would like to add to this topic that may not have been addressed in our discussion?

Conceptual Framework

The conceptual framework supporting this research was Donaldson's (1990) stewardship theory and Freeman's (1984) stakeholder theory. Stewardship theorists honor a collectivist approach over individualist wherein individuals act in the best interest of the collective and the organization (Hernandez, 2012; Segal, 2012; Van Puyvelde, Caers, Du Bois, & Jegers, 2012). These individuals identify with the organization's mission and foster trustworthiness in managers (Hernandez, 2012; Van Puyvelde et al., 2012). Stewardship theorists proposed that the application of this theory not only stimulates trust, but also contributes to increased organizational commitment, brand and employee loyalty and financial and market performance (Karns, 2011). Stewardship theory encompasses leader behaviors that encourage everyone to share in governance, apply congruent values, and commit to stakeholders (Caldwell et al., 2010; Werhane et al., 2011). These are all elements of trust building.

Stewardship researchers demonstrated the ability to apply stewardship theory in a larger population and disprove previous assertions that the theory was too situational and

idealistic for large-scale application. Segal and Lehrer (2012) studied the successful application by Edmonton Public Schools (EPS) in Edmonton, Alberta, Canada, and the impact of stewardship on trust and benevolence. Pirson and Lawrence (2010) preceded the studies of Segal and Lehrer with similar results, finding enablers of trust as stewards act to serve all stakeholders, commit to value creation, focus on long-term benefits, and reward all stakeholders equally. Stewardship theory is congruent with the integrated applications of leadership models and does not favor any one leadership model. I selected stewardship theory based on the foundational tenets of corruption, greed, and trust; virtuous leader behavior; and positive social contracts between leaders and society (Karns, 2011; Segal & Lehrer, 2012). Karns (2011); Caldwell, Truong, Linh; and Tuan (2011) found stewardship theory as an antidote for ethics scandals, restoring trust, and credibility in leaders.

Stakeholder theory stems from Freeman's (1962) narrower-focused shareholder theory (Minoja, 2012; Tse, 2011). In shareholder theory, critics found management focused on investors (shareholders) and neglected significant contributors including employees, suppliers, customers, government, and society (stakeholders; Armstrong, 2012; Tse, 2011). Moreover, critics attributed shareholder theory to the self-serving behaviors that contributed to the crises of corporate bankruptcies, financial markets, human-made disasters, and safety events (Groves & LaRocca, 2011; Peus et al., 2012; Tse, 2011). Freeman (1984) posited that long-term sustainment required the cooperation of all individuals affected by economic and social achievements (Gingerich, 2010; Minoja, 2012; Tse, 2011; Van Puyvelde et al., 2012; Werhane et al., 2011). Ethically

meeting stakeholder demands increases trust and confidence in executive leaders, cooperative populations, and economic prosperity and efficiency. Positive stakeholder relationships create organizational value at reduced costs and competitive advantage over rival organizations (Tse, 2011). A fundamental aspect of stakeholder theory is trust, given an employee's increasing vulnerability and reliance on organizations to deliver value and protect them (Greenwood & Van Buren, 2010). Harris and Wicks (2010) found stakeholder theory to be significant in building public trust.

Definition of Terms

Institutional trust: The trust stakeholders have in general business (Harris & Wicks, 2010).

Leaders: Individuals charged with guiding their organizations toward a goal (Caldwell et al., 2010). In this study, capital investment and mortgage leaders ensure welfare and create long-term wealth creation and subsequently rebuild trust of stakeholders.

Organizational trust: Stakeholder trust in a particular business (Harris & Wicks, 2010).

Stewardship: The responsibility or obligation an individual takes over another when the actions of one place vulnerabilities on others (Egan, 2011). Stewardship is a relationship between organizational leaders and stakeholders when introducing or managing any form of vulnerability.

Stakeholders: Individuals or groups impacted by the decisions or actions of an organizational leader or have influence over the actions and long-term survival of the firm (Minoja, 2012). Stakeholders can be internal or external to the organization.

Transformative leadership: A new ethically based leadership model that integrates features of other well-regarded leadership models (Caldwell et al., 2012). Transformative leaders commit to stakeholders and society by maximizing their long-term interests and honoring their values while simultaneously fulfilling the moral duties of the organization to their stakeholders.

Assumptions, Limitations, and Delimitations

Assumptions

Assumptions are facts within the study having not been validated but are accepted by the researcher as true (Leedy & Ormrod, 2005). The following assumptions, understood to be true, have not been verified. I assumed interviewees had practical knowledge and experience of leadership and trust and awareness of the human-made disasters, corporate corruption, Wall Street, and the real estate crises that provided substantial background to this study. Furthermore, the assumption was that interviewees would be truthful in the selection criteria and data collection efforts. Moreover, there would be uninterrupted access to interviewees for selection, data collection, and follow-up. Finally, I assumed that interviewees would contribute to all questions asked during the interview session.

Limitations

Limitations are potential problems or weaknesses in the study having potential challenge to the internal validity (Leedy & Ormrod, 2005). The following limitations were potential weaknesses of this study. Harris and Wicks (2010) indicated there is a lack of research that delineates perspectives held by stakeholders with varying relations to the organizations. The sample size and time did not permit exploring the various approaches and perceptions of stakeholder trust. In this study, my use of external stakeholders was limited to community members as consumers of mortgage and investment services. Other external stakeholders, such as vendors and suppliers, were not interviewed. Some participants had extensive experience and perceptions related to the subjects of leadership and trust, but were limited in academic tone and subject matter expertise. As a result, I had to interpret their information to avoid possibly leading the responses through substantial clarification. I attempted to reduce error in the interpretation of participant meaning using member-checking.

Delimitations

Researchers apply delimitations to scope the study into a more manageable task and document those elements the researcher did not complete (Leedy & Ormrod, 2005). The following delimitations provided the bounds of this study. The focus of this research was intentional violations of trust, and the timeline of inquiry was 2001 through 2013. While the focus of interviewee perspectives would be within the selected timeline, some interviewee personal experiences preceded the timeline and were included for added context. Additionally, participant selection limited experience and perspective to the

Colorado metropolitan areas of Colorado Springs and Denver. Moreover, leadership styles selected for this study had ethical underpinnings identified in peer-reviewed articles and did not include the full range of developed leadership styles, traits, or approaches. Furthermore, while cultural variances in the perception of trust exist, culture is not a factor in participant selection (Hackett & Wang, 2012).

Significance of the Study

Contribution to Business Practice

This study may be of value to business leaders and community members because trust is critical to business and carries implications for both social and economic stability and prosperity (Bolton et al., 2009; Rosenthal, 2011). Individuals in various markets continue to increase their scrutiny of business leaders who fail to demonstrate ethical standards and principles in operations and management (Bolton et al., 2009; Tuan, 2012). Business leaders may find the transformative practice of leadership styles allows them to create relationships, demonstrate humility and resolve, abide by values and principles, serve stakeholders, contribute to meaning, drive synergistic change, and demonstrate authenticity and moral obligation (Caldwell et al., 2012). Stakeholders may find that business leaders eventually commit to long-term wealth creation, maintain near-congruent values, and avoid self-serving behaviors (Caldwell et al., 2012).

Business leaders may consider this study as a contribution to the effective practice of business by extending the existing knowledge, theory, and practice of leadership styles to stakeholder trust. According to Avey, Wernsing, and Palanski (2012); Brown and Mitchell (2010); and Mutlucan (2011), leaders who practice a transformative approach to

leadership will find trust within organizations is positively correlated to follower commitment and facilitates organizational change, reduces turnover, increases reporting, improves performance, and strengthens social relationships. A study of trust across business elements showed increased innovation through shared information, ideas, and resources (Bolton et al., 2009). Leaders gain support from stakeholders and streamline initiatives when they gain trust without the need for costly, time-consuming, safeguards (Quandt, 2012). Without trust, leader initiatives face obstacles and delays as others attempt to manage expectations and influence outcomes across a broad domain of activities (Quandt, 2012).

The results of this study may contribute to positive social change and improvement in business practice by encouraging business leaders to pair leadership styles to situations and ultimately uphold their ethical duties, values, and results (Caldwell et al., 2012; Cameron, 2011; Carter & Greer, 2013). The research may provide a paradigm shift from traditional, compartmentalized leadership to a transformative approach of ethically sustainable leadership, focused on building organizational and social trust (Kociatkiewicz & Kostera, 2012). The effect of leadership broadly applies to such areas as business, medicine, and politics (Arnold, Audi, & Zwolinski, 2010). Business leaders may find that the results of this study impact organizational, cultural, and social change by rebuilding trust and leading to business successes, professional partnerships, community strength, and social responsibility.

A Review of the Professional and Academic Literature

In this section, I document the collective search, consideration, analysis, and application of relevant materials to topic selection and research design. The review of professional and academic literature established a conceptual framework of transformative leadership, organizational and social trust, and ethics. I addressed elements of trust and leadership that could satisfy current trust issues in organizations and society (Caldwell et al., 2012). The following sections include the applied search strategy, review, compare and contrast literature, link theory, and the implications to business and society.

Search Strategy

I applied a search strategy to ensure timely relevance of a phenomenon built on seminal materials and that provided depth in research. Database search engines ProQuest, EBSCOhost, SciVerse, Emerald, and Sage provided peer-reviewed articles from established criteria of January 1950 through January 2015. This timeframe resulted in articles demonstrating a current business problem, background, and seminal works. Other sources used to retrieve data were Google Scholar, Google, Bing, Northern Lights, and the Microsoft Word synonym tool to expand and further refine search terms and phrases for the five identified search engines.

I grouped search terms with Boolean logic to maximize relevance of the results and ensure a near exhaustive search. Terms included *leadership, transformative, servant, charismatic, covenantal, principle-centered, transformational, transactional, laissez-faire, Level 5, crisis, contingent, ethical, ethics, values, morals, trust, distrust,*

organizations, society, stakeholder, stewardship, stewards, integrated, adaptive, situational, antecedents, and implications. I reviewed over 237 articles from Fleischman and Harris (1962), to Clapham, Meyer, Caldwell, and Proctor (2014). I included 183 total references for this study, of which 158 (86%) were peer-reviewed articles, and 169 (92%) were published between the years 2010 and 2014. In an analysis of search results, I ascertained that the research topic was a current business problem with the potential for social change. The following section details primary themes related to the problem, including a review, comparison, and contrast of existing literature.

Trust in Crises

From the Great Depression (1930-1945) to the Great Recession (2007-2009), individuals in organizations, societies, and nations fell victim to avoidable crises that stressed and challenged their faith and trust in leaders (Darcy, 2010; McFarlane et al., 2011; Uslaner, 2010). Scholars argued that the most recent economic turmoil among government, business, and the public was the worst in 75 years and resulted in the largest implications (Harris & Wicks, 2010; Uslaner, 2010). The turmoil included reduced economic assets, reluctant decisions, 40-year maximum unemployment, loss of individual income and savings, and a critical loss of trust in leaders (McFarlane et al., 2011).

Since the Enron debacle in 2001, the public witnessed the unfolding of numerous global events wherein leaders misrepresented trillions of dollars in capital tied to employee 401(k) and public investments (Armstrong, 2012; Darcy, 2010). A congressionally mandated investigation unveiled national scandals beyond Enron to include Tyco, Adelphia, WorldCom, Arthur Andersen, Wall Street analyst scandal,

insurance rigging, Medicare fraud, Fannie Mae, and Freddie Mac, among others (Darcy, 2010). On a global scale, other nations faced similar scandals including Royal Dutch Shell, Volkswagen, Daimler, Parmalt, Satyam, Siemens, Halliburton, American International Group (AIG), Merrill Lynch, Goldman Sachs, Nortel, BAE Systems, and Bernie Madoff (Darcy, 2010). Cumulatively, these organizations and leaders had an effect on stakeholder (internal and external) trust (Darcy, 2010).

From 2000-2010, the public witnessed 150 Ponzi schemes, spurred by arrogance, fraud, corruption, conflicts of interest, preferential treatment, and failure of gatekeepers (Darcy, 2010). During the 2007-2008 financial meltdown, analysts estimated a \$30 trillion loss in capital investments and an equal amount in lost trust (Boerner, 2011; Bolton et al., 2009). The financial meltdown spawned further crises, and analysts determined that 2 out of 3 companies engaged in corruption or other unethical activities (De Cremer, 2010b). In 2009, 650,000 employees lost jobs, with 10% of homeowners and 29% of renters overdue on mortgage and rent (Bolton et al., 2009). During the economic challenges of the middle class, business and government executives continued receiving lucrative income, such as the \$165 million payout to AIG executives during government bailout (Sahlman, 2010; Uslaner, 2010). Leaders created wealth for influential shareholders and continued economic crises for remaining stakeholders (Peus et al., 2012; Reed et al., 2011; Shekari & Nikooparvar, 2012).

Leaders committed selfish acts and disregarded the basic needs of stakeholders. Executives of Enron Corporation knowingly lost \$63 billion and impacted 20,600 employees, including lost jobs and a 62% loss of 401(k) contributions (Darcy, 2010).

Executives of WorldCom lost \$173 billion and affected 75,000 employees (Darcy, 2010). Wall Street executives packaged and sold loose mortgages as triple-A rated bonds, forcing banks to find \$500 billion in replenishment capital following the Bear Stearns crash (Darcy, 2010). From 1999-2009, society witnessed venerable corporations crumble, frozen capital, lost jobs, foreclosed homes, lost contributions, and economic turmoil (Bolton et al., 2009). On a global scale, individuals faced crises of moral values (De Cremer, 2010b). Stakeholders challenged the perceived quality and morality of leaders.

The crises of ethics and trust were not only present in financial misrepresentation and subsequent losses, but also in denying product culpability in safety incidents (Jennings, 2011). In the case of Audi and Toyota, executives and employees denied product culpability in the sudden acceleration events that eventually affected 3.3 million vehicles and resulted in 175 injuries and eight deaths (Jennings, 2011). Analysts calculated that the unresponsive behavior and deniability plummeted sales cost Audi 20 years of trust, confidence, and reputation (Jennings, 2011). In an effort to save \$100 million and delay resolving issues, Toyota's revenues decreased 13.8% in sales to competitors and 11% in consumer confidence (Jennings, 2011). Johnson and Johnson, a model in public relations and ethical behavior, came under fire during criminal proceedings and congressional hearings for failing to recall defective children's Tylenol (Jennings, 2011). In the wake of this unethical behavior, stakeholders forgot Johnson and Johnson's iconic recall of 1982 that boosted trust (Jennings, 2011). Leaders failed to focus on stakeholders' needs and rights, and maintain trusted stakeholder relationships;

and therefore the organization lost significant competitive advantage (Cuilla, 2011; Tse, 2011; White, 2010).

Crises of unethical behavior, based on large businesses playing fast and loose, confrontations between business and government, and government bailout of greed and incompetence were modeled by executives and adopted by organizational and social cultures (Uslaner, 2010). Sonenschein (2007) and De Cremer, van Dick, Tenbrunsel, Pillutla, and Murnighan (2011) argued an alternative to unethical behavior by describing leaders with potentially limited cognition including those leaders incapable of recognizing or processing the dynamic and diverse environments, and those leaders who subscribe to values and principles of less ethical standard. Regardless of intent, members of organizations and societies face a loss of confidence and widespread public distrust (Darcy, 2010; Uslaner, 2010). There is a need for public trust in leaders considering the broad economic and social implications of distrust (Bolton et al., 2009).

Trust is a widely researched and developed phenomenon, vital to the strength of complex societies and economies, and central to performance in organizations (Fullmer, 2012; Harris & Wicks, 2010; McCann & Holt, 2013; Misztal, 2011; Quandt, 2012). A continuing lack of trust has business implications related to reputation, relationships, cost, schedule, quality, and efficiencies (Armstrong, 2012; Bolton et al., 2009; Cook & Schilke, 2010; Dietz, 2011; Harris & Wicks, 2010; Koronis & Ponis, 2012). Trust is critical to capital markets, civic engagement, and democracy (Colombo, 2010). Researchers struggle to define and scope many developed aspects of trust, a central definition, a standard of measure, and a general theory of trust (Harris & Wicks, 2010;

Misztal, 2011; Ping Li, 2012; Siegrist, 2010). The majority of scholars agreed to a general definition and attributes of trust (Ping Li, 2012)

Trust is the willingness of an individual to accept risk and vulnerability based on actions of another, with expected results to favor both parties without harm (Armstrong, 2012; Misztal, 2011). Leaders must strive to create common value in situations of unequal power, resources, or knowledge (Bolton et al., 2009; Werhane et al., 2011). Trust between parties influences personal experience, reputation, integrity, competence, loyalty, consistency, openness, credibility, reliability, and dependability (Cheshire, Gerbasi, & Cook, 2010). Moreover, leaders must demonstrate trustworthiness through unquestionable competence, integrity, consistency, loyalty, openness, and benevolence (Caldwell et al., 2010; Egan, 2011; Parra, Nalda, & Perles, 2011; Tomlinson, 2012; Xie & Peng, 2009). Reynolds and Earley (2010) added that caring, empathy, commitment, and accountability to the lineup of leader factors that contribute to trust. A multifaceted leader demonstrates a variety of traits required to be trusted and deliver benefits for all stakeholders. In a quantitative study conducted by Knoll and Gill (2011), 187 human resource professionals responded to an online survey and indicated competence, benevolence, and integrity were essential elements to hierarchical and lateral trust. Furthermore, Knoll and Gill determined that benevolence and integrity outweigh competence in building and sustaining trust. Trust development is significantly higher when parties engage in reciprocal exchanges than negotiated exchanges due to the increased uncertainty (Cheshire et al., 2010). High uncertainty, control, stakes, and long-term interdependence enhance reciprocal exchanges (Ping Li, 2012).

While scholars have researched individual and organizational trust; public, corporate, and institutional trust capture the complexity and breadth of a stakeholders' perspective (Harris & Wicks, 2010; Poppo & Schepker, 2010). These categories of trust have garnered less academic and practical attention (Harris & Wicks, 2010; Park, 2010; Poppo & Schepker, 2010). Furthermore, researchers neglected to identify the causes of distrust and conditions of reparation (Egan, 2011; Poppo & Schepker, 2010). Corporate executives that neglect to recognize and address the stakeholders' distrust stand to lose their reputation and legitimacy in the market, stripping them of competitive advantage and placing survivability at risk. McCann and Holt (2013) asserted that reputation is significant to a leader's ability to influence and be effective with stakeholders. To achieve this level and extent of distrust, a serious incident or cumulative incidents must be sufficient to raise a question of organizational legitimacy, impact the stakeholder network, and result from action or inaction of executive-level agents (Poppo & Schepker, 2010). Moreover, integrity incidents far outweigh competence incidents and require substantially more time and effort to recover (Poppo & Schepker, 2010). Stakeholders view integrity violations as multifaceted and capable of infecting other areas (Poppo & Schepker, 2010).

The latest significant trust failure raises a significant question at the individual, organizational, institutional, and social levels, and offers opportunities to learn and value trust on the path to recovery (Bachmann, Gillespie, & Kramer, 2011). Trust is extremely vulnerable to a plethora of destructive opportunities, and the need to restore trust is a critical issue with theoretical and practical merit (Caldwell et al., 2012; Xie & Peng,

2009). To restore public trust, leaders must apply a multifaceted approach using a broad array of characteristics to address public concerns and restore credibility and legitimacy in themselves, their organizations, and the markets within their industries (Bolton et al., 2009; Plinio, Young, & Lavery, 2010).

Institutional-based trust provides a vantage point in restoring trust in private organizations and public entities. Interaction-based trust has limited application in business due to the microlevel face-to-face interaction, except where personal experiences are useful (Bachmann, 2011). Advanced socio-economic systems require a broader perspective inherent to institutional-based trust (Bachmann, 2011). Institutional trust considers societal and public trust (Bachmann, 2011; Harris & Wicks, 2010). Public trust typically engenders a composite assessment of business leaders and business (Harris & Wicks, 2010; Poppo & Schepker, 2010). Yet public trust models fail to provide leaders with a language conducive to the development of actionable initiatives (Bolton et al., 2009).

Panelists of the Business Roundtable, an association of Chief Executive Officers (CEOs) from leading U.S. companies, urge scholars and practitioners to find new approaches to trust for leaders at the forefront responsible for building and restoring trust. (Bolton et al., 2009; Fullmer, 2012; Plinio et al., 2010; Webber et al., 2012). Panelists encouraged approaches that develop positive trait inferences and capability to address vast situations affecting integrity-based and competency-based trust (Bolton et al., 2009; Fullmer, 2012; Plinio et al., 2010; Webber et al., 2012). McCann and Holt (2013)

identified a need for further study to correlate leadership styles to perceived leadership integrity.

Integrity-based trust infractions comprises the most severe form of trust violations, are the most predominant violation of the Great Recession, and originates from relation-oriented leadership approaches (McCann & Holt, 2013; Poppo & Schepker, 2010). The majority of trust violations involves competence and integrity and disrupts the most influential social relations requiring challenging and complex restoration actions and skilled execution (Webber et al., 2012). Leaders must apply a multifaceted approach using a broad array of characteristics to address dynamic situations in society, the economy and the environment (Bolton et al., 2009; Egan, 2011; Marques, 2010; Plinio et al., 2010). Shooter, Paisley, and Sibthorp (2012) found no relation among situations, leadership, and trust. Park (2010) argued that trusted public sector leaders demonstrated key characteristics of various leadership styles. Marques (2010) furthered Park's argument, concerning finding leadership models individually incomplete and in need of continuous updates and a transformative application to navigate situations and retain trust.

Theoretical Applications

Donaldson's (1990) stewardship theory is opposite the self-serving agency theory as theorists attempted to understand covenantal leaders who place the common good of others over oneself (Donaldson & Davis, 1991; Hernandez, 2012). Agency theorists identify humans as rational agents who seek opportunities of value to fulfill self-interests at the expense of constituents, while stewardship theorists identify with those who

sacrifice of themselves to better the collective (Donaldson & Davis, 1991; Segal, 2012). While many theorists look internal to the organization and focus on the leader-subordinate relationship, others look to the macro level to understand the integration of organizations into their communities (Hernandez, 2012). Stewardship theorists see long-term advantages in prosocial behavior for which managers place their overall interest in the organization and communities rather than their own personal interests (Donaldson & Davis, 1991; Hernandez, 2012).

According to Segal (2012), an abandoning of stewardship theories drove a rift in integrity. Measures of professionalism, efforts, and successes once valued by virtuous behaviors, and overshadowed by only the need for expertise. The applications of internal moral checks in the face of corrupt opportunities satisfied a need to comply with external checks. Segal and Segal and Lehrer (2012) applied stewardship theory in a study of ethics and trust involving the Edmonton Public Schools. The authors demonstrated the ability to apply stewardship theory in a larger population and disprove previous assertions that the theory was too situational and idealistic for large-scale application.

Stakeholder theory stems from Freeman's (1962) narrower-focused shareholder theory (Minoja, 2012; Tse, 2011). Freeman (1984) posited that efficiency and long-term sustainment of any organization or individual required the cooperation of all individuals who could be affected by the economic and social achievements (Gingerich, 2010; Minoja, 2012; Tse, 2011; Van Puyvelde et al., 2012; Werhane et al., 2011). As such, organizations should focus on a larger population of contributors and beneficiaries beyond their immediate shareholders, to include employees, suppliers, customers,

government, and society. Furthermore, they asserted that ethically meeting stakeholder demands increases trust and confidence in executive leaders; creates cooperative populations; and enhances economic prosperity and efficiency. Positive stakeholder relationships create organizational value at reduced costs, and competitive advantage over rival organizations (Tse, 2011). Minoja (2012) conducted a study of stakeholder theory and found an increasing call for an integration of ethics and strategy into Freeman's (1984) stakeholder theory.

According to Egels-Zandén and Sandberg (2010), stakeholder theory had become the leading framework for moral philosophers and business scholars in studying issues of corporate ethics. Similarly, Arvidsson (2010) found increased application and relevance in the latest corporate scandals at the turn of the 21st century. Aligned with stakeholder theory, Du, Swaen, Lindgren, and Sen (2013) discovered an emerging need from theoretical studies to delineate the organizational activities aimed at stakeholders based on their ability to influence the existence of an organization. Greenwood and Van Buren (2010) categorized stakeholders as definitive or dependent using the same ability to influence measures found by Du et al. Du et al. and Greenwood and Van Buren found commonalities in their analysis of institutional activities toward the larger population of dependent stakeholders. Du et al. and Greenwood and Van Buren concluded that institutional activities and dependent stakeholders, while having less severe and immediate impacts, relied heavily on trust to deliver long-term value to the organization in return for fewer benefits. Pless and Maak (2011) found strong correlations between varying 'responsible' leadership styles and stakeholder theory triggered by corporate

scandals and individual leadership failures. Leadership is a relational and ethical phenomenon with those who have stake in the leader's purpose and vision (Pless & Maak, 2011).

Leadership Styles

Scholars and practitioners acknowledge leaders as *the* positive force for change and worthy of significant organizational expenditures in pursuit of increasing organizational leadership quality (Waldman, Galvin, & Walumbwa, 2012; Wallace, de Chernatony, & Buil, 2011). Leadership scholars and practitioners have developed extensive research over the last 30 years (Burnes & By, 2012), though Carter and Greer (2013) emphasized a focus on leader-follower exchange without extensive regard to culture, external stakeholders, peers, and subordinates. Scholars and practitioners continuously revalidated, refined, redefined, developed, and modified the theories, models, strategies, definitions, importance, approaches, and effects of leadership (Hernandez, Eberly, Avolio, & Johnson, 2011).

Scholars and practitioners have experienced two main thrusts in leadership development (Burnes & By, 2012). First, successful leaders who adapt to context and situation overshadow seminal leadership theorists who founded models based on traits and leader-follower hierarchy (Burnes & By, 2012; Werhane et al., 2011; Yukl, 2010). Second, leaders who commanded organizations using authority and a top-down approach surpassed those who influence followers with personality (Burnes & By, 2012; Davidson, 2010; Yukl, 2010). Muolo and Padilla (2010) indicated a strong need to stray away from traditional models and focus on the ethical elements of leadership. Following the many

crises experienced this century, scholars and practitioners have moved away from the single scope research like transformational leadership and emphasized the need for stronger leader-follower behavior that embodies a shared and relational approach (Avolio, Walumbwa, & Weber, 2009).

Options and disparate approaches overwhelm and confuse scholars and practitioners, driven to favoring one leadership style without considering the significant benefits inherent in applying broader traits (Caldwell et al., 2012; Cameron, 2011; Hernandez et al., 2011). Most adopt one of the many preferred theories. Those include Burns' (1978) transformational, Conger's (1989) charismatic, Greenleaf's (1991) servant, Covey's (1999) principle-centered, Collins' (2001) Level 5, George's (2003) authentic, and Pava's (2003) covenant leadership; and scholars and practitioners rarely understand concepts of each or remaining transactional and laissez-faire theories (Caldwell et al., 2012). While there are some similarities among these ethical-based leadership theories, leadership theorists and scholars identified some significant differences (Reed et al., 2011). Archetype scholars posited that capable managers and leaders return to the roots of leadership and apply traits broadly (Kociatkiewicz & Kostera, 2012). Scholars and practitioners found eight leadership styles to be highly regarded in research and practice, of which all have some perceived similarities and significant differences in regaining trust (Caldwell et al., 2012; Reed et al., 2011).

Transformative, transformational, and transactional leadership theories have dominated leadership research over the last 30 years (Shields, 2010a, 2010b). Since Burns' (1978) introduction of transactional and transformational concepts, scholars

continued to homogenize the concepts of transformational and transformative leadership until the early writings of Aronowitz and Giroux (1985), Foster (1986), and Quantz, Rogers, and Dantley (1991) delineated transformative leadership. Transformative leadership emerged as an ethics-based leadership style, with leaders committed to the values and outcomes that align with the long-term interests of stakeholders (Caldwell et al., 2012). Transformative leaders honor the moral duties of the organization toward stakeholders (Caldwell et al., 2012). Transformative leaders convey promise, liberation, hope, empowerment, activism, risk, social justice, and courage in their organizations and communities (Shields, 2010a, 2010b). Transformative leaders link their actions to a wider context within society (Caldwell et al., 2012; Shields, 2010a, 2010b). Transformative leaders initiate their actions with consideration of justice and democracy, evaluating inequitable practices, and committing individual achievements to the greater good (Caldwell et al., 2012; Shields, 2010a, 2010b). While healthcare and social service scholars and practitioners have found increased clarity of transformative leadership, there remains a paucity of empirical studies focused on applied transformative leadership (Shields, 2010b).

Scholars and practitioners have long regarded transformational leadership as a model of exceptional leader behaviors and subsequent results (Pirson & Lawrence, 2010; Waldman et al., 2012). Transformational leaders arose as the opposition to transactional leaders (Groves & LaRocca, 2011; Hernandez et al., 2011). Transactional leaders influenced followers using power, rewards, and sanctions to perform the requisite actions. Transactional leaders controlled follower's behaviors, rewarded prescribed performance,

and distilled performance problems applying punitive transactions between parties.

Transactional leader behaviors included contingent reward and active and passive management by exception (Hernandez et al., 2011; Pirson & Lawrence, 2010).

Transformational leaders, counter to transactional leaders, develop followers and project a collective vision, encouraging others to look beyond themselves for the best interest of the group, organization, and society (Caldwell et al., 2012; Groves & LaRocca, 2011; Waldman et al., 2012).

Transformational leaders are courageous, value driven, trustworthy, and have the added skill to tackle complex, ambiguous, and uncertain situations (Babcock-Roberson & Strickland, 2010). Transformational leaders have near-perfect attributes and behaviors, inspirational motivation, intellectual stimulation, and individualized consideration (Caldwell et al., 2012; Groves & LaRocca, 2011; Waldman et al., 2012).

Transformational leaders demonstrate:

- Idealized attributes and behaviors when considering needs, values, and beliefs of the collective
- Inspirational motivation when acknowledging and furthering efforts of others, and encouraging followers to visualize the future success of their efforts
- Intellectual stimulation when encouraging followers to take innovative approaches to new problems (Davidson, 2010; Groves & LaRocca, 2011; Waldman et al., 2012)

- And individualized consideration when observing, addressing, and supporting the needs of individuals (Groves & LaRocca, 2011; Waldman et al., 2012)

Fostering a climate of these attributes, transformational leaders inspire followers to increase their baseline performance and improve organizational performance while leaders focus on sustained wealth creation, maximized employee commitment, and overall trustworthiness (Caldwell et al., 2010; Caldwell et al., 2012; Groves & LaRocca, 2011; Waldman et al., (2012). In a quantitative study of 360 European employees and supervisors, Braun, Peus, Weisweiler, and Frey (2013) found a significant correlation between transformational leader attributes and trust.

Weber (1968) conceptualized the charismatic leader (Hayibor, Agle, Sears, Sonnenfeld, & Ward, 2011; Hunter, 2013; Sandberg & Moreman, 2011). Weber identified a supernatural characteristic that spawned decades of research to create the extraordinary leader of many defining characteristics. Charismatic leaders share characteristics with transformational leaders, with individuals often confusing these two styles (Babcock-Roberson & Strickland, 2010; Caldwell et al., 2012; Hayibor et al., 2011; Sandberg & Moreman, 2011). Scholars have overlapped the theories in research (Babcock-Roberson & Strickland, 2010; Hunter, 2012). Transformational leaders have an inherent charismatic appeal and are role models for their ethics and ability to identify with others (Babcock-Roberson & Strickland, 2010; Hunter, 2012, 2013). While some consider charisma in leaders to be a nebulous concept, others see the distinct

characteristics, particularly in fraught moments (Babcock-Roberson & Strickland, 2010; Hayibor et al., 2011; Hunter, 2013; Sandberg & Moreman, 2011).

Scholars point to a need for common values among leaders and stakeholders as the single-most influential reason for the emergence of charismatic leadership (Caldwell et al., 2012; Hayibor et al., 2011). Other scholars believe charismatic leaders are much more, providing immense clarity, a common vision, a feeling of belonging, opposition to the status quo, high performance expectations, and confidence (Sandberg & Moreman, 2011). However, Hunter (2013) argued charismatic leadership shines in moments of crisis, yet is unsustainable and ineffective in routine transactions. Furthermore, charismatic leaders promote morality and create visions often attributed to strengthened personal connections, an established identity with stakeholders and organization, and increased personal commitment (Katanen, 2010; Lussier & Achua, 2012). Charismatic leaders utilize these traits to provide followers with a high sense of meaningfulness, affection toward and support of leaders, a stronger commitment, and trust (Hayibor et al., 2011; Lussier & Achua, 2012; Sandberg & Moreman, 2011).

Emphasis in leadership studies shifted from the prominent transformational leadership to more relational leadership styles between leader and follower that furthered agency theory from leadership and focused increasingly on a global scale (Avolio, Walumbwa, & Weber, 2009; Jones, 2012). Servant leaders emerged as socially (public) relevant leaders, answering a calling for self-actualizing and trustworthy leaders over individualistic, self-serving, and opportunistic leaders (Savage-Austin & Honeycutt, 2011; Shekari & Nikooparvar, 2012; Van Dierendonck, 2011). Greenleaf (1977) first

hinted to the concept of a servant-first relation. Between 1999-2003, Laub, Russell, Stone, and Patterson morphed servant leadership into 44 overlapping and closely related characteristics, later culled down to six distinctive clusters including empowering and developing people, humility, authenticity, directing, and stewardship (Van Dierendonck, 2011).

Servant leaders display an authentic concern for the welfare, growth, and wholeness that develop credible and trustworthy relationships found in other ethical-based leadership styles (Caldwell et al., 2012). Servant leaders share traits with seven other leadership styles including transformational, authentic, ethical, Level 5, empowering, spiritual, and self-sacrificing (Van Dierendonck, 2011). Parolini, Patterson, and Winston (2009), surveyed 511 individuals who identified key differentiators exist between servant and transformational leadership regarding loyalty, wherein transformational leadership focuses on organization or agency success, servant leadership focuses on the individual (Van Dierendonck, 2011). While servant leaders place followers first and improve consumer service, scholars and practitioners believe little need exists for sustained servant leadership (Jones, 2012).

Authentic leaders emerged from business and social landscapes of lies and deception, following the scandalous behavior of senior leaders involved in corporate corruption and human-made disasters (Mutlucan, 2011; Peus et al., 2012). Since 2001, authentic leadership has expanded beyond self-truth and now includes moral obligations (Peus et al., 2012). According to scholars, authentic leadership now consists of four main components including balanced processing, moral perspective, relational transparency,

and self-awareness (Gardiner, 2011; Peus et al., 2012). Authentic leaders consider all relevant facts objectively before making decisions, act according to internal morals despite external influences, portray themselves in true form, and understand their strengths and limitations (Ford & Harding, 2011; Peus et al., 2012). Authentic leaders remain cognizant of these components to assess the impact of their leadership on others (Ford & Harding, 2011; Peus et al., 2012). Authentic leadership overlaps servant leadership sharing characteristics of authenticity and humility, yet has the propensity to be misconceived as focused on organization or agency success versus that of individuals (Mutlucan, 2011; Van Dierendonck, 2011). Scholars concede there is insufficient empirical evidence to relate authentic leadership to follower performance (Peus et al., 2012).

Like many other ethics-based models, principle-centered leaders gained attention following the scandalous behavior in the financial markets, business environment and political arena (Bandsuch, Pate, & Thies, 2008). Principle-centered leaders are humanistic and transformational, and act based on values and principles to fulfill an ethical duty owed to others (Caldwell et al., 2012; Bandsuch et al., 2008). Covey (1999, 2004) explained principle-centered leadership as an attempt to encourage leadership toward self-improvement, and a more productive and moral society (Caldwell et al., 2012), through demonstrated responsibility and initiative, vision and values, integrity and execution, mutual respect and benefit, mutual understanding, and creative cooperation (Bandsuch et al., 2008). Principle-centered leaders seek out and follow principles that

harmoniously increase value, minimize harm, and ensure the wellbeing of individuals and society (Caldwell et al., 2012).

Level 5 leaders emerged to counter an era of high-profile celebrity leaders who sought success for the purpose of themselves and to singularly occupy the spotlight (Caldwell et al., 2012; Collins, 2001). While Level 5 leaders share many similar characteristics of servant leaders, Level 5 leaders are notable for their humility and desire to propel organizations forward (Caldwell et al., 2012; van Dierendonck, 2011). Level 5 leaders look inward when challenged with problems and outward to celebrate organizational success (Caldwell et al., 2012; Collins, 2001; van Dierendonck, 2011). Level 5 leaders stand in the shadows of energized organizations, providing resources and removing barriers to ensure success (Caldwell et al., 2012; Collins, 2001). To become Level 5 leaders, individuals must achieve all five levels to obtain the breadth and depth of essential characteristics and capabilities (Collins, 2001). Through trial, tribulation, and reward, the Level 5 leader becomes modest, yet willful, and shy, yet fearless (Collins, 2001). Servant leadership and Level 5 leadership do overlap in will and humility. However, Level 5 leaders demonstrate a ferocious will to exceed expectations making Level 5 leadership a top contender in successfully leading long-lasting organizations or agencies (Caldwell et al., 2012; Van Dierendonck, 2011).

Covenantal leaders aspire to serve, inspire, care, and educate, as a feeling of contractual obligation or sacred duty as servant leaders aspire to the similarities with followers (Caldwell et al., 2010; Caldwell, Truong, Linh, & Tuan, 2011; Pava, 2003; Shekari & Nikooparvar, 2012). Covenantal leaders foster a learning culture open to

innovation and creativity, characteristic of their drive to seek new truths and further excel (Caldwell, Dixon, Atkins, & Dowdell, 2011). Covenantal leaders strive to remain on a path of truths and avoid false values (Caldwell et al., 2012). Covenantal leaders desire to create new meaning and insight through selfless commitment, continuous learning, empowering others, and setting the example (Caldwell et al., 2012).

Leadership studies emphasized the importance of consecutively applying multiple leadership styles to uphold ethical duties, values, and results (Caldwell et al., 2012; Cameron, 2011; Carter & Greer, 2013; Marques, 2010). Specifically, leaders must emphasize a commitment to long-term wealth creation, balance normative and instrumental priorities, and demonstrate self-awareness and an explicit understanding of their duties (ethical stewardship). An emphasis on any one, while neglecting the others, can spell out crisis, as was the case with AIG (Sahlman, 2010). In the AIG case, the board nominated a CEO with a pure transactional style. Scholars and practitioners hampered advancements in leadership by isolating leadership styles in individual clusters (Fernandez, Cho, & Perry, 2010). Leaders, like Chik-fil-A CEO and founder S. T. Cathy, demonstrate an innate ability to integrate the characteristics of these respected leadership styles to build strong and lasting relationships, deliver excellence, act in principle, and create long-term value for society (Caldwell et al., 2012).

Leaders must create relationships (charismatic), demonstrate humility and resolve (Level 5), abide by values and principles (principle-centered), serve stakeholders (servant), contribute to meaning (covenantal), drive synergistic change (transformational), and demonstrate authenticity and moral obligation (authentic)

(Caldwell et al., 2012). Wallace et al. (2011) found a complementary pattern in charismatic, transformational, and transactional models is restoring trust and building value congruence in financial markets. Moreover, Wallace et al. found consideration leadership styles, acts of concern, respect, welfare, appreciation, and support, to build trust and cooperation over initiating structure leadership styles consisting of established roles, guidelines, and goals. Mutlucan (2011) argued the application of pure inspirational traits or styles is unethical based on the limited focus on emotions over reason, minimal power control, and emphasizes exploitation over individual welfare and self-interest. In calling for a higher standard of leadership, leaders must be capable of harmoniously applying traits of ethical stewardship that add value, enhance lives, are socially responsible, and honor obligations to stakeholders regardless of the possible situation (Caldwell, Truong, et al., 2011; Cameron, 2011).

Conscientious of these styles and contributions, leaders must practice a living worldview to be responsive to global, social, and organizational situations, and consider individual and group needs, wants, and preferences (White, 2010; Cuilla, 2011). Boehm, Enoshm, and Michal (2010) conducted a study of 22 random Israeli communities, questioning expectations of leadership styles and traits during times of crisis and normality. The researchers issued self-reporting questionnaires, using the Multifactor Leadership Questionnaire (MLQ) and a range of leadership theories, and received 155 responses. Given the range of leadership styles and traits, including subsets of leadership styles, the researchers determined the explicit need for multiple styles and traits adapted to situations throughout phases of crisis, and during the transition. Societies share a

common fate, vying for peace, financial stability, individual security, and ecosystem sustainability (Masciulli, 2011). These situations emerged in a world of competing events and forces, and opposing values, needs, and wills, all exacerbated by identities and relationships (Karp, 2013). In an economy of chaos, instability, and disorder, individuals look to ethical and emotional intelligent leaders who demonstrate moral behavior (Caldwell, Dixon, et al., 2011; Karp, 2013; Karp & Johannessen, 2010; Masciulli, 2011; Robles, 2012).

Ethical Decision Making & Emotional Intelligence

Proponents of rational and moral reasoning approaches to ethical decision making models apply normative or prescriptive approaches to target the intentional misconduct of leaders, questioning their integrity, ethical behavior, and harmful intentions in the latest corporate and financial misconduct (Crossan, Mazutis, & Seijts, 2013; De Cremer et al., 2011; Thiel, Bagdasarov, Harkrider, Johnson, & Mumford, 2012). While proponents highlight ego, arrogance, greed, and disregard as the enablers for recent unethical actions; opponents suggest alternatives to unethical behavior claiming ignorance or ethical fading in leaders, and environmental complexity (De Cremer et al., 2011; Thiel et al. 2012). A fundamental goal in the growing field of behavioral ethics is for leaders to hold a complete understanding of conditions to enhance decision-making standards (De Cremer et al., 2011).

Scholars and practitioners developed a sense making approach to sidestep moral reasoning, compensate for cognitive challenges leaders experience in complex situations and environments, and consider increasing complexity and risk (De Cremer et al., 2011;

Sonenschein, 2007). Constructivists find sense making critical to guiding leaders through complex, ambiguous, and difficult ethical decisions (Thiel et al., 2012). While scholars and practitioners developed sense-making models to address ethical challenges in complex or high-risk situations, Thiel et al. (2012) claimed these models failed to address leader-unique situations, risks, and constraints. Scholars and practitioners revised the model to include elements of trust such as the intentional respect and welfare of others, willingly fulfilling social obligations, and recognizing individual accountability and responsibility (Stenmark & Mumford, 2011; Ünal, Warren, & Chen, 2012).

Crossan et al. (2013) identified character as critical to ethical decision-making based on participant responses. Universal components of upstanding character include the virtues of wisdom, courage, temperance, justice, transcendence, humanity, and humility, and can become destructive when leaders are deficient or excessive in their actions (Cameron, 2011; Crossan et al., 2013). In balance, such character builds ethical behavior. Furthermore, Crossan et al. addressed the influence of motivational values on perceived ethical behavior, indicating self-transcendence is tied to trust and social responsible behavior versus destructive behaviors associated with self-serving values related to personal enhancement. Barraquier (2011) identified three stages in ethical decision making (ethical knowledge and awareness, intuitionist judgment, and arbitration between profits and ethics) and further identified that leaders rationalized their decisions based on compliance and profits. The results and emotions associated with these considerations result in fraud, crisis, innovation, or survival outcomes (Barraquier, 2011). The latest

ethical decision making models correlate a strong need for emotion management and control to stimulate much needed ethical behavior (Cohen, 2010).

Social intelligent leaders are self-aware, people-oriented, and emotionally stable while emotional intelligent leaders possess the capability to overcome destructive and restrictive behavioral obstacles and utilize a broader set of leadership traits (Karp & Johannessen, 2010; Masciulli, 2011; Robles, 2012). Goleman's (1995) hybrid model of emotional intelligence improved leadership effectiveness, relationships, and results using emotional analysis and control (self-management or self-regulation) (Schlaerth, Ensari, & Christian, 2010). Goleman's hybrid model furthered the proposed alternative to unethical behavior by Sonenschein (2007), and De Cremer et al. (2011). Leaders who practice self-control or self-management evade disruptive behaviors and uphold the highest standards of honesty, integrity, and trustworthiness (Schlaerth et al., 2010). Trustworthiness is a cornerstone of emotional intelligence (Schlaerth et al., 2010).

Despite limited studies and correlations to leadership styles, Smollan and Parry (2011) highlighted the importance of emotional intelligence across the spectrum of leadership as they described leadership and events as emotionally laden. Lindebaum and Cartwright (2010) correlated leadership styles and perceived emotional intelligence, and failed to correlate results of limitations while measuring the emotional intelligence of others. Harms and Crede' (2010) correlated the individual affective components of transformational leadership and emotional intelligence. Barbuto Gottfredson, and Searle (2014) found moderate to strong correlation in charismatic, transformational, and authentic leadership styles (Smollan & Parry, 2011). Leaders who demonstrate their self-

awareness using emotional intelligence remain cognizant of values and motives, fundamental elements of trust (Caldwell, 2010). Emotionally intelligent leaders achieve greater support in engagements and less resistance to change; these are indicators of trust (Quandt, 2012; Smollan & Parry, 2011). Woiceshyn (2011) created a new model of ethical decision-making and called for increased development of tools to enhance leader response to ethical crises or dilemmas.

Virtuousness in Leadership

Caldwell et al. (2012) attested that there is a calling for a new leadership that is exceedingly ethical and committed to the noblest virtues. Virtuous leaders aspire to demonstrate character excellence through universally prescribed virtues of wisdom, courage, temperance, justice, transcendence, and humanity (Crossan et al., 2013). Virtuous leaders make a deliberate and rational choice to behave between extremes as shown in Table 1 below, with the desire to create broad goodness. Cameron (2011) described the importance in being able to predict the decisions and follow-on actions of virtuous leaders when facing ethical dilemmas.

Table 1

Mean Character Traits between Deficiency & Excess in Virtuous Leadership

Virtue	Deficiency	Mean	Excess
Wisdom	Unoriginality Closed to experience Closed minded Apathy	Creativity Curiosity Open Mindedness Love of Learning	Impracticality Unfocused interest Lack of judgment Obsessive
Courage	Cowardice Laziness	Bravery Persistence	Recklessness Zealot

	Inauthenticity	Integrity	Righteousness
Humanity	Harsh/Cruel Unfeeling Stinginess Socially awkward	Kindness Compassion Generosity Social Intelligence	Obsequious Indulgent Profligacy Manipulative
Justice	Treachery Unjust Lack of confidence	Citizenship Fairness Leadership	Blind obedience Undiscerning Dictatorship
Temperance	Unmerciful Boastfulness Rash Sloth	Forgiveness Humility Prudence Self-regulation	Pushover Self-deprecation Overly cautious Inflexible
Transcendence	Ungrateful Hopeless Spiritlessness	Gratitude Hope Spirituality	Suppliant Behavior Foolishness Fundamentalism

Notes: Adapted from “In search of virtue: The role of virtues, values and character strengths in ethical decision making,” by M. Crossan, D. Mazutis, and G. Seijts, 2013, *Journal of Business Ethics*, 113, p. 574.

Although integrating leadership styles may be difficult, the resulting ethical standards, commitment to virtuousness, and vast character shown in Table 1, are unparalleled in their impact to people and society and deliver profound results (Crossan et al., 2013). The results of integrated leadership create a new vision of possibilities for organizations, individuals, and communities (Crossan et al., 2013). According to Caldwell (2010) and Cameron (2011), trust is a significant element of virtuous behavior, and results in increased revenue, resiliency to change, stakeholder retention, quality, creativity, and innovation. Virtuousness leads to long-term benefits for all stakeholders.

Cameron (2011) studied two forms of virtuous behaviors and found the appropriate application of tonically and phasically virtuousness to expedite the healing of relationships and rebound from damages. Crossan et al. (2013) found common character themes associated with virtuousness supported from a previous study conducted by Gandz, Crossan, Seijts, and Stephenson (2010). Using a qualitative approach, Gandz et al. (2010) interviewed 300 senior leaders in Canada, United States, Japan, and the United Kingdom, to analyze positive and negative leadership throughout the Great Recession. Both Crossan et al. and Gandz et al. found a clear message that leader traits and character were critical. Participants repeatedly described courage, humility, prudence, and patience as key to survival while arrogance and ego guided many to failure.

Responding to Crises: Rebuilding & Sustaining Trust

Despite efforts to prevent or curtail ethical violations through codes of conduct, rules, and ethics officers, organizations will face ethical violations (De Cremer, Tenbrunsel, et al., 2010). Ethical failures often parallel declining trust. How leaders respond and manage ethical violations can preserve and promote trustworthy reputations of the leaders and organizations. Vital studies of leader failure and recovery are limited and fail to show progressive relations among the range of available tactics (De Cremer, 2010a; Hunter, 2012; Poppo & Schepker, 2010). When leaders fail individuals, organizations, or society through incompetent actions or unethical behavior, a number of responses exist to rebuild or restore trust (Xie & Peng, 2009). Leaders must remodel their organizational culture to focus on cooperation over compliance and values over rules (Xie & Peng, 2009).

Regardless of fault, those in the highest position of economic influence and stimulation must trigger recovery efforts through motivation and instill in all individuals the desire to repair, foregoing stalling opportunities (De Cremer, 2010a). Furthermore, leaders must be prepared to demonstrate a willingness and desire to shoulder the weight of change and become a servant to stakeholders (De Cremer, 2010a). Leaders must be capable of discerning violations (integrity and competence), effected population (individual, organization, or society), and follow-on actions (Poppo & Schepker, 2010). Leaders must maintain or adapt to the identities and values of stakeholders to minimize the impact, and sustain or rebuild their reputation (Earle, 2010; Hunter, 2013).

Leaders have the option of effective repair efforts when offering an apology, or showing remorse or compassion; functional repair efforts when providing financial compensation or solutions to prevent reoccurrence; and informational repair efforts when sharing information (Hunter, 2012; Poppo & Schepker, 2010; Xie & Peng, 2009). In a quantitative study of 189 students, Xie and Peng (2009) measured the effects of functional and informational mechanisms on the elements of trustworthiness (benevolence, integrity, and competence). Xie and Peng also measured forgiveness, determined a partial mediator to trust, and found all three elements of trustworthiness had a significant effect on forgiveness, which improved overall perception of response and postevent recovery. The researchers determined affective repair efforts had significant positive effects on integrity and benevolence (competence not measured); functional repair efforts had a significant effect only on competence and limited effect on integrity

or benevolence, and informational repair efforts positively affected integrity and competence (benevolence not measured).

Apologies provide leaders with an immediate mechanism to admit an error and initiate damage control (Tomlinson, 2012). Apologies that signify accountability and responsibility, and demonstrate courtesy, humility, effort, concern, and remorse are likely to facilitate trust reparation efforts (Xie & Peng, 2009). When transgressions involve economic exchange relations, larger voluntary compensations improved levels of trust according to experimental results by Desmet, De Cremer, and van Dijk (2011). According to Werhane et al. (2011), a survey of leaders in the 2010 Edelman Trust Barometer indicated such activities were short-term and not always received at the emotional level. Barnett (2014) furthered these findings by asserting that stakeholders' processing of corporate or leadership malfeasants is never consistent and does not guarantee stakeholder retaliation or punishment of the violator.

Leaders indicated the need to approach variations in trust using new models in which a multitude of behaviors and traits reinforce one another (Werhane et al., 2011). The leaders surveyed in the 2010 Edelman Trust Barometer called for a reform of the many leadership traits (Werhane et al., 2011). Searle and Barbuto (2013) identified the need for scholars and practitioners to compare the many available leadership styles to find commonalities in developing positive behavior. Reynolds and Earley (2010) further supported these assertions by finding that some leadership traits are ideal for crisis while others are suitable for routine interactions and that no one leadership style works in either situation.

To sustain ethics and trust, passionate leaders must develop an authentic, contagious energy and enthusiasm that motivates stakeholders toward common values and develops a similar passion towards ethics (De Cremer, 2011). De Cremer (2011) found that passionate leaders who exuded energy and activity importance stimulated morality and fairness in themselves and others. These experiences persisted as recalled events, energized morals, and a practice of fairness (De Cremer, 2011). In addition to passion, leaders can influence trust through legitimacy and compliance encouraging and enforcing fair practices, employee contributions, and relational consistency (De Cremer, 2011). De Cremer (2010a) and Bandsuch et al. (2008) found the need for leaders to communicate, institutionalize, and embody values and practices using principled and transparent relations with stakeholders. Egan (2011) reinforced these assertions and proposed that agency and firm leaders can build and sustain public trust by involving stakeholders frequently and at key milestones, executing timely agreements, maintaining a presence with citizens, and enriching local communities. According to Bandsuch et al., the Business Roundtable mirrored these actions calling for principle-centered and ethical leadership.

Ethical recovery actions were evident in the 2008 Maple Leaf Foods recall decision by CEO M. McCain (Crossan et al., 2013). Despite diverse stakeholder perspectives and pressures over tens of millions of dollars in lost revenue, McCain recalled products and closed production facilities pending investigations (Crossan et al., 2013). Moreover, McCain immediately addressed the press, apologized and sympathized with those affected, accepted responsibility and personal accountability, delivered

numerous updates to the public, and personally witnessed the development and institution of corrective measures (Crossan et al., 2013). McCain demonstrated leadership, fairness, honesty, integrity, open mindedness and unwavering commitment, compassion, kindness, and humility, throughout the crisis (Crossan et al., 2013). Crossan et al. (2013) argued that virtuous behavior and ethical decision-making are acquirable through education and routine application.

Additional Literature-Based Codes, Themes, and Recommended Further Studies

De Cremer et al. (2010) explored the unethical behaviors associated with leader ethics scandals. The three common themes found in the DeCremer et al. study were: heightened moral awareness, routine ethical decision making, and proper leadership responses to unethical behaviors. In a follow-on social science study to understand ethical failures and managing distrust, De Cremer et al. found common themes related to a need for ethical leadership, moral awareness, and management of distrust. Marques (2010) conducted a qualitative, phenomenological leadership study to explore a new leadership based on recent leadership crises. Following data reduction of transcribed interviews, Marques suggested numerous reoccurrences in participant responses related to actions, traits, and behaviors. Participants called for leaders with awareness and capable of adaptation to attain the highest morals, values, ethics, integrity, honesty, trust, vision, respect, passion, commitment, compassion, justice, kindness, forgiveness, courage, love, deep listening, inspiring, authentic, fulfilled, driven, multidimensional, and self-awareness (Marques, 2010). Resick et al. (2011), and Caldwell and Dixon (2010) found

similar results in their qualitative exploration of deficient leadership and trust implications.

Hunter (2012) identified a recurring need for further exploration of ethical violation recovery, leader characteristics, and a broader population focus using a stakeholder approach to trust and ethics. Hunter noted a critical need to understand how and why leaders succeed and fail at recovering from these violations, what characteristics influence ethical behaviors under dynamic situations, and the impact and influence of a broader set of stakeholders. Reed et al. (2011), and Caldwell et al. (2012) called for studies to explore the benefits of clustered and paired leadership theories and behaviors over traditional efforts to discriminate leadership theories and behaviors.

Transition and Summary

According to Rosenthal (2011), U.S. public confidence in leaders reached its lowest level in 2011. Despite the number of available leadership models, leaders continue to struggle retaining stakeholder trust and grapple with the convolutions of ethical leadership in everyday application (Konig & Waistell, 2012). Business leaders may shift paradigms from traditional, compartmentalized leadership to a transformative, morally sustainable leadership approach, focused on building organizational and social trust (Kociatkiewicz & Kostera, 2012). Section 1 included the foundation of the problem that led to justifying the problem, purpose, and design. I conducted an extensive literature review to provide a deep understanding of the problem and past academic efforts and justified the need for further study. Section 2 encompassed clear and detailed justifications, processes, and measures for design selection, data collection and analysis,

and ethical and quality research. In Section 3, I will provide the findings, possible applications of this study to professional practice and implications for social change, recommendations for action and further study and reflections over the course of study.

Section 2: The Project

Continued economic crises and human-made disasters have led members of organizations and society to contest the quality and morality of leaders (Peus et al., 2012; Reed et al., 2011; Shekari & Nikooparvar, 2012). There is a need for responsible, ethical, and transparent business leaders. Nearly 63% of people in the United States do not trust leaders, and 83% believe leaders serve themselves, or a small constituent, over society as a whole (Peus et al., 2012). Stakeholders are vulnerable when faced with the plethora of destructive opportunities, and the need to restore trust is a critical issue with theoretical and practical merit (Caldwell et al., 2012; Xie & Peng, 2009). To restore public trust, leaders must apply a multifaceted approach using a broad array of characteristics to address public concerns and restore credibility and legitimacy in themselves, their organizations, and the markets within their industries (Bolton et al., 2009; Plinio et al., 2010). This section provides a justification of the processes and measures for design selection, data collection and analysis, and ethical and quality research.

Purpose Statement

The purpose of this qualitative, phenomenological study was to explore the experiences and perceptions of leaders and stakeholders regarding a leader's application of various leadership traits to restore stakeholder trust. The targeted population was 20 Colorado capital investment and mortgage leaders and stakeholders having experienced an intentional violation of trust. Staff at the Better Business Bureau of Southern Colorado indicated that the Colorado Springs and Denver metropolitan area suffered from distrust of the political, educational, business, financial, and social landscapes and personal (M.

Barrett, personal communication, June 28, 2013). As a result, the geographical scope of study was the metropolitan areas of Colorado Springs and Denver.

Researchers found that subscribing to a transformative approach provides implications for personal, business, and social change, from observed behavior and trust. Business leaders may find that the transformative practice of leadership allows them to create relationships, demonstrate humility and resolve, abide by values and principles, and serve stakeholders. Furthermore, they may contribute to meaning, drive synergistic change, and demonstrate authenticity and moral obligation (Caldwell et al., 2012). According to Avey, Wernsing, and Palanski (2012); Brown and Mitchell (2010); and Mutlucan (2011), leaders who practice a transformative approach to leadership will find trust within organizations is positively correlated to follower commitment and facilitates organizational change, which reduces turnover, increases reporting, improves performance, and strengthens social relationships.

Role of the Researcher

A primary researcher facilitates, interviews, observes, and engages in sampling, data collection, analysis, and interpretation (Cater, Machtmes, & Fox, 2013; Hanson et al., 2011; Ogden & Cornwell, 2010). The role of a researcher within a study is to collect textual materials using a variety of means to report on the target phenomenon using the meaning assigned by participants (Ogden & Cornwell, 2010; Wisdom et al., 2012). In relational and collaborative roles, primary researchers reflect on a participant's emotions and experiences to control participant interaction, data analysis, and findings (Mitchell, 2011; Ogden & Cornwell, 2010). Primary researchers explore the stories of experience

that participants share to interpret common themes and provide assurance to negate personal bias through disclosure or bracketing (Cooper et al., 2012; Moustakas, 1994; Wilson, 2012). Researchers must avoid allowing personal experiences or emotions to create objective, fixed realities (Xu & Storr, 2012). Cooper et al. (2012) recommended a journal to capture thoughts and emotions, which I made a part of my interview, observation protocol, and data analysis.

I conducted research as an outsider to the mortgage and investment industry, and as an insider within my organization. Burns, Fenwick, Schmied, and Sheehan (2012) discovered that while inside researchers attain higher levels of acceptance such as trust and openness, they could affect research with unexpected role ambiguity, ethical challenges, bias, and assumptions. In the case of participants within my organization, I was not in a role to influence responses. Moreover, participant experiences and perspectives related to the study were outside my personal experience and did not invoke bias or assumptions.

I have an extensive background in the fields of leadership and trust during 21 years as a military service member. Serving in both enlisted and officer capacities provided first-hand operational experience of trust and leadership in peacetime and combat operations. I witnessed the impact of poor and narrow leadership practices and experienced restored trust and improved performance through positive leadership. Professional and off-duty education provided a number of certificates in leadership from professional and academic courses. My practical experience and leadership expertise built a stronger bond and increased acceptance with participants despite being external to

the investment and mortgage industry. Additionally, my leadership skills improved the clarity and completeness of responses based on the ability to generate relevant prompts for extended responses.

Retirement from the Armed Forces provided an opportunity to reside within the Colorado Springs and Denver metropolitan area and establish relationships with the Colorado Small Business Development Center, Colorado's Chambers of Commerce, and Centers for Creative Leadership, to understand the challenges facing local businesses and communities, desiring to contribute to economic and social prosperity in the metropolitan areas. Residing within the participant communities led to a true concern for the geographically selected participants, and the understanding of local issues was apparent in the discussion. Moreover, a military affiliation was beneficial in a veteran-populated community. However, my experiences, emotions, and biases did not influence discussions nor result in biased interview questions or interpretations.

Participants

Purposive sampling involves the deliberate selection of participants based on predetermined standards (Konig & Waistell, 2012). Chain, more commonly referred to as snowball sampling, leverages the expertise of participants to nominate other participants for consideration (Konig & Waistell, 2012; Marques, 2010). Qualitative researchers receive greater flexibility in purposefully selecting participants for research (Hanson et al., 2011). I used a purposive, chain-sampling method to select 20 participants from the 87 invited who responded, acknowledged meeting the selection criteria, and were available to interview by October 3, 2014. Researchers may begin with any number of

strategies to select typical, extreme, critical, or diverse cases, and tailor participant selection and size to optimize data collection. Selecting diverse cases expands participant experiences for this study to allow exploration of the positive and negative experiences with trust. As found by participant responses, I determined there were diverse cases represented in the participants' responses.

Researchers must select a sampling size that reaches saturation with no additional themes emerging to deliver an accurate and thorough report of findings (Hanson et al., 2011; Suri, 2011). Smollan and Perry (2011) found sufficient depth and coverage of experiences and demographics using 24 participants. Hernandez et al. (2011) and Jones (2012) interviewed 21 participants in their qualitative leadership studies. I achieved saturation when I reached consistency in coding (Barusch, Gringeri, & George, 2011). I achieved saturation at 14 interviews as responses provided recurring themes and no additional themes emerged, and continued to through 20 interviews to ensure no new themes emerged.

I considered the extent of experience in the participant selection criteria. Marques (2010) indicated the importance of an in-depth experience when selecting participants. I selected three groups of participants to obtain varying perspective and experiences and triangulate data. Business leaders selected for this study were either active or retired executive leaders of a capital investment or mortgage organization. The eight leadership participants had a minimum 10 years of capital investment or mortgage leadership experience in which they, or a peer, restored or lost trust from an intentional ethical violation. Organizational members were active employees within a capital investment or

mortgage firm. The seven organizational participants had a minimum 5 years of internal stakeholder experience in capital investments or mortgage, and experienced an intentional violation of leadership trust from within an organization. Community members were individuals who used capital investment or mortgage services. The five community participants had a minimum 10 years of external stakeholder experience in capital investments or mortgage and had experienced an intentional violation of trust. The participant experience timeline was cumulative and not limited to a single organization or community.

The Better Business Bureau (BBB) staffs of Colorado Springs and Denver maintain trust rankings of local businesses. Staff from both organizations provided limited support to identify potential leads for organizational, community, and leadership participants using the predetermined purposeful sample selection criteria (M. Barrett, personal communication, June 28, 2013; S. McClain, personal communication, August 9, 2013). I contacted numerous organizational gatekeepers to assess interest and obtain preliminary approvals to use facilities for interviews and later contact employees to consider participation. Organizational staff from the BBB and my organization signed letters of cooperation (Appendix D) prior to using facilities and inviting potential participants. Thereafter, approval of ethical standards by the Walden University Institutional Review Board (IRB) allowed me to engage potential participants by phone, email, or in person to assess their interest and relevance to the study, and solicit additional potential candidates for consideration. Following limited participant responses from organizational networks, I turned to my LinkedIn network to find research

participants and provided individuals with an invitation request through LinkedIn to consider participation. Individuals who expressed interest received an email through the Walden academic email account with a formal invitation, consent form, and interview questions attached.

Researchers must gain and maintain the trust and openness of participants by handling collection, analysis, and findings with the utmost confidence through the use of pseudo names, encrypted digital data on private storage, and hardcopy document security and destruction (Cooper et al., 2012). I provided participants with a hardcopy disclosure of the rules of engagement, including interview and postinterview activities and consent to participate form (Appendix C and D) to articulate these protective measures.

Researchers must maintain signed copies with the individual's interview materials. I transferred all recorded interviews and signed consent forms to a pseudo-name labeled and password-protected file the same day. I stored the consent forms and voice recorder files and will maintain copies for five years from research approval.

Research Method and Design

Researchers have witnessed the increased interests and calling for qualitative method from social science scholars and practitioners (Ogden & Cornwell, 2010). Fullmer (2012) encouraged the use of various research methodologies to understand leadership and trust through a convergence of findings. This section contains substantiating information for the chosen qualitative method and phenomenological research design. Researchers select this method and design based on a desire to explore and understand (a) the available leadership traits to address stakeholder distrust of

business leaders and (b) the reasons business leaders do not apply those desired leadership traits. This section includes further justification as to why the other research designs are not optimum choices for this study.

Method

Researchers use qualitative methods to collect rich, contextual data, in natural form to gain perspective into individual accounts of events and experiences (Ogden & Cornwell, 2010). Qualitative research proponents praise the method for an ability to collect mental processes and unveil phenomena otherwise undisclosed by quantitative studies while opponents criticize the lack of objectivity, control, and misinterpretation in qualitative works (Ogden & Cornwell, 2010). Lietz and Zayas (2010) found a qualitative method best suited for social practices and relationships, and known components of leadership and trust. In their ethics and leadership study, Rozuel and Kakabadse (2010) selected a qualitative study as the best means to explore belief systems and perspectives. Folta, Seguin, Ackerman, and Nelson (2012) conducted a qualitative study to understand the successes and failures associated with leadership characteristics. To increase credibility when selecting qualitative methods over other methods, Lietz and Zayas encouraged triangulation, member checking, and thick descriptions.

Barraquier (2011) identified the limitations of using a quantitative method to understand ethical behaviors. Moreover, quantitative studies limit researchers in addressing rationalist ethical perspectives and integrating ethical determinants in leadership decisions. A mixed method was not selected because this method is prevalent and valuable in applied versus pure disciplines (Alise, 2010). A mixed method constitutes

only 6% of pure disciplines, which includes leadership and trust (Alise, 2010; Savage-Austin & Honeycutt, 2011). Cameron and Molina-Azorin (2011) found similar results of limited acceptance of a mixed method in an analysis of management and behavioral studies (1993-2008). Of the 183 articles used in this study, 53% of the researchers directly stated their use of a qualitative method to conduct research or literature reviews to understand leadership and trust. Based on my findings, a qualitative method is best for this study.

Research Design

Yin (2011) identified the research purpose and question as the initial consideration for selecting a research design. I will utilize a phenomenological research design to explore the population's experience of leadership and trust and answer my research question. The phenomenological design applies to studies of social practice, and scholars categorize leadership as a social practice (Savage-Austin & Honeycutt, 2011). In a literature review of 34 trust studies conducted over 3 decades beginning in 1980, Dinç and Gastmans (2013) identified trust as a phenomenon, and phenomenological studies as the second most utilized design behind grounded theory. Grounded theory is not appropriate for this study because grounded theory requires researchers to immerse themselves in the data and develop a theory for further study versus applying existing theory in a conceptual framework (Hanson et al., 2011). Furthermore, grounded theory is most appropriate for understudied topics of interest.

I did not select ethnography because the topic of leadership and trust is not culture specific. Finally, I did not select case studies and narratives due to the limited

participation and narrow focus of the population. Furthermore, Yin (2011) identified experiment, survey, and archived analysis as the ideal case study approaches.

Unfortunately, these approaches fail to surface the in-depth experiences of participants needed to answer the research question. Of the 93 qualitative articles referenced in the doctoral study, 58% of the researchers directly stated their use of a phenomenological design to conduct research or literature analysis to understand leadership and trust.

Population and Sampling

The general population for this study included leaders, employees, and community members of the greater Colorado Springs and Denver metropolitan areas who met the purposive sampling criteria. The sample consisted of 20 participants from 87 LinkedIn members invited who responded, acknowledged meeting the selection criteria, and were available to interview by October 14, 2014. Business leaders were organization presidents, division directors, and regional managers. Internal stakeholders were branch managers, financial advisors, and mortgage officers. External stakeholders were mortgage and investment clients and local community members. Purposive sampling methods were used to enhance participant selection for the study. Purposive sampling involved the deliberate selection of participants based on predetermined standards (Konig & Waistell, 2012). Snowball sampling leveraged the expertise of participants to nominate other participants for consideration (Konig & Waistell, 2012; Marques, 2010). Three participants recommended colleagues for participation, of which only one participated based on selection criterion and availability.

Researchers may begin with any number of strategies to select typical, extreme, critical, or diverse cases, and tailor participant selection and size to optimize data collection (Hanson et al, 2011). Selecting diverse cases allows researchers to explore the positive and negative experiences with trust. I solicited 15 business leader and organizational participants through professional LinkedIn networks and five community participants from my organization using the same sampling criteria outlined in the invitation letter (Appendix C). Interview locations provided participants with convenient access, comfort, security, and confidentiality.

The seven leader participants had a minimum 10 years of capital investment or mortgage leadership experience in which they, or a peer, restored or lost trust from an intentional ethical violation. The eight organizational participants had a minimum five years of internal stakeholder experience in capital investments or mortgage, and have experienced an intentional violation of leadership trust from within an organization. The five community participants had a minimum 10 years of external stakeholder experience in capital investments or mortgage, and have experienced an intentional violation of trust. The participant experience timeline was cumulative and not restricted to a single organization or community. Jennings (2011) demonstrated that trust violations are swift, and the implications immediately felt. Therefore, there were no requirements to quantify trust violations as a selection criterion. Community and leadership criteria were extended to maximize the capture of the Great Recession period 2007-2009 as specified by Uslaner (2010).

Ethical Research

Qualitative researchers face ethical challenges of two interconnected domains, that of the researcher and that of the participant (Aluwihare-Samaranayake, 2012). Researchers have two active processes in their research development to maintain ethical standards. First, researchers must continuously review their research and integrate sound ethical practices to ensure principles of autonomy, confidentiality, respect, beneficence, maleficence, and justice (Aluwihare-Samaranayake, 2012). Moreover, a researcher's study receives a knowledgeable and thorough review to demonstrate sound development and application of ethical standards, validated through approval by the Institution Review Board (IRB) (Aluwihare-Samaranayake, 2012).

I obtained Walden University's approval for this study, approval number 04-28-14-0349607, effective April 28, 2014, and expiring on April 27, 2015. As part of this approval, the review board requires National Institute of Health (NIH) certification be obtained by the researcher, and provided under certificate number 948201 dated July 7, 2012 (Appendix A). Engaging in documented ethical practices protects researchers, minimizes harm, increases the overall benefits, instills trust, maintains integrity, satisfies needs and demands, and better postures researchers to face problems (Aluwihare-Samaranayake, 2012).

To ensure ethical standards, participants received full written disclosure of the purpose of the doctoral study, the interview process, and practices in place to safeguard and protect the rights of the participants throughout the process, beginning with consent forms through the five-year data storage period. The submission of a written invitation

and consent form initialized the written disclosure process (Appendix C and D) to identified participants following IRB approval. Disclosing the purpose of the study, sampling criteria, interview process, participation withdrawal opportunities, sample questions, contact information, and processes protected the rights and confidentiality of participants. Participants did not receive incentives for participation. Participants were able to withdraw at any point prior to and during the interview process with verbal or written notice. Participants reviewed the transcription of their interview for accuracy of the content and ensured compliance of the disclosed ethical practices prior to any data analysis as supported by Wahyuni (2012). All documentation is digitally stored on a secure external hard drive for 5 years.

Data Collection

Instruments

Qualitative researchers have three primary instruments to collect qualitative data, including interviews, focus groups, and documentation (Brod et al., 2009). The primary instrument for this qualitative, phenomenological study was a semistructured interview with open-ended questions as supported by Hanson et al. (2011), Ogden (2010), and Wahyuni (2012). The semistructured interview provided a balanced approach to encourage shared perspectives, stories, and experiences from participants with the social phenomenon under study as stated by Wahyuni. Semistructured interviews use structured questioning to steer the direction of the initial response to answer research questions, yet have the open-ended flexibility for participants to speak freely of their experiences. For

the doctoral study, I based the semistructured interview questions on the research purpose and questions using common themes associated with a comprehensive literature review.

I used Chenail's (2011) interviewing the investigator approach to evaluate the effectiveness of data collection instrumentation. The data collection instrumentation included interview questions and the recording device. These mock interviews with co-workers allowed for any necessary changes to interview questions prior to IRB ethical approval, and saved a valued and limited population of participants for formal data collection as recommended by Chenail and Wahyuni (2012). My current coworker pool conducted mock interviews and provided employee, executive leader, and community member perspectives. As mock interviews progressed, interview questions were revised using emerging details to ensure they met the research purpose and answered research questions. I used the responses to these questions strictly for interview question evaluation and were not used in the formal data collection or analysis that occurred after IRB approval.

Hanson et al. (2011) determined that while there is no set number of interview questions to elicit rich detail, four to six well-crafted questions should suffice. Folta et al. (2012) found data saturation following 11 interview questions. Researchers should anticipate eliciting examples or further explanation using follow-on questions, or the need to adapt questioning to overcome unexpected situations. Follow-up questions should permit researchers to explore themes, concepts, ideas, and thoughts of participants as they relate to the research purpose and questions. A tailored set of follow-up or probing

questions emerged as the interview unfolded and while transcribing and analyzing data.

Raw data generated from this study is available upon request.

Qualitative research is dependent on reliability and validity to ensure content is replicable and transferable (Wahyuni, 2012). To ensure content validity (credibility), researchers communicate directly with participants after transcribing to thoroughly and accurately capture participant perspective and experience, known as member checking (Brod et al., 2009). For the doctoral study, I conducted face-to-face interviews with participants, using a standard interview protocol (Appendix B) to collect responses using written notes, Sony portable audio recording software, Microsoft Office 2013, and Nuance Dragon voice recognition software. I used these tools to compare transcriptions against the audio recordings, and thoroughly and accurately capture the participants' experiences.

To address research validity (credibility), Wahyuni (2012) recommended data, method, or evaluator triangulation. For this study, I utilized data triangulation between the three stakeholder groups. Researchers assure reliability when they work independently of a coder to develop and compare codes (Barusch et al., 2011; Brod et al., 2009; Schlaerth et al., 2013). A researcher and coder must achieve data saturation and have consistent coding results. Barusch et al. (2011) found coding consistency as adequate to ensure reliability.

Data Collection Technique

Hanson et al. (2011) mentioned methods to collect data including conversations, narratives, observations, and documents. Researchers achieved optimal results using

interviews, focus groups, written narratives and open-ended questions, observation, and documents. The data collection technique for this study was a recorded face-to-face, semistructured interview using the Transformative Leadership and Stakeholder Trust interview questions (Appendix B), to explore participant experiences related to the leadership and trust. Purposefully selected interview participants from three groups within the Colorado Springs and Denver metropolitan districts reflected on their experiences as internal and external stakeholders, and business leaders.

A number of transitional techniques or strategies exist to optimize the data collection experience for both the researcher and participants. The relationship between researcher and participants is dynamic in setting and direction (Hanson et al., 2009). Researchers and participants should approach the interview as a partnership, wherein the researcher initially guides the conversation and later encourages equal exploration of the phenomenon (Hanson et al., 2009). To maximize the depth and saturation of data, Barusch et al. (2011) found prolonged engagements necessary. Folta et al. (2012) achieved data saturation within 45-60 minutes. Wahyuni (2012) believed the entire interview protocol (briefings and interview) must not exceed 90 minutes. Participants in this study shared their experiences over a period of 35 to 70 minutes. Ogden and Cornwell (2010) determined the importance of phasing questions, beginning with general and progressing to more sensitive topics, in establishing rapport and easing the discussion into more emotional topics. Wahyuni emphasized that researchers should remain cognizant of a participant's emotions and guide controversial and damaging conversations.

Following IRB approval, researchers begin the data collection process. As cited in Wahyuni (2012), researchers should provide participants with pre and post interview briefings. The prebriefing reminded the participant about the purpose of the study, voluntary nature of participation, interview process (include audio), and measures to ensure confidentiality and anonymity. Participants reconfirmed their consent to participate (if previously signed by the participant and researcher) and purposeful sampling criteria eligibility. I reassured participants of simultaneous extensive note taking and active listening. Researchers take observational, methodological, and theoretical notes to describe interview conditions, method issues, and interview themes, respectively (Wahyuni, 2012). I conducted a post interview brief to reaffirm my commitment to accuracy and confidentiality, and restate any post-interview actions such as member-checking. A researcher's post interview brief must reaffirm the protection of participant's rights and follow-on member checking of the transcribed interview for validation (Wahyuni, 2012).

Data Organization Techniques

Data organization for this study involved the maintenance of printed and scanned material for research design and development, and data collection, analysis, and results. A password protected external storage device stored scanned material. I maintained scanned materials in a structured computer directory. Moreover, I created a file with the research title in the hard drive root directory. The second level of the directory used the terms *data analysis* and *data collection* for participant consent forms, voice recordings, transcriptions, and analysis data. Information related to the design and development of

sections one and two of the doctoral study, including feedback from the doctoral process review, oral defense slides, and IRB forms and approval are stored within the *Proposal Development_S1 & S2* folder. The section three write up of findings for results are stored within *Proposal Development_S3* folder. To clean the data of individually identifiable material, participants received codes based on their purposefully assigned groups wherein external stakeholders were C01-C05 (community), internal stakeholders were O01-O08 (organization), and business leaders were L01-L07 (leaders). I maintained digital and hardcopy files in a secured digital storage device and safe, respectively, for five years, at which time all files will be purged.

Data Analysis Technique

The analysis for this study involved the use of word processing, manual data manipulation, and Nvivo 10 data analysis software techniques to transcribe, organize, code, analyze, and answer research questions: what were the experiences and perceptions of leaders and stakeholders regarding a leader's application of various leadership traits to restore stakeholder trust and what were the experiences and perceptions of leaders and stakeholders regarding the challenges leaders face in applying new leadership traits? Results from the extensive literature review provided codes for data analysis. Data analysis software and manual analysis of transcriptions aided in identifying common themes. According to Barraquier (2011) and Folta et al. (2012), Nvivo 10 data analysis software is a limited (unable to conduct analysis) but efficient software tool to extract codes from rich observation and interview data. Despite digital efficiencies, manual

manipulation and analysis of data brings the researcher closer to the subject (Dincer & Dincer, 2011).

Following the semistructured interviews and data organization, patterns and themes emerged using Moustakas' (1994) modification of van Kaam's (1966) method. The modified van Kaam method required me to listen and transcribe the participants' experience, and code expressions related directly to the experience under question, or closely related as outlined by Dincer & Dincer (2011) and Moustakas. Analysis of common terms, emerging patterns, and overall themes provided me a more robust awareness of participant perspectives and understanding of the research questions.

I used interview questions to answer the research question using the theories of stewardship and stakeholder from the conceptual framework, and the extensive data from the literature review. I phased interview question design and flow from general topics to more sensitive topics to establish rapport and ease the discussion into more emotional topics (Ogden & Cornwell, 2010). Questions 1 through 3 facilitated a comfortable dialogue and had the participant reflect on leadership, the environment, and trust. Additionally, questions 2 and 3 provided participant experience and perspective on the impact of leadership and trust on business and social change. The fourth question provided an analytical base from which to understand the participant's negative perception of trust actions and behavior. Questions 7 through 9 applied directly to research question one. Question 11 through 13 provided the participants thoughts to research question two. Questions 5, 6, and 10 tied the conceptual framework to the research questions. Question 14 provided participants an opportunity to make additional

contributions not solicited by the planned interview questions. I validated flow and design, and evaluated content using Chenail's (2011) interviewing the investigator prior to IRB approval. I used the following transformative leadership and stakeholder trust interview questions (Appendix B) to explore participant experiences.

1. From your experience and perceptions, describe trust.
2. From your experience and perceptions, describe the effects of positive and/or negative leadership on an organization's internal climate and culture, and internal stakeholder trust.
3. From your experience and perceptions, describe the effects of positive and/or negative leadership on the organization's external environment (such as community members, customers, and vendors) and external stakeholder trust.
4. From your experience and perceptions, describe how business leaders may intentionally betray stakeholder trust.
5. From your experience or perceptions, describe how business leaders could genuinely demonstrate concern for stakeholder interests and successes over self.
6. From your experience or perceptions, describe how business leaders could genuinely demonstrate concern for all stakeholders versus a select population.
7. Take a moment to visualize a trusted business leader and describe the behaviors, characteristics, actions, and traits of that trusted leader.
8. Now take a moment to visualize an untrusted business leader and describe the behaviors, characteristics, actions, and traits of that untrusted leader.

9. From the previous questions, describe why those behaviors, characteristics, actions, and/or traits impact stakeholder trust or the lack thereof.
10. From the previous questions, describe leadership traits that would make the larger population of internal and external stakeholders feel their concerns outweigh a business leader's self-interests.
11. From your experience and perceptions, describe desired trust recovery actions of business leaders.
12. Despite business leaders' best efforts, describe the difficulties and challenges leaders face in rebuilding and regaining trust.
13. From your experience and perceptions, what challenges or obstacles might cause business leaders to resist using a broader set of behaviors, characteristics, actions, or traits to build or sustain trust?
14. What are any other contributions you would like to add to this topic that may not have been addressed in our discussion?

Transcribing, Organizing, and Horizontalizing

Before transcribing data, each recording was played back to gain familiarity with the data as supported by Othman and Rahman (2014). Applying an inductive analysis approach of my qualitative data, I began the analysis of transcriptions without any preconceived notions of what the codes would or should be to answer research questions as suggested by Fingeld-Connett (2014). I transcribed data into a Microsoft Word text document using a combination of Nuance Dragon voice recognition software and manual keyboard entry. Nuance Dragon voice recognition provided me the benefit of repeating

the interview aloud and transcribing the data. I later listened to the recordings again and used a standard laptop keyboard to correct for voice misinterpretations. Transcribed files and recordings were stored using pseudo-names and interview dates in password-protected folders on an external hard drive. I imported 20 transcripts into Nvivo 10.

Using the van Kaam method (Dincer & Dincer, 2011; Moustakas, 1994), I interpreted emotions gleaned from interview observation and transcription notes and created codes based on participant responses to emotionally charged questions. Though limited throughout all 20 interviews, I placed any relevant participant's expressions within the transcription using the comment feature of Microsoft Word as suggested by Cater et al. (2013). I identified key statements within each experience using in-text colored highlighting and applied a code using the comment feature of Microsoft Word, ensuring to keep the value of each experience horizontal in value as outlined by Cater et al., Moustakas (1994), and Phillips-Pula, Strunk, and Pickler (2011). Each participant's experience was considered a unique element and of equal value as stated by Phillips-Pula et al. I submitted the transcripts and interpretations to participants to 'member-check' the transcript and interpretations, and grouped participant experiences using Nvivo 10 to reduce and identify invariant constituents.

Member-Checking

According to Harper and Cole (2012), member checks may occur by summarizing and debriefing interviews or providing the researcher's transcription and interpretation to participants for validation. I provided participants with a copy of the coded transcription and interview questions, and requested feedback on my interpretation of their

experiences. Ramthun and Matkin (2014) requested participant feedback on transcripts and preliminary findings from their qualitative study on leadership behaviors. Beck (2014) applied the same strategy to validate transcription and interpretation for a qualitative study of servant leadership. Participants L01-L07, O01, O04-O08, and C01-C05, acknowledged receipt of the transcription and interpretation, but did not offer feedback. Participants O02, O03, and O04 replied to the transcription and coding, and approved the entries without feedback.

Coding, Reduction, and Themes

When recurring or overlying experiences for each participant emerged, I identified and processed those experiences for reduction. Further reduction of participant experiences occurred by identifying to what extent each contributed to the overall phenomena as supported by Cater et al. (2013) and Phillips-Pula et al. (2011). I clustered the remaining experiences by using previously prescribed codes and identifying themes, and using Nvivo 10 data analysis software to provide secondary assistance in coding experiences and finding themes across participant interviews as applied by Cater et al. and Othman and Rahman (2014). Using the epoch process to ensure existing literature and personal bias did not influence the experiences; I combined the experiences into textural descriptions to answer each research questions.

Saturation

Hanson et al. (2011) defined saturation as a point when participant experiences and perspectives are recurring and no new themes emerge. Saturation is a point in research when there are diminishing returns for effort in further collecting and analyzing

data (Mason, 2010). Finfgeld-Connett (2014) warned that while saturation is important, it is equally important to ensure the themed responses add knowledge and meaning to the subject. Campbell et al. (2011) encouraged researchers to maintain a cognizant awareness of existing efforts to create new knowledge without merely regurgitating the previous findings of others. Despite a target of 20 participants, I analyzed interviews to ensure saturation and that no additional themes emerged for an accurate and thorough report of the findings as supported by Hanson et al. (2011). I achieved the required data saturation and identified recurring themes at 14 interviews, and continued through 20 interviews to ensure saturation.

Triangulation

Triangulation involved the use of multiple data sources to ensure consistency of the rich understandings of a phenomenon of interest (Denzin, 2012). Wahyuni (2012) recommended data triangulation to establish validity by crosschecking the consistency of data across multiple sources. In this study, leaders, and internal and external stakeholders, provide three independent sources to crosscheck data. Othman and Rahman (2014) increased confidence and established credibility of research findings in their study of ethical leadership attributes by triangulating data with interviews of an additional groups. Stone-Johnson (2014) utilized data triangulation of participants in various management levels and non-management participants in a leadership study using 20 participants. Hiller, DeChurch, Murase, and Doty (2011) found the application of data triangulation enhances knowledge of phenomena related to leadership. Hiller et al. (2011) further asserted that researchers need to triangulate rich data collected on the phenomena of

leadership with existing data. For this study, I triangulated participant responses among the stakeholder groups to confirm data consistency. Moreover, I used findings from previous peer-reviewed studies published 2010 through 2014 to confirm the findings from this study.

Reliability and Validity

Dependability

According to Wahyuni (2012) and Parker (2010), reliability in research is a measure of consistency. To ensure dependability in studies, researchers can provide a detailed explanation of the selected design, research process, and include instruments used in data collection and analysis. For this study, I clearly articulated and justified the selected design and methods. To further the quality of this study, a rich description of the processes and intended instruments to collect, organize, and analyze participant experiences was given. The final research document contained all the instruments created during the course of the research in the appendix. However, raw data collected from this study is available to others upon request. Barusch et al. (2011) found coding consistency as adequate to ensure reliability.

Credibility, transferability, confirmability

To ensure content validity (credibility), researchers communicate directly with participants to thoroughly and accurately capture participant perspective and experience (Brod et al., 2009). For this study, I conducted face-to-face interviews with participants, using a standard interview protocol (Appendix B), and collected responses using written notes, Sony audio recording software, and Nuance voice recognition software. I used

voice recognition software in conjunction with manual methods to transcribe the interviews. I compared manual and software transcription methods against audio recordings, ensuring the thorough and accurate capture of participant experiences.

To address research credibility, Wahyuni (2012) recommended triangulation of data to ensure consistency across data sources. For this study, I applied data triangulation to find consistency among stakeholder group responses. Kantanen (2012) established credibility by quoting participant responses as they related to findings. I used participant quotes in findings to increase credibility of my findings. Finding transferability is the applicability of inquiry to other contexts or for a different group of participants (Thomas & Magilvy, 2011). To ensure transferability of this study, I provided a description of participant demographics and geographic boundaries for future research application.

Ogden and Cornwell (2010) indicated even interview questioning can challenge validity when content is intimidating to participants, and results in an altered or incomplete reflection of the experience. I designed the interview questions to avoid intimidating content or lead to unnecessary emotional distress. Furthermore, co-workers presented interview questions in mock interviews to remove ambiguity, increase clarity, and establish approximate time requirements as supported by Boehm et al. (2010), Resick et al. (2011), and Sun and Anderson (2011). I increased my bias awareness and control using Chenail's (2011) interviewing the investigator. Moreover, to avoid altering the experience and ensure confirmability, I documented feelings of bias toward the participant, experiences, or topic immediately after each interview. Finally, a

conscientious effort was made to ask follow-up and probing questions that followed, rather than led, the interview as suggested by Thomas and Magilvy (2011).

Transition and Summary

This qualitative, phenomenological study provided individual perceptions of leadership traits that address stakeholder trust issues (Caldwell et al., 2012). Section 2 contained a review of the research purpose and problem further defending the research design, collection instruments, analysis tools, and measures for ethical, reliable, and valid research. Section 3 includes an overview of the study, collected and analyzed experiences, and participant contributions to the problem. I elucidated the results of the studies by applying business practices and opportunities for social change.

Section 3: Application to Professional Practice and Implications for Change

The purpose of this qualitative, phenomenological study was to explore the experiences and perceptions of leaders and stakeholders regarding a leader's application of various leadership traits to restore stakeholder trust. Twenty participants in three population groups from the investment and mortgage industry participated and responded to 14 open-ended interview questions in this study. Participants shared mortgage or investment experiences to answer the research questions. What were the experiences and perceptions of leaders and stakeholders regarding a leader's application of various leadership traits to restore stakeholder trust? Using participant experiences, I determined that the initial research findings matched the attributes of transformative leadership. I applied benevolence, humility, transparency, authenticity, and approachability to transformative leadership as described by Caldwell et al. (2012), and Caldwell, Guevara, Taylor, Licona, and McConkie (2013).

Furthermore, these participant experiences aligned with the affective attributes stakeholders needed to trust. The final reduction resulted in benevolence, humility, and transparency as themes. All findings were consistent with extant literature. What were the experiences and perceptions of leaders and stakeholders regarding the challenges leaders face in applying new leadership traits? Using participant experiences, I determined the initial research findings to be personality, environment, and education. I reduced the findings to personality and used emotional intelligence (EI) to justify the resistance to behavioral change. The following section provides a presentation of findings; application

to professional practice; implications for change; recommendations for action; and further research, reflections, and conclusion.

Presentation of the Findings

I used Freeman's (1962) stakeholder theory and Donaldson's (1990) stewardship theory to support desired leadership traits that place the good of others first and extend leadership consideration to an entire stakeholder population. I used stewardship theory based on the foundational tenets of corruption, greed, and trust; virtuous leader behavior; and positive social contracts between leaders and society as found by Karns (2011) and Segal and Lehrer (2012). I selected stakeholder theory based on the fundamental aspect of trust, given an employee's increasing vulnerability and reliance on organizations to deliver value and protect them as supported by Greenwood and Van Buren (2010).

The need to restore trust is a critical issue with theoretical and practical merit (Caldwell et al, 2012; Xie & Peng, 2009). Scholars and practitioners such as Marques (2010) and Park (2010) reported that trusted leaders demonstrate various leadership styles and that individual leadership models are too incomplete to regain trust. Furthermore, scholars are calling for research on causes of distrust and conditions of reparation (Egan, 2011; Poppo & Schepker, 2010). I addressed gaps in the body of knowledge related to leadership and trust as presented by researchers as limitations and recommendations to research.

In the following section, I provide the results of analysis for each question. The tables include the invariant constituent, sources, participants, and references. The invariant constituents are the reduced experiences from each question. The sources and

references include the number of participants who shared a like experience and the number of occurrences for each experience, respectively. The participant column includes the pseudo names for participants who shared in similar experiences. Results of combined participant experiences are summarized and further articulated in the Presentation of the Findings. Responses selected from each of the common invariant constituents came from a participant of each group and, therefore, are data triangulated.

Data from Semistructured Interviews

Question 1: From your experience and perceptions, describe trust. All participants (100% of participants; C01-C05, L01-L07, O01-O08) described the essential elements of trust as defined in the literature review. Similar to Armstrong (2012) and Misztal (2011), participants described trust as the willingness of an individual to accept risk and vulnerability based on actions of another, with expected results to favor both parties without harm. Participant C01 described trust as “a perception that someone or some type of organization, or something, has my interests at heart or at a minimum does not have interests that conflict with my well-being.” Participant L01 offered a similar description, “Well I think trust is really the comfort in knowing that the people you work with have your best interest at heart, and that they will do what they said they are going to do.” Participant O05 provided a similar description, “I think trust is saying what you are going to do and actually doing it. Being honest, then following through on it.”

Question 2: From your experience and perceptions, describe the effects of positive and/or negative leadership on an organization’s internal climate and culture, and internal stakeholder trust. Participants responded about their experiences of positive and negative

leader impact on the internal environment as shown in Table 2 below. I received an equal number of responses among participants as they shared experiences related to the impact of leadership on organizational culture and internal stakeholder trust. Participants C01, C02, C03, C05, L03, L04, L05, L06, L07, O01, O02, O04, O05, O06, O07, and O08 (80% of participants) shared experiences wherein negative leadership resulted in negative culture and negative trust. Participants C01, C04, C05, L02, L03, L04, L05, L06, L07, O01, O02, O03, O04, O05, O06, and O07 (80% of participants) shared experiences wherein positive leadership resulted in positive culture and positive trust. Participant C01 offered this negative internal experience,

All of that to say that a person in a place of trust or leadership within an organization, that was supposed to set the tone, the standards, and look out for the welfare not just of the organizational goals and mission, but also the welfare and goals of its people, betrayed that trust by acting unethically, by lying, by putting people in harm's way, ultimately what looked like just to make himself look good.

Participant L05 provided a negative internal experience,

When there is negative leadership in an organization, usually there is a culture of fear; and people are concerned about bringing up issues or concerns because they are afraid they are going to lose their job. And, when there is a culture of fear...inefficiencies are not addressed because there is a fear to do that.

Participant O07 shared a positive internal experience,

The positive effects can be really great morale-wise with the employees. It definitely has a huge effect on culture. Where I am at right now, we were just discussing that this morning, and the culture here is amazing. Because everybody is in it as a team. And we have a really great leader running the program.

Table 2

Responses to Question 2: Leadership Impact on Internal Culture & Trust

Invariant Constituent	Sources	Participants	References
Negative Leadership, Negative Culture, & Negative Trust	16	C01, C02, C03, C05, L03, L04, L05, L06, L07, O01, O02, O04, O05, O06, O07, O08	22
Positive Leadership, Positive Culture, & Positive Trust	16	C01, C04, C05, L02, L03, L04, L05, L06, L07, O01, O02, O03, O04, O05, O06, O07	20

Question 3: From your experience and perceptions, describe the effects of positive and/or negative leadership on the organization's external environment (such as community members, customers, and vendors) and external stakeholder trust. Participants responded with their experiences of positive and negative leader impact to external environments as shown in Table 3 below. Participants C01, L02, L03, L04, L05, L06, L07, O01, O02, O04, O05, O08 (60% of participants) shared experiences wherein negative leadership resulted in negative culture and negative trust. Participants C01, C04, L01, L02, L03, L04, L06, L07, O01, O02, O04, O05, O06, O07, O08 (75% of participants) shared experiences wherein positive leadership resulted in positive culture and positive trust. Participant C01 shared a positive external experience,

So actually, [bank] is one of the banks that we bank with. From a community standpoint, I know that they support a lot of different things within the community. And they are pretty active at least in the areas of the community I am active in. So, I see that presence within the community. So as a community member, I am more likely to take my business to them because the support different portions of the community.

Participant L04 offered this positive external experience,

On a trust side, as on the mortgage side of our world, we work with a lot of third party vendors. The corporate culture that we create extends, and I think, is reflected in the relationships we have with those third part vendors. They are partners with us. We trust them as a partner.

Participant O02 provided a negative external experience,

Just as many negative effects if that person is not portrayed correctly in the environment. If they come out and they are just the Playboy executive of the company that spends money and does not necessarily have the company's, or the employee's, or the client's best interest at hand. That can be one of the worst things an organization can have because you are going to lose trust in the external environment. You start losing customer base, you start losing business, you start losing employees, and you see an implosion of the company.

Table 3

Responses to Question 3: Leadership Impact on External Environment & Trust

Invariant Constituent	Sources	Participants	References
Negative Leadership, Negative Environment, & Negative Trust	12	C01, L02, L03, L04, L05, L06, L07, O01, O02, O04, O05, O08	16
Positive Leadership, Positive Environment, & Positive Trust	15	C01, C04, L01, L02, L03, L04, L06, L07, O01, O02, O04, O05, O06, O07, O08	18
Negative Leader, Positive Environment, & Unchanged Trust	1	C03	1
No Impact on Environment or Trust	1	C02	1

Question 4: From your experience and perceptions, describe how business leaders may intentionally betray stakeholder trust. Participants responded about their experiences of intentional trust betrayal as shown in Table 4 below. I found lacking benevolence from participants C01, C02, C03, C04, C05, L01, L02, L03, L04, O01, O02, O03, O04, O06, and O07 (75% of participants) as the common invariant constituent to this question.

Participant C01 offered this experience of lacking benevolence,

People are intentionally misleading, or moving money around, or creating business practices that ultimately do not benefit the consumer or the institution as a whole from a long-term standpoint. But those sacrifices are made intentionally for short-term gains and financial gains at the cost of a lot of people.

Participant L04 offered a similar experience of lacking benevolence,

It would be where someone is trying to do something to their own benefit. That they are not thinking of others. It almost becomes a sense of selfishness to a

degree, where they are not, let us say, extending a certain amount of trust or not.

They are doing things for their own personal benefit and, as a result, it is all about them. And they are not thinking of others.

Table 4

Responses to Question 4: Intentional Violations of Stakeholder Trust

Invariant Constituent	Sources	Participants	References
Lacking Benevolence	15	C01, C02, C03, C04, C05, L01, L02, L03, L04, O01, O02, O03, O04, O06, O07	20
Lacking Humility	1	L03	1
Lacking Integrity	6	L05, L06, L07, O02, O05, O08	6
Unintentional Acts	2	C02, L01	2

Question 5: Describe how business leaders could genuinely demonstrate concern for stakeholder interests and successes over self. Participants responded about their experiences of leaders genuinely demonstrating stakeholder interests first as shown in Table 5 below. I found benevolence from participants C03, C05, L01, L02, L05, L06, L07, O05, and O08 (45% of participants), and transparency from participants C01, C03, L06, and O07 (20% of participants) as common invariant constituents to this question. Participant C05 offered a benevolent experience, “A leader can either put the people over the process, the process is important, but if it is a choice between your people or the process, take care of your people.” Participant L06 sacrificed well-being in this experience, “One thing that I did when we were in hard times was reduce my salary to

\$1. That was not original, but it was symbolic and it meant a lot to people.” Participant O05 provided the following experience,

Well, I think in that situation that is just doing the right thing. I mean there are times that you could benefit more by pricing something higher, but in doing the right thing you are doing what is right for the client more so than what is going to get you your numbers.

Table 5

Responses to Question 5: Demonstrate Concern for Select Stakeholder’s Interests

Invariant Constituent	Sources	Participants	References
Benevolence	9	C03, C05, L01, L02, L05, L06, L07, O05, O08	13
Humility	2	L02, O02	3
Approachability	4	C02, C04, L01, L04	4
Accountability	1	C04	1
Transparency	4	C01, C03, L06, O07	4
Visionary	1	O04	1

Question 6: Describe how business leaders could genuinely demonstrate concern for all stakeholders versus a select population. Participants responded about their experiences of leaders demonstrating genuine concern for all stakeholders as shown in Table 6 below. I found demonstrate priorities, vision, and mission from participants C01, C04, L01, L02, L04, L05, L07, O03, and O04 (45% of participants), and transparency from participants C01, C03, C04, L06, O04, and O08 (30% of participants) as the common invariant constituents of this question. Participant C04 described an experience with priorities, vision, and mission as, “But those are the traits of being a positive leader

saying these are the right things either for the company, the employee, the consumer, across all stakeholders regardless of the shareholder.” Participant L04 provided a similar experience, “Sets of values helps define and explicitly tells people who you are. And then through those values you are able to facilitate whatever that goal or mission is. And the mission, traditionally, is all-encompassing; not just one specific group.” Participant O04 offered an experience of transparency, “So, how I would speak to my board of directors or how I would want to be treated by a board of directors, I want to know the facts; I want to know what is going on.”

Table 6

Responses to Question 6: Demonstrate Concern for All Stakeholder’s Interests

Invariant Constituent	Sources	Participants	References
Consistency	3	C02, L02, O08	3
Empathy	1	O02	1
Demonstrate Priorities, Vision, and Mission	9	C01, C04, L01, L02, L04, L05, L07, O03, O04	12
Transparency	6	C01, C03, C04, L06, O04, O08	6

Question 7: Take a moment to visualize a trusted business leader and describe the behaviors, characteristics, actions, and traits of that trusted leader. Participants responded about their experience of a trusted leader as shown in Table 7 below. I found benevolence from participants C03, C05, L02, L03, L04, L05, L06, L07, O04, O05, O06, O07, and O08 (65% of participants), humility from participants C03, C04, C05, L01, L03, L04, L05, L06, L07, O02, O03, O05, and O08 (65% of participants), transparency from participants C01, C02, C03, C04, L02, L04, L05, L06, L07, O04, O07, and O08 (60% of

participants), and approachability from participants C01, C02, C03, C04, L04, L05, L07, O03, O05, O07, and O08 (55% of participants), as common invariant constituents to this question. Participant L05 commented on benevolence, “And trusted leaders care about people. They really want to know about people. It does not matter who that person is.” Participant C05 experienced humility with a leader who offered, “If you need my help, let me roll up my sleeves and let us get into it, and let us do this thing together.” Participant O07 shared a positive experience of transparency:

I think seeing his thought process and understanding the things that make him...made up his thought process on a deeper level. And I do not think that most people get to see that out of people. Really helped us to see how ethical he was.

Participant O05 described an approachable leader experience, “Very approachable. And really open to ideas. I mean, there is a high level of trust there.”

Table 7

Results of Question 7: Appealing Qualities of a Trusted Leader

Invariant Constituent	Sources	Participants	References
Accountability & Responsibility	3	C01, C04, L01	6
Benevolence	13	C03, C05, L02, L03, L04, L05, L06, L07, O04, O05, O06, O07, O08	30
Consistency & Decisiveness	2	L04, O06	2
Humility	13	C03, C04, C05, L01, L03, L04, L05, L06, L07, O02, O03, O05, O08	26
Authenticity	6	C03, C04, L05, L07, O05, O07	10
Competent	4	C01, C03, C04, L02	5

Approachability	11	C01, C02, C03, C04, L04, L05, L07, O03, O05, O07, O08	19
Reliability & Dependability	3	C01, O01, O06	3
Visionary & Goals-Driven	7	C04, L01, L02, L04, O01, O04, O06	10
Coach & Mentor	2	O04, O08	2
Transparency	12	C01, C02, C03, C04, L02, L04, L05, L06, L07, O04, O07, O08	24

Question 8: Take a moment to visualize an untrusted business leader and describe the behaviors, characteristics, actions, and traits of that untrusted leader. Participants responded about their experience of an untrusted leader as shown in Table 8 below. I found lacking benevolence from participants C01, C02, C03, C05, L02, L03, L04, L06, O04, O05, and O08 (55% of participants), humility from participants C02, C03, C04, C05, L05, L07, O02, O03, and O04 (45% of participants), transparency from participants C02, L04, L05, L07, and O08 (25% of participants), and authenticity from participants C03, C05, L05, O01, and O02 (25% of participants), as the common invariant constituents to this question. Participant C01 provided perspective regarding the lack of benevolence on trust:

So an untrusted leader can have all the traits of a trusted leader...but when they consistently, or when I see them put their needs above the needs of others or inappropriately so, that for me is probably the quickest way to lose trust from an individual.

Participant O02 shared an experience wherein the leader lacked humility, “They walked in the room and it was everybody in this room knows who I am, and knows the

power I carry; there is that level of arrogance that just to me adds a level of distrust.”

Participant L05 described the impact of lacking authenticity on trust:

And also someone who is not transparent or authentic. Where you really cannot tell...what they stand for because they hold things back. You do not know if they are on your side, or if they are not on your side. You do not know because they keep everything inside, or they keep it kind of hidden. You do not know who that person is. And that does not breed trust because again you do not have that authenticity or transparency.

Participant L04 provided an experience related to a lack of transparency:

Some of the traits was they were not always forthcoming with information. They were not transparent in what their real objectives were at the end of the day. By masking that transparency, it was very difficult for me to, and I keep using the word, trust that individual because you knew there was typically secondary purpose behind what they were doing. That lack of transparency made it real difficult to trust that individual.

Table 8

Results of Question 8: Unappealing Qualities of an Untrusted Leader

Invariant Constituent	Sources	Participants	References
Lack Accountability & Enforcement	3	C02, C03, L01	6
Lack Benevolence	11	C01, C02, C03, C05, L02, L03, L04, L06, O04, O05, O08	20
Lack Consistency	1	L06	1

Lack Humility	9	C02, C03, C04, C05, L05, L07, O02, O03, O04	12
Lack Authenticity	5	C03, C05, L05, O01, O02	7
Lack Approachability	2	L04, O07	2
Lack Reliability & Dependability	4	L02, O01, O02, O06	5
Lack Transparency	5	C02, L04, L05, L07, O08	9
Lack Vision (Short-Term Focus)	1	O04	1
Lack Values & Principles	2	C02, O01	2

Question 9: Describe why those behaviors, characteristics, actions, and/or traits impact stakeholder trust or the lack thereof using the previous questions. Participants responded about their experiences of trait impacts on stakeholder trust as shown in Table 9 below. I found increased trust through benevolence from participants C02, C05, L03, L05, L06, O02, and O04 (35% of participants) as the common invariant constituent to this question. Participant C05 provided experience related to benevolence, “If leaders are not willing, again, to get amongst the people or amongst the troops, the troops notice that stuff.” Participant L05 offered a similar experience of benevolence, “Well, when you really care about people, people know it. And they feel like, they feel a connection with the organization.” Participant O02 provided this benevolence experience, “And you can make a champion out of the stakeholder and as a result, you can build the trust and respect of 20 other stakeholder because you took someone at their level and celebrated them.”

Table 9

Responses to Question 9: Trait Impact on Stakeholder Trust

Invariant Constituent	Sources	Participants	References
Decreased trust...arrogance	1	L05	1
Decreased trust...disrespect	1	O05	1
Decreased trust...incompetence	1	L04	1
Increased trust...benevolence	7	C02, C05, L03, L05, L06, O02, O04	8
Increased trust...competence	1	L04	1
Increased trust...confidence	1	C04	1
Increased trust...mutual trust	3	C02, C03, O03	4
Increased trust...responsibility	2	L01, L05	2
Increased trust...transparency	4	L02, L05, O02, O07	4

Question 10: Describe leadership traits that would make the larger population of internal and external stakeholders feel their concerns outweigh a business leader's self-interests. Participants responded about their experiences of traits that demonstrate leader selflessness as shown in Table 10 below. I found benevolence from participants C05, L01, L03, O03, and O08 (25% of participants), humility from participants C03, C05, L06, and O01 (25% of participants), and transparency from participants C05, L02, L05, O04, and O07 (20% of participants), as the common invariant constituents to this question. Participant L01 shared a sacrificial experience to demonstrate benevolence,

Leadership took a pay cut across the board to make sure that their employees did not have to suffer. Making those kinds of commitments when crises rises is a great way to build that trust and to show that the leader's self-interests are not that important.

Participant C05 offered two examples of humility, "Rolling their sleeves up," and "Not being afraid to say oops, I screwed up." Participant O07 offered a participant need for transparency, "My number one...is transparency. You cannot even begin to be able to

sum up a person without that. I think that would be my first one, open book transparency; who you are and what you are about.”

Table 10

Results of Question 10: Priority Stakeholder Interests & Demonstrated Stewardship

Invariant Constituent	Sources	Participants	References
Authenticity	3	C01, C05, L05	4
Benevolence	5	C05, L01, L03, O03, O08	6
Decisiveness	1	L04	1
Humility	4	C03, C05, L06, O01	7
Loyalty	1	L05	1
Approachability	3	L04, L06, O02	3
Reliability	1	O01	1
Accountability	3	L01, L05, L06	3
Transparency	5	C05, L02, L05, O04, O07	5
Visionary	2	L02, O06	2

Question 11: Describe desired trust recovery actions of business leaders using your experience and perceptions. Participants responded about their experiences of desired trust recovery actions as shown in Table 11 below. I found acknowledging responsibility from participants C01, C02, C03, C04, C05, L01, L02, L03, L04, L05, L06, L07, O02, O04, O06, O07, and O08 (85% of participants) and action plan from participants C01, C02, C03, C04, C05, L01, L05, L07, O02, O03, and O06 (55% of participants) as the common invariant constituents to this question. Participant O02 recalled an experience of acknowledging responsibility, “Own it. Do not try to brush it under the rug. Do not try to sidestep and point finger. Own it.” Participant C02 shared a similar experience, “Number one: take responsibility. So they have to admit what they

have done wrong. They have to admit that they did it and it was wrong.” Participant L05 offered an experience on an action plan, “Then provide a solution to fix it. If the solution to fix it involves you doing something, then you need to follow through.” These themes confirm those findings within existing literature.

Table 11

Responses to Question 11: Desired Leader Trust Recovery Actions

Invariant Constituent	Sources	Participants	References
Action Plan	11	C01, C02, C03, C04, C05, L01, L05, L07, O02, O03, O06	12
Apology	7	C05, L05, L07, O02, O05, O07, O08	9
Acknowledging Responsibility	17	C01, C02, C03, C04, C05, L01, L02, L03, L04, L05, L06, L07, O02, O04, O06, O07, O08	19
Unrecoverable; Resign Position	3	C02, C04, L05	4

Question 12: Describe the difficulties and challenges business leaders face in rebuilding and regaining trust despite the business leaders’ best efforts. Participants responded about their experiences of challenges leaders face in rebuilding trust as shown in Table 12 below. I found communication from participants C01, L02, L03, L04, O04, and O07 (30% of participants) as the common invariant constituent to this question.

Participant O07 explained an experience of communication, “The only time I had trouble with someone being able to regain my trust was someone who was not transparent from the beginning.” Participant C01 offered a similar experience with communication, “My personal experiences again show me that a lot of the time that a lack of understanding or

an inadequate education between all parties has taken place.” Participant L04 provided a similar experience with communication, “You have to begin by being honest and transparent with people and, over time, people open up themselves again to you in those situations.”

Table 12

Responses to Question 12: Difficulties & Challenges to Rebuilding Trust

Invariant Constituent	Sources	Participants	References
Communication	6	C01, L02, L03, L04, O04, O07	7
False Intentions	2	C01, C05	2
No or limited challenges	1	C02	1
Organization Culture	3	L01, O02, O08	3
Perceptions & Bias	4	C04, C05, L05, O07	4
Social Instruments & Media	4	C05, L01, O02, O03	4
Stakeholder Values & Interests	1	L06	1
Time for Recovery	2	L02, L04	3
Unrecoverable Events	6	L05, L07, O01, O02, O03, O05	6

Question 13: What challenges or obstacles might cause business leaders to resist using a broader set of behaviors, characteristics, actions, or traits to build or sustain trust. Participants responded about their experiences of challenges leaders face in applying broader traits as shown in Table 13 below. I found personality from participants C02, C03, C04, C05, L02, L03, L04, L05, L06, O02, O04, O05, O07, and O08 (70% of participants), environment from participants C04, C05, L01, O01, O02, O03, O05, O06, O07, and O08 (50% of participants), and education from participants C01, C04, L04, L05, L07, O03, and O07 (35% of participants) as common invariant constituents to this question. Participants described experiences of personality as a self-imposed resistance to

change. Participants described experiences of environment as an external resistance to an individual's attempt to change, such as leader decisions and regulations. Participants described experiences of education as a lack of knowledge or awareness found from self-improvement material. Responses from each theme came from a participant of each group and therefore is data triangulated.

Participant L05 described personal resistance stating, "They are who they are. And so it is almost kind of a stubbornness that they feel like there is not any need to change or learn something new." Participant O08 provided a perspective regarding environmental challenges, "Unless it is your company and you have the final say, usually leaders have bosses too. There is an element of pressure from their leaders." Participant O01 offered a regulatory experience wherein, "Well, to a certain degree...with our industry, a lot of it is, and will have to do with, or regulatory issues. And I think that makes it difficult sometimes." Participant C01 provided an example of education stating, "And I think there are a lot of leaders out there that lack the understanding to even read what type of leadership is needed in that moment."

Table 13

Results of Question 13: Obstacles & Challenges to Applying Broader Traits

Invariant Constituent	Sources	Participants	References
Education	7	C01, C04, L04, L05, L07, O03, O07	7
Environment	10	C04, C05, L01, O01, O02, O03, O05, O06, O07, O08	14
Personality	14	C02, C03, C04, C05, L02, L03, L04, L05,	37

		L06, O02, O04, O05, O07, O08	
Relationships	2	C01, L04	2
Status Quo	2	C01, L02	3

Question 14: What are any other contributions you would like to add to this topic that may not have been addressed in our discussion? Four of the nine responding participants (C01, L01, L04, L06, O01, O03, O04, O05, & O06) provided additional comments for consideration that contributed substantively to the topic of study. Five participants responded with general inquiry to the study and opinions. I included participant responses to question 14 in the respective question nodes in Nvivo 10, and subsequently included them in the data analysis process.

Clustered Experiences Reduced to Final Themes

Themes are consistent patterns of experiences and perspectives I identified during the analysis of participant data. The themes identified from analysis of interview data were benevolence, humility, and transparency. These themes are significant expectations of stakeholders as the themes are relation-oriented leadership traits that appeal to the affective senses of stakeholders and best address the severest forms of distrust, integrity-based infractions (McCann & Holt, 2013; Poppo & Schepker, 2010). Listed in Table 14 are examples of participant experiences from each population group. Benevolence, humility, and transparency are consistent with findings from my literature review on transformative leadership and traits to restore trust (Caldwell et al., 2010; Caldwell et al, 2012; Egan, 2011; Parra et al., 2011; Reynolds & Earley, 2010; Tomlinson, 2012; Xie &

Peng, 2009), and contribute to the existing bodies of literature on the phenomena of leadership and trust.

Table 14

A Sample of Participant Experiences from Identified Themes

Theme	Participant: Experience
Benevolence	<p>O04: Those negative, self-serving behaviors people show, they will stab you in the back the moment you turn around. They will take credit for something you did. They will step on you, if they have to, to get to the next step. So, that feeds that non trust.</p> <p>L02: It would be like [female name] and [male name]; we have several people here that really I think they are very trusted. They care about their people.</p> <p>C01: So an untrusted leader can have all the traits of a trusted leader, right...but when they consistently, or when I see them put their needs above the needs of others or inappropriately so, that for me is probably the quickest way to lose trust from an individual.</p>
Humility	<p>L03: And he will be so humble, he will not say I am the owner. He will just say I know that person, they do a really great job. And he will speak highly of them.</p> <p>C05: If you need my help, let me roll up my sleeves and let us get into this thing together.</p> <p>O02: And then I think it is being able to admit when you are wrong or do not know. That is one of the most powerful things is being able to say I do not have the answer to everything.</p>
Transparency	<p>L04: They were not always forthcoming with information. They were not transparent in what their real objectives were at the end of the day. By masking that transparency, it was very difficult for me to, and I keep using the word, trust that individual because you knew there was typically a secondary purpose behind what they were doing.</p>

C01: Communicating to me is probably the most honorable and desirable quality in a trusted leader.

O07: I think seeing his thought process and understanding the things that make up his thought process on a deeper level. And I do not think most people get to see that out of people. Really helped us to see how ethical he truly was.

The first theme was benevolence. Consistent with the experiences of participants in this study, Friedman and Fischer (2014) described benevolence as a genuine caring for people and placing the interests of other before one's own well-being. Benevolence as an antecedent of trust is consistent with the findings of Knoll and Gill (2011). In a quantitative study of 187 participants, Knoll and Gill (2011) reported that benevolence, integrity, and competence accounted for a 47 percent variance in trust of supervisors. Using a weighted calculation of the resulting variance, the researchers reported benevolence accounted for 43% of the variance, and integrity and competence followed at 38 percent and 19 percent respectively. These findings are consistent with the findings of Sloan and Oliver (2013) following the analysis of a six-organization case study, who asserted that an emotional connection or relationship among multi-stakeholders partnerships can unequivocally become critical turning point in trust. This was consistent with my study as participants C01, C02, C03, C04, L04, L05, L07, O03, O05, O07, and O08 from each stakeholder group needed a relationship with leaders.

Contrary to these findings, Park (2010) conducted a quantitative study of nearly 26 thousand public sector leaders and employees. Park reported that effective hierarchical leadership, a commonly practiced leadership structure, had a significant correlation to cognitive-trust (competence) versus affective-trust (emotional). In this study, 65% of

participants (13 participants) experienced trust in a leader who demonstrated benevolence (affective), and 55% of participants (11 participants) distrusted a leader who lacked benevolence, while 20% of participants (4 participants) experienced the same through competence (cognitive). In experiencing increased trust, 35% of participants (7 participants) experienced an increase in trust from demonstrated benevolence over 5% of participants (1 participant) who experienced the same change through demonstrated competence.

The next theme was humility. Individuals who possess humility maintain a modest view of their importance relative to their environment. Humble individuals are aware and open about strengths and weaknesses, are self-confident, and cherish the strengths of others (Ou et al., 2014; van Dierendonck, 2011). Friedman and Fischer (2014) found humility as an antecedent to benevolence. In an extensive literature analysis, van Dierendonck (2011) found a strong relation between servant leadership, which included humility, and affective trust. Basford, Offermann, and Behrend (2014), conducted a quantitative study of 544 participants and found a significant relationship between humility and trust by calculating an indirect path among measures of transformational leadership, sincere apologies, humility, and stakeholder trust. Similarly to benevolence, Park's (2010) finding from a quantitative study of almost 26 thousand public sector workers disconfirms an increase of affective trust as a result of effective vertical leadership. In this study, 65% of participants (13 participants) experienced trust in a leader who demonstrated humility and 45% of participants (9 participants) experienced distrust of a leader who lacked humility.

The next theme was transparency. Transparency is an antecedent to trust as leaders commit to a full disclosure of information and expression of thoughts and feelings (Schnackenberg & Tomlinson, 2014; Walumbwa et al., 2011). Walumbwa et al. (2011) found a significant positive correlation between the elements of authentic leadership, including transparency, and organizational trust in their quantitative study of 1,124 bank employees. In an extensive literature-based study, Schnackenberg and Tomlinson (2014) reported that organizational transparency are positively related to stakeholder trust in organizations. In this study, 60% of participants (12 participants) experienced trust in a leader who demonstrated transparency and experienced distrust in a leader who lacked transparency. Furthermore, Schnackenberg and Tomlinson found that an organization's transparency is related to the stakeholder's perception of organizational benevolence.

Barnett (2014), and Pirson and Malhotra (2011) reported findings contrary to existing literature and findings from this study. Barnett found transparency could overwhelm stakeholders, preventing them from having a genuine attachment to, and understanding of, an organization and unable to consistently judge malfeasants. Such inaction can breed misconduct, because stakeholders are unable process and subsequently deter such behavior. Pirson and Malhotra found marginal support that transparency effects stakeholder trust.

The conceptual framework of stewardship and stakeholder theories are consistent with descriptions and applications from extant literature and the themes benevolence, humility, and transparency, found from participant experiences. Hernandez (2012) described stewardship theory as an alternative to draw leadership from self-serving,

short-term strategies, and place the long-term interests of groups ahead of their own. Humble individuals are aware and open about strengths and weaknesses, are self-confident, and cherish the strengths of others (Ou et al., 2014; van Dierendonck, 2011). Individuals who openly recognize individual weaknesses and solicit the strength of others place the interests of others before themselves. Friedman and Fischer (2014) described benevolence as a genuine caring for people and placing the interests of other before one's own well-being. Benevolent leaders who place the interests of others before themselves and care about people are stewards. Participant L03 had an experience of benevolence that captures the essence of stewardship theory.

And [name] looked at him and said I cannot do that. I have, I think it was 800 people or something at the time, that are relying to me for their jobs and their families, and if we did not staff correctly and we did not do our job, I am not going to punish our employees for that. I think that was pretty powerful because he is the one who personally took the hit.

In stakeholder theory, organizational leaders should focus on a larger population of contributors and beneficiaries beyond their immediate shareholders, to include employees, suppliers, customers, government, and society. (Gingerich, 2010; Minoja, 2012; Tse, 2011; Van Puyvelde et al., 2012; Werhane et al., 2011). A description of humility by Ou et al. (2014) captured the essence of stakeholder theory. Humility is an individual belief that subscribes to something bigger in relation to the world or other people (Ou et al., 2014). Participant C03 shared an experience of transparency that captures the essence of stakeholder theory,

We keep going back to [organization] for all stakeholders. It is again, transparency. When you are showing everybody a matrix of information, you know that the same information should be shared. When you are showing a certain group of leaders a matrix of information, that same information should be shared. And that would demonstrate concern for everybody.

Tse (2011) argued that stakeholder theory is a recipe for problems when leaders attempt to manage multiple groups and goals. However, Moriarty (2014) presented a means to balance stakeholder interests through proportionality based on stakeholder contribution to, and impact from, the organization. Participant O03 provided an experience of benevolence that successfully addressed the essence of stakeholder theory and is contrary to Tse's assertion,

Our management team has a philosophy that there is a good way to do business that benefits everybody, and we can make a profit, and still serve people. And I think that has drifted down through the ranks. It is certainly a belief system and it is a culture here.

However, Moriarty (2014) offered that while balanced stakeholder interests are possible, the current climate promotes self-interest. Participant O06 offered an experience where incentive programs were encouraging self-interest,

Well the problem you run into is they are going to get these big bonuses by hook or by crook. The push to hit that production mark is a backhanded incentive a lot of times to say, you know, for this advisor who is trying to hit that target, here are

two products out here, both will work for you, one works a little better than the other, but I am going to lean toward the one that pays a higher commission.

Applying Themes to Transformative Leadership and Stakeholder Trust

According to Caldwell et al. (2012), and Caldwell et al. (2013), the right leader will create relationships (charismatic), demonstrate humility and resolve (Level 5), abide by values and principles (principle-centered), serve stakeholders (servant), contribute to meaning (covenantal), drive synergistic change (transformational), and demonstrate authenticity and moral obligation (authentic). Using participant experiences in Tables 2, 3, and 4, I applied the initial research findings to the elements of transformative trust and found a consistent application as described by Caldwell et al. and Caldwell et al. I related the themes of benevolence, humility, and transparency to each attribute of transformative leadership using the seminal leadership models. I considered approachability and authenticity to further this analysis as it was relevant to participant experiences, and was a common invariant constituent that triangulated three participant groups.

Charismatic leaders created relationships and trust when they appealed to participants' C01, C02, C03, C04, L04, L05, L07, O03, O05, O07, and O08 experiences of, and need for, approachability (Caldwell et al., 2012; Lussier & Achua, 2012). According to Katanen (2010), and Lussier and Achua (2012), charismatic leaders promote strengthened personal connections, an established identity with stakeholders and organization, and increased personal commitment. Charismatic leaders utilize these traits to provide followers with a high sense of meaningfulness, affection toward and support of leaders, a stronger commitment, and trust (Hayibor et al., 2011; Lussier & Achua, 2012;

Sandberg & Moreman, 2011). Participants C03, C04, C05, L01, L03, L04, L05, L06, L07, O02, O03, O05, and O08 trusted *Level 5* leaders who demonstrated humility in their interactions with stakeholders. Through trial, tribulation, and reward, the Level 5 leader becomes modest, yet willful, and shy, yet fearless (Collins, 2001). Level 5 leaders look inward when challenged with problems and outward to celebrate organizational success (Caldwell et al., 2012; Collins, 2001; van Dierendonck, 2011).

Participants C03, C05, L05, O01, and O02 experienced distrust when leaders lacked authenticity, a key attribute of *authentic* leaders. Authentic leadership now consists of four main components including balanced processing, moral perspective, relational transparency, and self-awareness (Gardiner, 2011; Peus et al., 2012). Authentic leaders consider all relevant facts objectively before making decisions, act according to internal morals despite external influences (C04, C05, L01, O01, O02, O03, O05, O06, O07, & O08), portray themselves in true form, and understand their strengths and limitations (Ford & Harding, 2011; Peus et al., 2012). Authentic leaders remain cognizant of these components to assess the impact of their leadership on others (Ford & Harding, 2011; Peus et al., 2012). Participants experienced an increase in trust toward *servant* leaders who consistently demonstrated benevolence (C03, C05, L02, L03, L04, L05, L06, L07, O04, O05, O06, O07, & O08), humility (C03, C04, C05, L01, L03, L04, L05, L06, L07, O02, O03, O05, & O08), and transparency (C01, C02, C03, C04, L02, L04, L05, L06, L07, O04, O07, & O08), as a means of selfless intentions. Servant leaders answered a calling for self-actualization and trustworthiness over individualistic, self-serving, and opportunistic behaviors (Savage-Austin & Honeycutt, 2011; Shekari & Nikooparvar,

2012; Van Dierendonck, 2011). Servant leaders display an authentic concern for the welfare, growth, and wholeness that develop credible and trustworthy relationships (Caldwell et al., 2012).

Transformational leaders utilized affective actions such as benevolence (C03, C05, L02, L03, L04, L05, L06, L07, O04, O05, O06, O07, & O08), humility (C03, C04, C05, L01, L03, L04, L05, L06, L07, O02, O03, O05, & O08), transparency (C01, C02, C03, C04, L02, L04, L05, L06, L07, O04, O07, & O08), approachability (C01, C02, C03, C04, L04, L05, L07, O03, O05, O07, & O08), and authenticity (C03, C04, L05, L07, O05, & O07), to create trust and a positive organizational culture for each member to thrive and enable synergistic change. Transformational leaders develop followers and project a collective vision (C01, C04, L01, L02, L04, L05, L07, O03, & O04), encouraging others to look beyond themselves for the best interest of the group, organization, and society (Caldwell et al., 2012; Groves & LaRocca, 2011; Waldman et al., 2012). Transformational leaders are courageous, value driven, trustworthy, and have the added skill to tackle complex, ambiguous, and uncertain situations (Babcock-Roberson & Strickland, 2010).

Traits of *covenantal* and *principle-centered* leadership represented trusting participant experiences of approachability (C01, C02, C03, C04, L04, L05, L07, O03, O05, O07, & O08). Participants trusted the empowerment of covenantal leaders and the mutual and cooperative behaviors of principle-centered leaders. Covenantal leaders desire to create new meaning and insight through selfless commitment, continuous learning, empowering others, and setting the example (Caldwell et al., 2012). Principle-centered

leaders attempt to encourage self-improvement, and a more productive and moral society, through demonstrated responsibility and initiative, vision and values, integrity and execution, mutual respect and benefit, mutual understanding, and creative cooperation (Bandsuch et al., 2008; Caldwell et al., 2012). Principle-centered leaders seek out and follow principles that harmoniously increase value, minimize harm, and ensure the wellbeing of individuals and society (Caldwell et al., 2012).

Participant experiences listed in Tables 7, 8, and 10 above, correlated to the affective attributes stakeholders need to trust, as described in the literature review. While Werhane et al. (2011) reported that stakeholders are calling for affective leadership through honesty and transparency over competence through financial performance and product quality, Sloan and Oliver (2013) described the need for competence (cognitive trust) as an antecedent to affective trust. Trust between parties influenced personal experience, reputation, integrity, competence, loyalty, consistency, openness, credibility, reliability, and dependability (Cheshire et al., 2010). Moreover, leaders must demonstrate trustworthiness through unquestionable competence, integrity, consistency, loyalty, openness, and benevolence (Caldwell et al., 2010; Egan, 2011; Parra et al., 2011; Tomlinson, 2012; Xie & Peng, 2009). Reynolds and Earley (2010) added caring, empathy, commitment, and accountability to the lineup of leader factors that contribute to trust.

Obstacles and Challenges of Applying Transformative Leadership

According to the participant experiences in Table 13 above, participants C02, C03, C04, C05, L02, L03, L04, L05, L06, O02, O04, O05, O07, and O08 believe the

greatest challenge for leader change is personality. Seventy percent of participants (C02, C03, C04, C05, L02, L03, L04, L05, L06, O02, O04, O05, O07, & O08) experienced personality as a means by which leader's resisted change, while 50% of participants (C04, C05, L01, O01, O02, O03, O05, O06, O07, O08) attributed environment and 35% (C01, C04, L04, L05, L07, O03, O07) attributed education. While proponents highlight ego, arrogance, greed, and disregard as the enablers for recent unethical actions; opponents suggest alternatives to unethical behavior claiming ignorance (education) or ethical fading in leaders, and environmental complexity (De Cremer et al., 2011; Thiel et al. 2012). A fundamental goal in the growing field of behavioral ethics is for leaders to hold a complete understanding of conditions to enhance decision-making standards (De Cremer et al., 2011).

These findings align with existing literature on emotional intelligence. Participant experiences of comfort and enjoyment as personality challenges extends the current body of literature. While not every personality challenge can be addressed based on the willingness and desire of an individual to accept change, Barbuto et al. (2014) offered dimensions of emotional intelligent to consider in achieving community well-being and positive social contribution. Emotional intelligent elements to consider are mood regulation, internal motivation, and self-awareness. Leaders who practice self-control or self-management evade disruptive behaviors and uphold the highest standards of honesty, integrity, and trustworthiness (Schlaerth et al., 2010). Leaders demonstrate these practices when they adopt a transformative approach (Caldwell et al, 2012).

Smollan and Parry (2011) conducted a qualitative study to explore emotional intelligence of leaders from a stakeholder perspective. Similarly, Smollan and Perry conducted semistructured interviews of 24 participants. Looking at the results of the study, I found that stakeholder responses to low emotional intelligence resulted in a stakeholder's perception of lacking benevolence and humility from leaders. Stakeholders responded with positive experiences related to benevolence and humility in cases of leaders who demonstrated higher emotional intelligence from leaders. Trustworthiness is a cornerstone of emotional intelligence (Schlaerth et al., 2010).

Effective Business Practice and Positive Social Change

The latest landmark scandals provided evidence of the extreme consequence associated with trust violations (Clapham et al., 2014; McCann & Sweet, 2014). Stakeholder trust has broad business implications related to reputation, relationships, cost, schedule, quality, and efficiencies (Armstrong, 2012; Bolton et al., 2009; Cook & Schilke, 2010; Dietz, 2011; Harris & Wicks, 2010; Koronis & Ponis, 2012).

Transformative leaders provide a trusting culture that could result in stakeholder satisfaction and commitment, enhanced business processes, products, and services, increased business performance through forgiveness, learning, innovation, and service, as Participant C04 explained from the following experience,

So for a positive leader, he has a positive vision, strong leadership, he is able to turn negative issues, negative things that show up into positive learning events.

That would make employees feel more satisfied because they realize if we do this we are exceeding expectations. And that leads to not only improved productivity

and performance, but in the end may be a better product or service given to the customer.

Participant L05 shared a similar experience,

When an organization has positive trust, meaning trust from employee to employee, employee to customer, and leader to subordinate, there is a culture of being able to speak about things, being able to bring up suggestions and opportunities for change within the organization to make the organization more efficient, and provide a better service; service either within or service to the customers. Because there is an openness. And because you know that trust is there, people within that organization understand that they can bring up issues, they can bring up concerns, and they are not going to lose their job or have a negative effect from doing that.

Leaders demonstrate benevolence, transparency, humility, and approachability using charismatic, servant, transformational, and covenantal styles to foster a culture wherein internal stakeholders feel commitment to the organization and leader, obligation to other stakeholders, empowerment, mutual respect and cooperation, and the freedom to learn, grow, and innovate. These actions, behaviors, and traits embody stewardship and resolve to hold stakeholder interests above self-interests. Stewardship theorists proposed that the application of this theory not only stimulates trust, but also contributes to increased organizational commitment; brand and employee loyalty; and enhances financial and market performance (Karns, 2011).

Charismatic leaders provide followers with a high sense of meaningfulness, affection toward and support of leaders, a stronger commitment, and trust (Hayibor et al., 2011; Lussier & Achua, 2012; Sandberg & Moreman, 2011). Servant leaders provide an authentic concern for the welfare, growth, and wholeness that develop credible and trustworthy relationships for stakeholders (Caldwell et al., 2012). Transformational leaders develop followers and project a collective vision, encouraging others to look beyond themselves for the best interest of the group, organization, and society (Caldwell et al., 2012; Groves & LaRocca, 2011; Waldman et al., 2012). Covenantal leaders desire to create new meaning and insight through selfless commitment, continuous learning, empowering others, and setting the example (Caldwell et al., 2012).

Applications to Professional Practice

This study may be of value to business leaders and community members because trust is critical to business and carries implications for both social and economic stability and prosperity (Bolton et al., 2009; Rosenthal, 2011). Individuals in various markets continue to increase their scrutiny of business leaders who fail to demonstrate ethical standards and principles in operations and management (Bolton et al., 2009; Tuan, 2012). Business leaders may find the transformative practice of leadership styles allows them to create relationships, demonstrate humility and resolve, abide by values and principles, serve stakeholders, contribute to meaning, drive synergistic change, and demonstrate authenticity and moral obligation (Caldwell et al., 2012).

Stakeholders may find that business leaders eventually commit to long-term wealth creation, maintain near-congruent values, and avoid self-serving behaviors

(Caldwell et al., 2012). Ethically meeting stakeholder demands increases trust and confidence in executive leaders; cooperative populations; and economic prosperity and efficiency. Positive stakeholder relationships create organizational value at reduced costs, and competitive advantage over rival organizations (Tse, 2011).

Business leaders may consider this study as a contribution to the effective practice of business by extending the existing knowledge, theory, and practice of leadership styles to stakeholder trust. According to Avey, Wernsing and Palanski (2012); Brown and Mitchell (2010); and Mutlucan (2011), leaders who practice a transformative approach to leadership will find trust within organizations is positively correlated to follower commitment and facilitates organizational change, reduces turnover, increases reporting, improves performance, and strengthens social relationships. A study of trust across business elements showed increased innovation through shared information, ideas, and resources (Bolton et al., 2009). Leaders gain support from stakeholders and streamline initiatives when they gain trust without the need for costly, time-consuming, safeguards (Quandt, 2012). Without trust, leader initiatives face obstacles and delays as others attempt to manage expectations and influence outcomes across a broad domain of activities (Quandt, 2012).

Implications for Social Change

The results of this study may contribute to positive social change and improvement in business practice by encouraging business leaders to pair leadership styles to situations and ultimately uphold their ethical duties, values, and results (Caldwell et al., 2012; Cameron, 2011; Carter & Greer, 2013). The research may provide

a paradigm shift from traditional, compartmentalized leadership to a transformative approach of ethically sustainable leadership, focused on building organizational and social trust (Kociatkiewicz & Kostera, 2012). The effect of leadership broadly applies to such areas as business, medicine, and politics (Arnold, Audi, & Zwolinski, 2010).

Business leaders may find results of this study impact organizational, cultural, and social change by rebuilding trust and leading to business successes, professional partnerships, community strength, and social responsibility.

Recommendations for Action

First, leaders must understand the scope of the problem from a stakeholders perspective is not performance or competency-based. Stakeholders have gradually lost confidence in leaders because leaders focused on competency, performance, and self, while neglecting excellence in moral, relational, and emotional dimensions (Reed et al., 2011; Rosenthal, 2011; Werhane et al. 2011). This raises significant questions at the individual, organizational, institutional, and social levels but offers opportunities to learn and value trust on the path to recovery (Bachmann, Gillespie, & Kramer, 2011). These crises provide opportunities to restore fairness and values such as honesty, integrity, and transparency; values that prevail over selfishness (Kooskora, 2013). I followed other researchers and practitioners who evoked awareness of this issue using academic methods.

To further develop the body of literature and initiate a process of awareness in the Colorado Springs and Denver metropolitan areas, I conducted this qualitative, phenomenological study to explore the transformative leadership traits that could address

stakeholder trust issues and challenges business leaders might face adopting new styles. Leaders should consider the findings of this study as constructive feedback from stakeholders and a starting point to either change or continue a positive culture of stakeholder trust. Participants shared positive and negative experiences of the mortgage and investment industry, and made recommendations to improve internal and external cultures. Furthermore, participants shared their experiences of trust recovery to aid leaders in current or future trust recovery efforts.

Vital studies of leader failure and recovery are limited and fail to show progressive relations among the range of available tactics (De Cremer, 2010a; Hunter, 2012; Poppo & Schepker, 2010). To begin moving toward a culture of renewed trust, leaders should begin with the actions to restore trust participants provided in question 11. When leaders fail individuals, organizations, or society through incompetent actions or unethical behavior, a number of responses exist to rebuild or restore trust (Xie & Peng, 2009). Participants stated leaders must fully disclose the incident and own it. Next, leaders should issue a genuine apology for the incident and devise an actionable and realistic plan to resolve the issue. Leaders should execute the plan and follow up with stakeholders on progress and sustainment.

Panelists of the Business Roundtable, an association of Chief Executive Officers (CEOs) from leading U.S. companies, urged scholars and practitioners to find new approaches to trust for leaders at the forefront responsible for building and restoring trust. (Bolton et al., 2009; Fullmer, 2012; Plinio et al., 2010; Webber et al., 2012). Panelists encouraged approaches that develop positive trait inferences and capability to address

vast situations affecting integrity-based and competency-based trust (Bolton et al., 2009; Fullmer, 2012; Plinio et al., 2010; Webber et al., 2012). Participants provided positive traits for consideration in response to questions 7, 8, and 10. Participants repeatedly mentioned benevolence, transparency, and humility, and mentioned other traits worth considering such as approachability and authenticity. Based on these findings and the traits inherent to transformative leadership, leaders should consider content in ‘Applying Themes to Transformative Leadership and Stakeholder Trust’ and ‘Obstacles and Challenges of Applying Transformative Leadership.’

Following approval by the Chief Academic Officer, I intend widest distribution of this study with an attached executive summary. The first distribution will go to the 20 participants who made this study a reality. Participants were encouraged to distribute the completed study within their organizations, amongst peers, and with any professional affiliations they have. The next distribution will go out to state associations in mortgage and investments. The final distribution will be through my LinkedIn Network, consisting of 87 mortgage and investment professionals who were contacted for consideration and unable to commit for personal and professional reasons. Additionally, Walden University staff will make the study available through Walden publication channels.

Recommendations for Further Study

I recommend future researchers explore opportunities to create a profitable business environment for leaders who subscribe to stakeholder interests. Research would need to find balance between ethical leadership and sustainable leadership (McCann & Sweet, 2014). This recommendation is consistent with future research recommendations

of McCann and Sweet (2014) following their study of ethical and sustainable leadership as perceived by mortgage loan originators.

I recommend future researchers consider expanding the conceptual framework of this study by considering potential contributions to the critical topic of trust and leadership through ethical decision-making theory and contingency leadership theory. Rest (1986) and supporters of ethical decision-making theory provide an alternative to “unethical” behavior by describing leaders with potentially limited cognition incapable of recognizing or processing the dynamic and diverse environments found today or leaders who subscribe to values and principles of less ethical standard (De Cremer et al., 2011; Sonenschein, 2007). In his contingency leadership theory, Fiedler (1964) posited that effective leaders had, and were capable of applying, varying traits from multiple available leadership styles to dynamic situations (Hernandez et al., 2011).

Barbuto et al. (2014) stated that there is a paucity of research related to identifying personality predictors of affective, or people-oriented, personalities in leadership. Barbuto et al. asserted their belief that their analysis of servant leadership may likely be the first of its kind. Following the many crises experienced this century, scholars and practitioners have moved away from the single scope research like transformational leadership and emphasized the need for stronger leader-follower behavior that embodies a shared and relational approach (Avolio et al., 2009). *Transformative leadership* is a new ethically based leadership model that integrates features of other well-regarded leadership models (Caldwell et al., 2012). Transformative leaders commit to stakeholders and society by maximizing their long-term interests and honoring their values while

simultaneously fulfilling the moral duties of the organization to their stakeholders. I recommend expanding the efforts of Barbuto et al. to identify personality predictors of transformative leadership.

Reflections

As the primary researcher for this study, I designed, proposed, facilitated, interviewed, observed, and engaged in sampling, data collection, analysis, and interpretation (Cater et al., 2013; Hanson et al., 2011; Ogden & Cornwell, 2010). Meetings with experts in the local community not only solidified my intent to conduct research on leadership and trust, but also made the need more personal for my community. My role within this study was to collect textual materials using a variety of means to report on the target phenomenon of leadership and trust using the meaning assigned by participants (Ogden & Cornwell, 2010; Wisdom et al., 2012). In relational and collaborative roles, primary researchers reflect on a participant's emotions and experiences to control participant interaction, data analysis and findings (Mitchell, 2011; Ogden & Cornwell, 2010). I interfaced with a number of individuals in the design and execution phase of this study. Each interaction with industry experts was positive, professional, and insightful. Participants did not show negative emotion or make derogatory remarks while sharing negative experiences.

Primary researchers explore the stories of experience that participants share to interpret common themes, and provide assurance to negate personal bias to the greatest extent through disclosure or bracketing (Cooper et al., 2012; Moustakas, 1994; Wilson, 2012). As an outsider to the mortgage and investment industry, and not having had

negative experiences with services provided, I did not have any bias toward participant experiences. I recorded, transcribed, and analyzed each story as a unique experience, independent of my experiences or those of others. Researchers must avoid allowing personal experiences or emotions to create objective, fixed realities (Xu & Storr, 2012). Cooper et al. (2012) recommended a journal to capture thoughts and emotions, which I made a part of my interview and observation protocol, and data analysis. As an outsider to the mortgage and investment industry, I had no influence on participants and made no commitments for participation. I entered and executed the study with no preconceived notions. I began the analysis of transcriptions without any preconceived notions of what the codes would or should be to answer research questions (Finfgeld-Connett, 2014). Every experience, every invariant constituent, and every theme was emergent from the experiences shared.

Summary and Study Conclusions

The recent waves of financial crises adversely effected employment, home ownership, retirement portfolios, and the economy at large (Bolton et al., 2009; McCann & Sweet, 2014). While practitioners and scholars debate the leading causes of financial and economic crisis, most individuals fault a lack of ethical leadership as a leading cause (McCann & Sweet, 2014). Trust is critical to capital markets, civic engagement, and democracy (Colombo, 2010; Werhane et al., 2011). Nearly 63% of the U.S. public does not trust leaders, and 83% believe leaders serve themselves, or a small constituent, over society as a whole (Peus et al., 2012). U.S. public confidence in leaders reached its lowest level in 2011 (Rosenthal, 2011; Werhane et al., 2011). Seventy percent of the U.S. public

is convinced leaders will return to the status quo once all recent events ebb (Werhane et al., 2011). The need to restore trust is a critical issue with theoretical and practical merit (Caldwell et al, 2012; Xie & Peng, 2009).

While the U.S. public retains a level of confidence that the right leader can restore order in business and society, leaders must look to demonstrate ethical leadership traits and stewardship to stakeholders. To restore stakeholder trust, leaders must apply a multifaceted approach using a broad array of characteristics to address public concerns and restore credibility and legitimacy in themselves, their organizations, and the markets within their industries (Bolton et al., 2009; Plinio et al., 2010). Scholars and practitioners such as Marques (2010) and Park (2010) reported that trusted leaders demonstrate various leadership styles and that individual leadership models are too incomplete to regain trust. Leaders must understand the significance and relevance of available leadership models, perceived trustworthiness, and contractual ethical duties towards stakeholders including welfare and long-term wealth creation (Caldwell et al., 2010; Konig & Waistell, 2012; Marques, 2010).

According to Caldwell et al. (2012), the right leader will create relationships (charismatic), demonstrate humility and resolve (Level 5), abide by values and principles (principle-centered), serve stakeholders (servant), contribute to meaning (covenantal), drive synergistic change (transformational), and demonstrate authenticity and moral obligation (authentic). Leaders must demonstrate trustworthiness through unquestionable competence, integrity, consistency, loyalty, openness, and benevolence (Caldwell et al., 2010; Egan, 2011; Parra et al., 2011; Tomlinson, 2012; Xie & Peng, 2009). Reynolds and

Earley (2010) added caring, empathy, commitment, and accountability to the lineup of leader factors that contribute to trust. The findings of this study are consistent with attributes of transformative leadership and appeal to the affective needs of stakeholders to trust. The findings and recommendations of this research may provide a paradigm shift from traditional, compartmentalized leadership to a transformative approach of ethically sustainable leadership, focused on building organizational and social trust (Kociatkiewicz & Kostera, 2012). Ethically meeting stakeholder demands increases trust and confidence in executive leaders; cooperative populations; and economic prosperity and efficiency (Tse, 2011).

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Appendix A: National Institute of Health Course Certification



The following certificate is found from Protecting Human Participants (Online Training Course) <http://phrp.nihtraining.com/users/login.php>.

Appendix B: Transformative Leadership and Stakeholder Trust Interview Questions

1. From your experience and perceptions, describe trust.
2. From your experience and perceptions, describe the effects of positive and/or negative leadership on an organization's internal climate and culture, and internal stakeholder trust.
3. From your experience and perceptions, describe the effects of positive and/or negative leadership on the organization's external environment (such as community members, customers, and vendors) and external stakeholder trust.
4. From your experience and perceptions, describe how business leaders may intentionally betray stakeholder trust.
5. From your experience or perceptions, describe how leaders could genuinely demonstrate concern for stakeholder interests and successes over self.
6. From your experience or perceptions, describe how leaders could genuinely demonstrate concern for all stakeholders versus a select population.
7. Take a moment to visualize a trusted business leader and describe the behaviors, characteristics, actions, and traits of that trusted leader.
8. Now take a moment to visualize an untrusted business leader and describe the behaviors, characteristics, actions, and traits of that untrusted leader.
9. From the previous questions, describe why those behaviors, characteristics, actions, and/or traits impact stakeholder trust or the lack thereof.

10. From the previous questions, describe leadership traits that would make the larger population of internal and external stakeholders feel their concerns outweigh a leader's self-interests.
11. From your experience and perceptions, describe desired trust recovery actions of business leaders.
12. Despite business leaders' best efforts, describe the difficulties and challenges leaders face in rebuilding and regaining trust.
13. From your experience and perceptions, what challenges or obstacles might cause business leaders to resist using a broader set of behaviors, characteristics, actions, or traits to build or sustain trust?
14. What are any other contributions you would like to add to this topic that may not have been addressed in our discussion?

Appendix C: Consent Form

You are invited to take part in a research study regarding the impact of a transformative leadership approach on stakeholder trust. This study is being conducted by a researcher named Christopher Roszak, who is a doctoral student at Walden University, in partial fulfillment of the Doctor of Business Administration. The researcher is inviting leaders and stakeholders (internal and external) who either experienced, or have experience with, trust recovery or violations to participate in and contribute to the study. While a personal violation of trust is desirable, 'experience' of any situation may be the first-hand experience of a situation not immediately impacting oneself. Participants will not be asked to disclose time, location, or any other specifics that might be identifiable data.

The researcher desires certain participant qualifications. Leadership participants should have 10 years of capital investment or mortgage leadership experience in which they, or a peer, restored or lost trust from an intentional ethical violation. Organizational participants should have five years of internal stakeholder experience in capital investments or mortgage, and have experienced an intentional violation of leadership trust from within an organization. Community participants should have 10 years of external stakeholder experience in capital investments or mortgage, and have experienced an intentional violation of trust.

Background Information:

Following the turn of the century, stakeholders have repeatedly experienced crises that challenged their trust of leaders and the most fundamental economic and social workings. The purpose of this qualitative, phenomenological study was to explore the experiences and perceptions of leaders and stakeholders regarding a leader's application of various leadership traits to restore stakeholder trust. Transformative leadership is a new ethically-based leadership model that integrates features of other well-regarded leadership models. Transformative leaders commit to stakeholders and society by maximizing their long-term interests and honoring their values while simultaneously fulfilling the moral duties of the organization to their stakeholders. Leaders and stakeholders from the capital investment and mortgage industry are sought to participate based on their extensive experience with leadership and trust during the turbulent period beginning 2001, and the extent to which a lack of trust in these industries plays into national stability.

Procedures:

If you agree to be in this study, you will be asked to:

- Assess your experiences against those participant requirements defined in this invitation
- Sign the consent form indicating your understanding of the study and desire to participate
- Provide a maximum of 70 minutes for a recorded face-to-face interview in a public, yet private, area (organizational conference room, closed door office space, etc.).
- Provide a detailed recollection of experiences based on the interview questions (see sample interview questions)
- Afford the opportunity for up to two follow up appointments in the event experiences require additional clarification or explanation
- Provide a review of your transcription (conducted by the researcher) to ensure accuracy of the interview responses and interpretation of the data

Sample interview questions:

- From your experience and perceptions, describe trust.
- From your experience and perceptions, describe the effects of positive and/or negative leadership on the organization's external environment (such as community members, customers, and vendors) and external stakeholder trust
- Take a moment to visualize a trusted business leader and describe the behaviors, characteristics, actions, and traits of that trusted leader.
- From the previous question, describe why those behaviors, characteristics, actions, and/or traits impact trust.
- From your experience and perceptions, what challenges or obstacles might cause business leaders to resist using a broader set of behaviors, characteristics, actions, or traits to build or sustain trust?

Voluntary Nature of the Study:

This study is voluntary. Everyone will respect your decision of whether or not you choose to be in the study. No one will treat you differently if you decide not to be in the study. If you decide to join the study now, you can still change your mind later. You may stop at any time.

Risks and Benefits of Being in the Study:

Being in this type of study involves some risk of the minor discomforts that can be encountered in daily life, *such as recalling emotionally charged experiences and nervousness*. These are natural responses and will be mitigated as best as possible. Being in this study would not pose risk to your safety or wellbeing.

This study may be of value to leaders and community members because trust is critical to business and carries implications for both social and economic stability and prosperity. Organizational leaders may consider this study as a contribution to the effective practice of business by extending the existing knowledge, theory, and practice of leadership styles to stakeholder trust. Leaders may find the transformative practice of leadership styles allows them to create relationships, demonstrate humility and resolve, abide by values and principles, serve stakeholders, contribute to meaning, drive synergistic change, and demonstrate authenticity and moral obligation. Stakeholders may find that leaders eventually commit to long-term wealth creation, maintain near-congruent values, and avoid self-serving behaviors. Leaders and stakeholders may find results of this study impact organizational, cultural, and social change by rebuilding trust and leading to business successes, professional partnerships, community strength, and social responsibility.

Payment:

There are no explicit or implied rewards, payments, or promises in exchange for voluntary participation in this study.

Privacy:

Any information you provide will be kept confidential. The researcher will not use your personal information for any purposes outside of this research project. Also, the researcher will not include your name or other identifiable information in the study reports. Data will be kept secure by using pseudo names and codes to remove individual, organizational, or any other form of personally

identifiable information, after data is transcribed. Data will be kept for a period of at least 5 years, as required by the university, in a password-protected external hard drive.

Contacts and Questions:

If you desire to participate in this study or have any questions, contact the researcher via phone or email by calling (719) 272-1850 or emailing christopher.roszak@waldenu.edu. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott. She is the Walden University representative who can discuss this with you. Her phone number is (612) 312-1210. Walden University's approval number for this study is 04-28-14-0349607 and it expires on April 27, 2015.

This form is one part of a process called "informed consent" to ensure you understand the research purpose, participant requirements and rights, and additional information contained in the invitation letter for the study titled *Taking a Transformative Leadership Approach to Stakeholder Trust*.

You will be provided a copy of this signed form to keep.

Statement of Consent:

I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By signing below, I consent and understand that I am agreeing to the terms described above.

Printed Name of Participant

Date of consent

Participant's Signature

Researcher's Signature

Appendix D: Invitation Letter

Dear Sir/Madam:

You are invited to take part in a research study regarding the impact of a transformative leadership approach on stakeholder trust. This study is being conducted by a researcher named Christopher Roszak, who is a doctoral student at Walden University, in partial fulfillment of the Doctor of Business Administration. The researcher is inviting leaders and stakeholders (internal and external) who either experienced, or have experience with, trust recovery or violations to participate in and contribute to the study. Leaders and stakeholders from the capital investment and mortgage industry are sought to participate based on their extensive experience with leadership and trust during the turbulent period beginning 2001, and the extent to which a lack of trust in these industries plays into national stability.

This study may be of value to leaders and community members because trust is critical to business and carries implications for both social and economic stability and prosperity. Leaders and stakeholders may find results of this study impact organizational, cultural, and social change by rebuilding trust and leading to business successes, professional partnerships, community strength, and social responsibility. If you desire to participate in this study or have any questions, contact the researcher via phone or email by calling (719) 272-1850 or emailing christopher.roszak@waldenu.edu. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott. She is the Walden University representative who can discuss this with you. Her phone number is (612) 312-1210.

Sincerely,



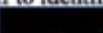
Christopher Roszak
Walden University

Appendix E: Letters of Cooperation



March 4, 2014

Dear Christopher Roszak,

Based on my review of your research proposal, I give permission for you to conduct the study entitled *Taking a Transformative Leadership Approach to Stakeholder Trust* within the . As part of this study, I authorize you to interact with  staff to identify the best candidates for your study. Furthermore, you may conduct interviews at our  facilities. An individuals' participation is voluntary and at their own discretion, and may be withdrawn at any time.

We understand that our organization's responsibilities include recruitment and facility support. We reserve the right to withdraw from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this setting.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the research team without permission from the Walden University IRB.

Sincerely,



Walden University policy on electronic signatures: An electronic signature is just as valid as a written signature as long as both parties have agreed to conduct the transaction electronically. Electronic signatures are regulated by the Uniform Electronic Transactions Act. Electronic signatures are only valid when the signer is either (a) the sender of the email, or (b) copied on the email containing the signed document. Legally an "electronic signature" can be the person's typed name, their email address, or any other identifying marker. Walden University staff verify any electronic signatures that do not originate from a password-protected source (i.e., an email address officially on file with Walden).



April 1, 2014

Dear Christopher Roszak,

I give permission for you to conduct the study entitled *Taking a Transformative Leadership Approach to Stakeholder Trust* within the [REDACTED]. As part of this study, I authorize you to interact with [REDACTED] staff to identify the best candidates for your study. Furthermore, you may conduct interviews at [REDACTED] facilities. An individuals' participation is voluntary and at their own discretion, and may be withdrawn at any time.

We understand that our organization will facilitate recruitment and offer facility support. We reserve the right to withdraw from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this setting.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the research team without permission from the Walden University IRB.

Sincerely,



Walden University policy on electronic signatures: An electronic signature is just as valid as a written signature as long as both parties have agreed to conduct the transaction electronically. Electronic signatures are regulated by the Uniform Electronic Transactions Act. Electronic signatures are only valid when the signer is either (a) the sender of the email, or (b) copied on the email containing the signed document. Legally an "electronic signature" can be the person's typed name, their email address, or any other identifying marker. Walden University staff verify any electronic signatures that do not originate from a password-protected source (i.e., an email address officially on file with Walden).

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Dec 08, 2013

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