DISK / 9/5/03 / Angai(CE)/ Rajesh(TE)



Available online at www.sciencedirect.com



Journal of Experimental Social Psychology xxx (2003) xxx-xxx

No. of pages: 13 DTD 4.3.1 / SPS

Journal of Experimental Social Psychology

www.elsevier.com/locate/jesp

# 2 Autocratic leadership in social dilemmas: A threat to group stability

Mark Van Vugt,<sup>a,\*</sup> Sarah F. Jepson,<sup>a</sup> Claire M. Hart,<sup>a</sup> and David De Cremer<sup>b</sup>

<sup>a</sup> Department of Psychology, University of Southampton, SO17 1BJ, UK <sup>b</sup> University of Maastricht, The Netherlands

Received 14 May 2002; revised 28 March 2003

## 7 Abstract

3 4

5

6

8 This paper investigated the impact of leadership style on the stability of small social dilemma groups. In two experiments, group 9 members were more likely to exit their group and take their resources elsewhere if they were supervised by an autocratic style leader 10 than by a democratic or laissez-faire style leader. The destabilizing influence of autocratic leadership is due to the procedural rather 11 than distributive aspects of this leadership style: More members exited their group under an autocratic style leader, relative to a 12 democratic style leader, regardless of whether or not they received favorable personal outcomes from the leader. Hence, autocratic 13 leadership is not a stable long-term solution to the problem of public goods in groups.

14 © 2003 Elsevier Science (USA). All rights reserved.

#### 15

#### 16 Introduction

17 The welfare of groups in society depends to a con-18 siderable extent on the quality of the goods generated collectively by group members. Although each member 19 probably acknowledges the importance of goods that 20 21 benefit everyone in the group, it can be difficult to maintain such goods at the highest levels, because every 22 23 member in principle profits equally from their existence, 24 regardless of whether they made a personal contribu-25 tion. Hence, group members may be tempted to free-ride on the investments of others in the group. In the social 26 27 psychological literature, such situations are generally referred to as social dilemmas, or more specifically, 28 as public good dilemmas (Dawes, 1980; Messick & 29 30 Brewer, 1983; Olson, 1965; Stroebe & Frey, 1982; Van Lange, Liebrand, Messick, & Wilke, 1992; Van Vugt, 31 32 Snyder, Tyler, & Biel, 2000).

There are essentially two kinds of public good diiemmas (Komorita & Parks, 1994). In *continuous* public goods, the quality of the generated good is *linearly* dependent upon the number of people that invest in the group. Examples include donating to a charity or contributing to a social movement. In contrast, a discrete or *step-level* public good requires a *minimum* number of

\* Corresponding author. Fax: +44-23-80594597.

investors or amount of investment in the group. Sharing40the rent of a house, running a sports team, or setting up41a Neighborhood Crime Watch scheme are a few examples of such goods.42

To provide and maintain a public good, group 44 members can decide among themselves to make volun-45 tary contributions whenever they are required. But in 46 the long run, a better strategy may be structural change 47 within the group, designed to enforce a regular contri-48 bution from each group member (Messick & Brewer, 49 1983; Olson, 1965; Yamagishi, 1986). A common type of 50 structural change, particularly within small groups, is 51 the appointment of a group leader (Van Vugt & De 52 Cremer, 1999, 2002). 53

Past work has contributed much to our understand-54 ing about the conditions under which group members 55 are willing to give up their decisional freedom to a leader 56 to solve a social dilemma in their group (De Cremer, 57 2000; Foddy & Crettenden, 1994; Messick et al., 1983; 58 Rutte & Wilke, 1984, 1985; Samuelson, 1991; Samuelson 59 & Messick, 1986, 1995; Samuelson, Messick, Rutte, & 60 Wilke, 1984; Wilke, 1991). But there are still some im-61 portant gaps in that understanding. 62

First, researchers have focused almost exclusively on 63 one type of leadership, namely an autocratic style (Messick & Brewer, 1983). This has led some analysts to 65 conclude that the only viable solution to social dilemma 66 conflicts is the adoption of a coercive, non-democratic 67

E-mail address: mvv@soton.ac.uk (M. Van Vugt).

DISK / 9/5/03 / Angai(CE)/ Rajesh(TE)

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

**ARTICLE IN PRESS** 

68 regime. For example, in his book Leviathan, the philos-69 opher Hobbes (1651/1939) asserted that only a strong 70 central authority or leader figure can save society from 71 the ruthless competition of selfish individuals. This is 72 echoed in the work of many contemporary writers who 73 claim that social dilemma tragedies can only be prevented 74 if groups are willing to implement dictatorial solutions 75 (Arrow, 1951; Hardin, 1968; Messick & Brewer, 1983).

76 Second, researchers have not been very interested in 77 the consequences for the group of having a leader. There 78 seems to be an assumption that autocratic leadership 79 effectively resolves social dilemmas by forcing members 80 to invest in their group. Although this is true in situations where escape from a group is impossible, in many 81 82 situations group members not only have a choice between investing or not investing in a group, but also 83 84 between staying in the group or leaving, thereby affecting the group's welfare and stability (cf. Ziller, 1965). 85

86 Stay/exit decisions may have important consequences 87 for a group's ability to provide public goods, particu-88 larly step-level goods, because they require a minimum 89 number of members to contribute. Hence, effective 90 leaders must not only be able to solve the free-rider 91 problem in their groups, but also to keep a sufficient 92 number of members committed to those groups, thereby 93 preventing them from taking their resources elsewhere.

94 This paper extends previous research on leadership in 95 social dilemmas by investigating the consequences of 96 autocratic leadership in public good dilemmas within 97 open group settings-settings where people can move out 98 of groups if they wish. We are particularly interested in 99 the effects of autocratic versus democratic leadership 100 styles on the stay/exit decisions of group members. 101 Contrary to conventional wisdom, we believe that auto-102 cratic leadership may not be an effective long-term solu-103 tion to public good dilemmas, at least within open groups, because autocratic leadership leads people to 104 105 reconsider their membership and leave the group, thereby 106 removing valuable resources from it. We also want to investigate whether the predicted destabilizing influence 107 108 of autocratic leadership in groups is due to outcome concerns among group members (lack of opportunity to 109 110 free-ride) or to concerns about the procedural aspects of 111 this leadership style (lack of procedural control).

#### 112 Leadership in public good dilemmas

113 When group members want a leader to regulate the 114 provision of common goods, they must make decisions about who to choose, whether the leader will be elected 115 or appointed, and (perhaps most importantly) how 116 much power the leader should have over the group 117 118 (Bass, 1990; French & Raven, 1959; Hollander, 1985; 119 Lewin, Lippit, & White, 1939; Van Vugt & De Cremer, 120 1999; White & Lippit, 1953; Yukl, 1989). The leadership 121 literature describes three broad power styles of leadership within groups, namely autocratic, democratic, and 122 laissez-faire (Bass, 1990; Lewin et al., 1939; Vroom & 123 Yetton, 1973; Yukl, 1989). 124

Applied to public good dilemmas, *autocratic* style 125 leaders will do whatever they feel is necessary to provide 126 the common good. They decide which group members 127 should contribute how much without asking anyone for 128 input. In contrast, democratic style leaders will involve 129 group members in the decision-making process. Demo-130 131 cratic leadership can involve either participative (shared) or consultative decision-making (Bass, 1990; Vroom & 132 Yetton, 1973). A participative leader makes decisions in 133 collaboration with group members, often using majority 134 rules or similar social decision schemes, whereas a con-135 sultative leader makes decisions himself, after talking 136 with group members about their opinions. In this re-137 search, we will concentrate on the democratic-consulta-138 139 *tive* leadership style. Finally, a *laissez-faire* style leader does not have or seek control over group members, so 140 141 they are free to decide for themselves what to do. A laissez-faire leader can, however, provide relevant in-142 formation, such as the step-level point or the perfor-143 mance of the group. 144

Research on social dilemmas has shown that group 145 members are generally unwilling to assign an autocratic 146 leader to deal with conflicts over the provision of public 147 148 goods or the preservation of public resources. For example, Samuelson and Messick (1986) found that rather 149 than having a leader make all the decisions for them, 150 group members preferred to divide resources equally 151 among themselves to avert a resource crisis (see also 152 Samuelson, 1993). And Rutte and Wilke (1985) found 153 that when group members faced a collective resource 154 threat, they preferred to solve it through democratic 155 solutions, such as consensus or majority rules voting, 156 rather than through autocratic leadership. 157

158 Finally, Van Vugt and De Cremer (1999, Experiment 1) investigated group members' preferences for different 159 styles of leadership in public good situations. After 160 group members repeatedly failed to provide the public 161 good through voluntary contributions, they had an 162 opportunity to choose a leader to improve their group's 163 performance. Among a range of leaders with different 164 styles, an autocratic leader was preferred the least, 165 whereas a democratic, consultative leader was preferred 166 the most. Taken altogether, these findings suggest that 167 group members regard autocratic solutions as less de-168 sirable than democratic solutions for solving the prob-169 lems associated with social dilemmas. 170

## Group stability

Another reason why we believe that autocratic lead-172 ership is not the best solution to public good dilemmas is 173 that this type of leadership can threaten the stability of a 174 group. Group stability refers to the ability of a group to 175

2

## **YJESP 1604**

**ARTICLE IN PRESS** 

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

3

228

176 operate as an intact system over an extended period (Arrow, McGrath, & Berdahl, 2000; Katz & Kahn, 177 1966). A primary source of instability in groups is 178 179 membership turnover (Ziller, 1965). Membership sta-180 bility is affected by two separate forces, the entry of new 181 members into the group and the exit of current group 182 members (Arrow & McGrath, 1995; Moreland & Le-183 vine, 1982). Because the exit of a current member (rel-184 ative to the entry of a new member) is a more immediate 185 threat to group performance on tasks that require a 186 minimum number of contributors, we will focus on the 187 stay/exit decision in this research.

188 Stability in membership can benefit group perfor-189 mance on many tasks (for a recent overview, see 190 Moreland, 1999). There are several advantages associ-191 ated with group stability. First, group stability fosters 192 the commitment of individuals to their group. As a re-193 sult, people are more willing to invest in the group 194 (Moreland & Levine, 1982). Second, it is easier to build 195 shared mental models (e.g., transactive memory) in 196 stable groups (Carley, 1991; Moreland, 1999). Third, 197 and most relevant to our research, membership stability 198 is critical when groups perform tasks that require a 199 minimum number of investors.

200 The exit problem has received little attention so far in 201 laboratory research on public good dilemmas. Tradi-202 tionally, this research examines the question how co-203 operation among group members emerges when they are 204 locked together in a social dilemma (for overviews, see 205 Komorita & Parks, 1994; Van Lange et al., 1992; Van 206 Vugt et al., 2000). In real life, however, group bound-207 aries are often open and individuals can choose between 208 entering or not entering a group, and between staying in 209 or leaving a group (Ziller, 1965). For the provision and 210 management of public goods, an important issue is how individuals (particularly those with a cooperative incli-211 212 nation) can be encouraged to stay in a group when they have the option to leave.<sup>1</sup> 213

214 To our knowledge, only two experiments have ex-215 amined the exit strategy in small groups facing public good dilemmas. Orbell, Schwartz-Sea, and Simmons 216 217 (1984) gave members of nine-person groups an exit 218 option after they had participated in a public good di-219 lemma. Quite a few members chose this option (46%)220 when the incentives to exit were high and group dis-221 cussion was not allowed. Yamagishi (1988) also used a 222 public good dilemma to investigate the impact of exit 223 costs on stay/leave decisions in three-person groups. In

addition to differences in exiting between US and Japanese participants, Yamagishi found that when exit costs were low, high group investors were particularly likely to leave a group (in about 40% of the trials). 227

## Autocratic leadership and group stability

229 In addition to helping groups complete their tasks 230 and satisfy their members' needs, a third generic function of leadership is to maintain a group as a viable on-231 going system (Bass, 1990; Cartwright & Zander, 1953; 232 Hackman, 1990; Levine & Moreland, 1998; Yukl, 1989). 233 234 This is indirectly achieved by executing the first two 235 functions, task completion and need fulfillment, successfully. But maintaining group stability can be the 236 primary objective of leadership in open groups, espe-237 cially if there are attractive exit options, such as rival 238 239 groups, available (Levine, Moreland, & Ryan, 1998).

To maintain the viability of a group, a leader must 240 241 ensure that its members are sufficiently committed to stay in the group. Here again the style of leadership can be 242 important. Open, democratic leaders, who actively in-243 volve group members in the decision-making process may 244 be more likely to retain members than closed, autocratic 245 leaders. There may be distributive as well as procedural 246 reasons for this. From a distributive perspective, mem-247 248 bers may be less committed to groups with an autocratic leader, because such a leader gives them little opportunity 249 250 to free-ride on the efforts of others-recall that free-riding is the dominant behavioral option in public good dilem-251 mas (Komorita & Parks, 1994). From a procedural 252 perspective, members may not want to belong to auto-253 cratically led groups, because they want more input into 254 group decision making (Tyler & Smith, 1998). 255

256 To our knowledge, there is no direct evidence yet 257 about the impact of leadership style on group stability in 258 social dilemmas. Several lines of research, however, suggest that leadership style may indeed be important. 259 First, in one of the most famous leadership studies, 260 Lewin et al. (1939; White & Lippit, 1953) observed 261 groups of schoolboys that were led by adult teachers 262 who adopted either an autocratic, democratic, or laissez-263 faire leadership style. Autocratically led groups were 264 slightly more productive than democratically led groups 265 266 in completing various group tasks, and both were more productive than groups supervised by laissez-faire 267 leaders. But compared to the democratic and laissez-268 faire groups, there was more discontent, hostility, and 269 aggression among children in the autocratically led 270 groups. Interestingly-and this is a lesser known find-271 272 ing-all of the children in the democratic and laissez-273 faire groups completed the study, but some of the chil-274 dren in the autocratic groups dropped out before completing all their tasks (Lewin et al., 1939). 275

Second, social psychological theory and research on 276 organizations hints at a relationship between organiza-277

<sup>&</sup>lt;sup>1</sup> Formally, adding an exit-option departs from the definition of a public good dilemma (Dawes, 1980). However, in this research we are less interested in the game-theoretical properties of dilemmas than in the ecological validity of social dilemma research. Similarly, in the past researchers have added an option to vote for a leader (Messick et al., 1983), introduce a sanctioning system as well as exclude members from the group (Kerr, 1999) to the experimental paradigm.

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

278 tional stability and the dominant management style in 279 an organization. Several researchers, for example, have 280 found a negative correlation between job turnover, 281 which can be regarded as exit behavior, and opportu-282 nities for workers to influence management when they 283 experience work-related problems (Farrell, 1983; Ley, 284 1966; Rusbult & Lowery, 1985). These results are also 285 consistent with research on the exit-voice effect (Brock-286 ner, Tyler, & Cooper-Schneider, 1992; Folger, 1977; 287 Hirschman, 1970). If voice opportunities are limited, 288 then workers are less likely to remain in an organization. 289 These two lines of research provide some evidence for 290 the destabilizing effect of autocratic leadership. How-291 ever, researchers have not explicitly addressed the implications of different leadership styles for the possible 292 293 collapse of groups. In our research, we thus investigated 294 the impact of leadership style on groups that always 295 need a certain number of people to function. Our main 296 prediction is that people are more likely to exit a group, 297 taking their resources elsewhere, when they are led by 298 someone with an autocratic rather than a democratic or 299 laissez-faire style of leadership.

DISK / 9/5/03 / Angai(CE)/ Rajesh(TE)

## 300 Experiment 1: Leadership style and group stability

301 In our first experiment, we compared the effects of 302 autocratic, democratic, and laissez-faire leadership on small groups facing a step-level public good dilemma 303 304 (Van de Kragt, Orbell, & Dawes, 1983). For reasons of 305 experimental control, we used computer-mediated 306 groups rather than face-to-face groups-a common 307 procedure in social dilemma research (see, for example, 308 Van Vugt & De Cremer, 1999; Yamagishi, 1988). There 309 were three investment task trials, after which individuals 310 were asked whether they wanted to stay in the same 311 group or join a different group for a subsequent task. 312 This was our primary dependent variable.

313 To examine the effects of leadership style, we manip-314 ulated the content of the messages sent by the leader to group members to simulate either an autocratic, demo-315 cratic, or laissez-faire style (for a similar procedure, see 316 Van Vugt & De Cremer, 1999; Experiment 2). We hy-317 318 pothesized that exit behavior would be more prevalent in 319 the autocratic leadership condition than in the democratic (consultative) or laissez-faire leadership conditions. 320

## 321 Method

## 322 Design and participants

Eighty-seven psychology undergraduate students (11 men and 76 women) from an English University participated to fulfill their course requirements. Their ages ranged from 18 to 40 years, with an average of 21.5 years. Each participant was randomly assigned to one of three experimental conditions (leadership style: autocratic vs. democratic vs. laissez-faire). There were between 28 and 30 participants per condition. 330

#### Procedure

Six participants were scheduled for each session. 332 When they arrived at the laboratory, they were sepa-333 rated and seated in individual cubicles, each containing 334 a chair, table, and computer. All instructions were pre-335 sented via the computer. These instructions were stan-336 dardized for each participant depending upon his or her 337 experimental condition. There were 15 sessions alto-338 gether, but in three of them, only five participants 339 showed up. From our viewpoint, this did not matter as 340 long as everyone believed that they were part of a six-341 person group. So, after the participants in these 5-per-342 son sessions were seated, they were led to believe that a 343 sixth person had been delayed, but had just arrived (for 344 a similar procedure, see Van Vugt & De Cremer, 2002). 345 During the debriefing, none of the participants in these 346 groups expressed any suspicion about this information. 347

*Public goods task.* Once they were seated, participants 348 received detailed instructions concerning the nature of 349 the task, which was described as a "group investment 350 task" that resembled a variety of investment problems in 351 everyday life. As an example, we used public television 352 in the UK, a classic public goods dilemma (Komorita & 353 Parks, 1994). Public TV can only be provided if a suf-354 ficient number of people purchase a TV-license. But, 355 once it is provided, people can watch TV whether or not 356 they have purchased such a license. Hence, it is attrac-357 tive not to purchase a TV-license, but if too many do so, 358 the good may not be provided at all. 359

Next, participants then received information about 360 the rules of the task and the possible outcomes for 361 themselves and the other group members. They were 362 told that there would be two similar tasks, each con-363 sisting of up to five trials (to avoid "endplay" effects, we 364 did not specify the exact number of trials per task). Each 365 group member received £3 for each trial (approximately 366 \$5), an amount that they could either keep or invest in a 367 collective good for the group (a monetary bonus). On 368 each trial, a minimum of *four* out of six group members 369 (two-thirds of the group) had to invest their endowment 370 to achieve the bonus (an extra £5 per group member). If 371 372 four people or more invested their endowments, then the bonus was provided to everyone, regardless of whether 373 they made a contribution. However, if fewer than four 374 people invested their endowments, then the bonus was 375 not provided and those who invested lost their endow-376 ments. Participants were told that due to budgetary 377 constraints, the money they earned during the experi-378 ment would not be paid out directly, but rather con-379 380 verted into lottery tickets for a raffle with attractive monetary prizes (up to £25) that would be held after the 381 experiment was completed. To increase their chances of 382 winning a prize, it was thus wise for them to win as 383

DISK / 9/5/03 / Angai(CE)/ Rajesh(TE)

**YJESP 1604** 

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

many lottery tickets as possible (for a similar procedure,see Van Vugt & De Cremer, 1999).

386 To ensure participants' understanding of the task, we 387 administered a short quiz with questions regarding each 388 of the four different outcome scenarios (e.g., "How much money do you earn when you invest your £3 and 389 so do at least three others in your group?" "... when 390 391 you keep your £3, but al least four others in the group 392 invest their £3?"). The correct answers were provided as 393 feedback on the screen, which were displayed each time 394 the participant gave a wrong answer. Each question was 395 repeated until the participant answered it correctly.

396 Manipulation of leadership style. Participants were 397 told next that a leader would be assigned to the group 398 during the investment task. To justify this, we explained 399 that we were interested in studying the role of leaders in 400 helping groups to solve investment problems. We told 401 participants that a postgraduate student had been re-402 cruited to act as their leader. This person would monitor 403 via the computer their group's performance to ensure 404 that their group would do well.

405 The leader presented himself to participants via a 406 standard email message. In the *autocratic* leader condi-407 tion, he said:

408 Hi. I will be your group leader during the tasks. In order to en-

409 sure that you win the group bonus, I will automatically remove

410 the start-up money from four of you. I will not consult anyone

411 about my decision, so you will not have a say in whether you 412 make an investment or not. Each time I will simply remove the

412 make an investment or not. Each time I will simply remove the 413 start-up money from four members I choose to make sure your

413 start-up money from four members I choose to make sure your 414 group gets the bonus. After each task the computer will let you

415 know which group members have contributed.

416 In the *democratic leader* condition, the group leader 417 said:

418 Hi. I will be your group leader during the tasks. In order to en-

419 sure that you win the group bonus please let me know whether

420 you are willing to contribute or not. I will then remove contribu-421 tions from four of those who have volunteered. If not enough

421 tions from four of those who have volunteered. If not enough 422 people volunteer, however, I will have to remove the start-up

423 money from someone who has not volunteered, just to make sure

424 four people invest their money. After each task, the computer

425 will let you know which group members have contributed.

## Finally, in the *laissez-faire* condition, the group leader said:

- 428 Hi. I will be your group leader during the tasks. For each task let
- 429 me know whether you are willing to contribute, and I will re-

430 move the start-up money from those of you who have volun-

431 teered. Hopefully, at least four people will make a contribution 432 in each task.

*Investment task and feedback.* After receiving a summary of the instructions, the first investment task began.
It consisted of three trials. Group outcome feedback was
standardized across the autocratic and democratic
leadership conditions. After each trial, the leader re-

ported that four members had made an investment, so 438 the group had won the bonus for that particular trial. 439 The leader also identified those who made an investment, whereby the participant was named in two out of 441 three trials. This is in line with the a priori investment 442 probability that two-third of group members were needed to provide the good in each trial. 444

After the third trial, there was suddenly a computer 445 message from the experimenter. Participants were told 446 that the first task was completed, and that the second 447 task would start soon. They could either stay in the same 448 group or join a *different* group that was working si-449 multaneously on the same two tasks in a different part of 450 the building. They were told that staying would mean 451 working under the same leader again, whereas leaving 452 453 would mean working in a group with no leader.

It was made explicit that *leaving* would *harm* a 454 group's chances of winning the bonus during the trials of 455 the second task, because a minimum of four investors 456 per group was still needed to win. 457

## Dependent measure

Staylexit choice. The staylexit measure consisted of a459single choice "For the second task do you want to stay460in the same group or join the other group? (1 = same461group, 2 = other group)."462

Debriefing

After answering this question, the experiment was, in 464 fact, terminated. Participants were led to a room where 465 they received a thorough debriefing, including the true 466 purpose of the research and the content of the manip-467 ulations. We also checked their knowledge about the 468 experiment. None of the participants was suspicious 469 about the authenticity of the messages they received 470 from the leader, nor could anyone guess what our main 471 472 hypothesis was. Finally, we explained that because people's earnings were affected by the experimental 473 condition they were in, every participant would have an 474 equal chance of winning the raffle. Winners of two £25 475 prizes would be randomly picked from a list of all par-476 ticipants after the entire experiment was over. This lot-477 tery was later held and the prizes were paid. 478

## Results and discussion

We used parametric as well as non-parametric tests to 480 analyze the data from this experiment and the second 481 experiment. In addition to significance tests, we also 482 report the effect sizes; small, medium, or large effect sizes 483 correspond, respectively, to  $\eta^{2}$ 's = .01, .06, and .15 484 (Cohen, 1977). 485

## Manipulation check

To examine the success of the manipulation of leadership style, we asked several questions at the end of the 488

5

458 a 459

463

479

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

489 experiment. First, we checked whether participants re-490 called the leadership information correctly: "What was 491 the procedure for investing in the previous trials?" 492 (1 = the leader decided which one of us contributed)493 without consulting us, 2 = the leader consulted us about whether we wished to contribute, and 3 = we could de-494 495 cide for ourselves whether we wanted to contribute"). 496 All participants correctly recalled this information.

497 We also asked participants to rate their agreement (1 = strongly disagree, 5 = strongly agree) with state-498 499 ments describing the dominance of the leader's style: 500 "During the task the leader made me feel redundant" 501 and "I felt my freedom was being threatened by the 502 leader." Because these ratings were highly correlated, 503 they were averaged to form a single scale ( $\alpha = 0.72$ ). 504 There was an overall effect of leadership style on the scale score, F(2, 84) = 9.40, p < .001 ( $\eta^2 = .18$ ). Post 505 hoc comparisons using Tukey's HSD method revealed 506 507 that members of autocratically led groups found the 508 leader more dominant (M = 3.83, SD = 1.59) than did 509 members of democratically led (M = 3.37, SD = 1.51;510 p < .01), and laissez-faire led groups (M = 2.28, SD =511 1.08; p < .001). Also, the democratic leader was rated 512 as more dominant than the laissez-faire leader (p < .01). Furthermore, the means in the autocratic, t(29) < 1, and 513 514 democratic conditions, t(27) = 1.34, ns, did not differ significantly from the scale midpoint (3), whereas the 515 516 mean in the laissez-faire condition did, t(28) = -5.71, p < .01.517

518 Because these differences were in the expected direc-519 tion, our manipulation of leadership style seemed to be 520 successful.

## 521 Staylexit choice

522 The percentages of participants making a stay/exit 523 choice across the three-leadership conditions were 524 compared in a crosstabs analysis.

525 The exit percentage across the entire sample was 526 17.2%. There were no gender differences in stay/exit 527 choices,  $\chi^2(1, N = 87) < 1$  ( $\eta^2 = .001$ ).

528 A subsequent analysis across the three conditions showed a statistically significant association between 529 exit and leadership style,  $\chi^2(2, N = 87) = 12.64, p < 12.64$ 530 531 .001 ( $\eta^2 = .14$ ).<sup>2</sup> Our main hypothesis was that exiting 532 would occur more often in the autocratic leadership 533 condition than in the other two leadership conditions. 534 To test this hypothesis, we performed three planned comparisons, one contrasting the autocratic condition 535

with the democratic and laissez-faire conditions com-536 bined, one contrasting the autocratic and democratic 537 conditions, and one contrasting the democratic and 538 laissez-faire conditions. In support of our hypothesis, 539 the first contrast was significant-a much greater per-540 centage of members chose the exit option in the auto-541 cratic condition (36.7%; 11 out of 30 members) than in 542 the other conditions combined (7%; 4 out of 57 mem-543 bers),  $\chi^2(1) = 11.59$ , p < .001 ( $\eta^2 = .14$ ). The contrast 544 between the autocratic (36.7%) and democratic condi-545 tions (11%; 3 out of 28 members) was also significant, 546  $\chi^2(1) = 5.33$ , p < .03 ( $\eta^2 = .09$ ). Finally, there was no 547 significant difference between the democratic (11%) and 548 laissez-faire conditions (3.4%; 1 out of 29 members), 549  $\chi^2(1, n \le 57) < 1 \ (\eta^2 = .02).$ 550

The observed levels of exiting, if translated into real 551 group decisions, would have had implications for the 552 autocratically led groups only. On average, these groups 553 would have lost more than one-third of their members 554 (36.7%), a little more than two members on average per 555 group of six. Because each group required at least four 556 members (all contributors) to reach the step-level of the 557 good, a considerable number of autocratically led 558 groups thus would have failed to win the bonus on the 559 second task. 560

# Experiment 2: Why does leadership style affect group 561 stability? 562

Experiment 1 was the first demonstration of an effect 563 of leadership style on group stability. We wanted to 564 replicate this finding in a second experiment and inves-565 tigate possible explanations for the destabilizing effect of 566 autocratic leadership. We used a similar paradigm as in 567 Experiment 1, but with two modifications. First, the 568 569 number of trials per investment task was extended from 3 to 8 to give participants more opportunities to interact 570 with and form impressions of the group leader. The 571 second modification concerned the exit option. In Ex-572 periment 2, participants knew from the start that there 573 was another group working elsewhere in the laboratory. 574 575 We believed that this information would help participants to make a stay/exit decision later on in the ex-576 periment. Hence, before the first investment task began, 577 we told the six members of each group that we would 578 579 randomly form two groups of three members each. To maintain comparability between the two experiments, 580 the size of the good and the provision point were exactly 581 the same as before (a £5 bonus per member if two-third 582 of the group members invested). 583

Individuals were (ostensibly) randomly assigned to 584 one of the two smaller groups at the beginning of the 585 experiment. One of those groups had a leader assigned 586 to it. In fact, participants were always "assigned" to the 587 group with the leader. As in Experiment 1, individuals 588

<sup>&</sup>lt;sup>2</sup> The individual rather than the group was the unit of analysis in these experiments. This seemed justified because there was no real interaction among the six participants in each group session. Nevertheless, we checked (see Kenny, Kashy, & Bolger, 1998) for possible non-independence effects by including group (n = 15) as a factor in the analysis. There was no effect for this factor,  $\chi^2(14, N = 87) = 13.65$ , p = .48 ( $\eta^2 = .02$ ).

DISK / 9/5/03 / Angai(CE)/ Rajesh(TE)

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

589 were given an opportunity to switch groups at the end of 590 the first investment task

591 The main objective of Experiment 2 was to search for 592 a viable explanation for the effect of leadership style on 593 group stability. We thought that the influence of an 594 autocratic leadership style could be due to either the 595 distributive (outcome) or the procedural aspects of such 596 leadership. According to distributive theories of lead-597 ership (Bass, 1990; Hollander, 1985; Thibaut & Kelley, 598 1959), leaders are primarily evaluated in terms of the 599 favorability and fairness of outcomes that they produce for group members. In public good dilemmas, the best 600 601 possible individual outcome is free-riding (Komorita & 602 Parks, 1994), but an autocratic leader could well prevent 603 people from receiving that outcome, unlike a democratic 604 or laissez-faire leader, who would give people some de-605 cisional freedom. From a distributive viewpoint, group 606 members should thus be more keen to leave an auto-607 cratically led group, because they would receive (or ex-608 pect to receive) unfavorable personal outcomes. We will 609 refer to this as the *distributive* hypothesis.

610 Alternatively, there may be *procedural* reasons why 611 group members want to exit an autocratically led group (Thibaut & Walker, 1975; Tyler & Smith, 1998). Under 612autocratic leadership, group members have neither di-613 614 rect (decision) control nor indirect (process) control over 615 the decision-making process. Autocratic leaders do not allow members to have input into their decisions, nor do 616 617 they consult them before they make a decision. Con-618 versely, democratic leaders provide members with considerable process control (consultative leaders) and 619 some decision control (participative leaders). Finally, 620 621 laissez-faire leaders provide members with a lot of both 622 decision and process control. Researchers have consis-623 tently shown the importance of procedural issues in the endorsement of leadership (for a recent overview, see 624 625 Tyler & Smith, 1998). Some studies have shown that the 626 quality of procedures can be more important than the 627 quality of outcomes in that endorsement (e.g., Tyler, 628 2000). This leads to an alternative prediction regarding 629 autocratic leadership as a destabilizing force in public 630 goods: Group members may exit groups with automatic 631 leaders out of frustration with the procedural aspects of 632 that leadership style. We will refer to this as the proce-633 dural hypothesis.

634 It is also possible that distributive and procedural 635 factors combine to produce the destabilizing influence of 636 autocratic leadership on groups during public good di-637 lemmas (Brockner & Wiesenfeld, 1996). Perhaps group 638 members are more keen to exit an autocratically led 639 group when they also receive unfavorable personal 640 outcomes. However, they may be encouraged to stay 641 when those outcomes are more favorable. We shall refer 642 to this as the *interaction* hypothesis.

To explore these issues, we added an extra factor to our paradigm. Participants were supervised by an autocratic or democratic (consultative) leader, and their 645 endowment was used either very frequently (low out-646 come favorability) or very rarely (high outcome favor-647 648 ability) by the leader during the investment task. If the distributive hypothesis is correct, then more people 649 should exit their group in the low than in the high 650 outcome favorability condition, and this effect should be 651 652 independent of leadership style. In contrast, if the procedural hypothesis is correct, then more people should 653 exit their group under autocratic leadership than under 654 democratic leadership, and this effect should be inde-655 656 pendent of outcome favorability. Finally, the interaction hypothesis suggests that outcome favorability should 657 have a greater influence on stay/exit decisions under an 658 autocratic leader (with unfavorable procedures) than 659 under a democratic leader (with favorable procedures). 660 To further explore these issues, we also asked group 661 members after the experiment about their reasons for 662 663 staying or exiting.

In Experiment 2, the laissez-faire leadership style was 664 used as a control condition, because it was impossible to 665 manipulate outcome favorability in this condition (ev-666 eryone is free to decide whether they want to invest or 667 not when the group has a laissez-faire leader). Further-668 more, we introduced a design improvement in Experi-669 ment 2. To enhance comparability among the leadership 670 conditions, we gave the same bogus outcome feedback in 671 the laissez-faire condition as in the democratic and au-672 tocratic conditions—on every trial, every group reached 673 the level of contributions needed to win the bonus. 674

## Method

## Design and participants

One hundred and twenty six undergraduate students 677 (97 women and 29 men) from an English University 678 participated to fulfill their course requirements. Their 679 ages ranged from 18 to 45, with an average of 21.2 years. 680 Each participant was randomly assigned to one of four 681 experimental conditions, following a 2 (leadership style: 682 autocratic vs. democratic) by 2 (outcome favorability: 683 high vs. low) design. In addition, we added a fifth, 684 laissez-faire leadership style condition to the design. 685 Each of the conditions contained between 24 and 26 686 687 participants.

## Procedure

Twenty-one group sessions were run. The procedures 689 were similar to those used in Experiment 1, with a few 690 exceptions. Before the first task, each participant was 691 assigned to one of two three-person groups, A or B, and 692 told that a leader would be assigned at random to one of 693 the groups. In reality, every participant was assigned to 694 group A, which always had the leader. 695

Next, participants were told that they would be 696 performing two investment tasks within their group, 697

7

675

676

778

786

787

8

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

698 each consisting of about 10 trials. The first task ac-699 tually consisted of eight trials. On each trial, all group 700 members received an endowment of £3. To win the 701 bonus of £5 per member, a minimum of two out of 702 three group members had to invest their endowments. 703 As in Experiment 1, participants were told that they 704 would not actually receive the money they won. 705 Instead, that money would determine the number 706 of lottery tickets they received for a raffle (with 707 various cash prizes), to be held at the end of the 708 experiment.

709 Manipulation of leadership style. The leadership style 710 manipulation was the same as the one employed before. 711 Participants had a leader who (a) invested the endow-712 ments from two out of three group members, without 713 any form of consultation about who would make those 714 investments (autocratic condition), or (b) consulted with 715 members about who would make investments (demo-716 cratic condition), or (c) left if up to members to decide 717 whether they wished to invest or not (laissez-faire condition). The same messages that we used in Experiment 718 719 1 were used again.

720 Manipulation of outcome favorability. Across all 721 three leadership conditions, group outcome feedback was standardized-the group always won the bonus. 722 723 In the autocratic and democratic conditions, however, 724 individual outcome feedback was manipulated. This 725 new factor was crossed with the two leadership conditions. In the low outcome favorability condition, 726 727 each participant's endowment of £3 was used in six 728 out of eight trials by the leader, which exceeds the 729 probability of being selected by chance. In contrast, in the high outcome favorability condition, each partici-730 731 pant's endowment was used in just two out of eight 732 trials, which is well below the probability of being 733 selected by chance. Thus, participants were individu-734 ally much better off (four times £3 equals £12) in the 735 high outcome favorability condition (expected payoff: 736  $\pounds$ 34) than in the low outcome favorability condition (expected payoff: £22). In neither of these conditions 737 did the leader justify his or her selection of endow-738 ments. We felt that any justification might influence 739 740 stay/exit decisions in an unpredictable way. For ex-741 ample, if the leader said that the selection of endow-742 ments was due to chance or to effort, then some 743 people might not have believed the feedback (Bies & 744 Shapiro, 1988).

745 After the first task was completed, participants re-746 ceived an email message from the experimenter. They 747 were told that they could either stay in group A or join 748 group B for the second task, which both groups would 749 be performing at the same time. Staying would mean 750 working under the same leader, whereas leaving would 751 mean working in a leaderless group. As in Experiment 1, 752 we made the consequences of exiting a group clear. By leaving, participants would harm a group's chances of 753

winning the bonus, because a minimum of two contributors per group was still needed to win. 755

#### Dependent measures

Staylexit choice. The staylexit measure consisted of a 757 single choice: "For the forthcoming task do you want to 758 stay in this group or move to the other group  $(1 = \text{stay}, 759 \ 2 = \text{move})$ ?" 760

Reasons for staying vs. exiting. After they made this 761 choice, we asked participants to rate their agreement 762 763 (1 = strongly disagree, 7 = strongly agree) with eight reasons for why they chose to stay or exit the group. 764 Four statements addressed satisfaction with the dis-765 tributive aspects of the leadership styles: "I chose this 766 option because I was satisfied with the outcomes I re-767 ceived from the leader," "I considered the outcomes I 768 received to be fair," "The leader harmed my personal 769 interests," (reversely coded), and "This leader helped 770 me to increase my income." Another four statements 771 addressed satisfaction with the *procedural* aspects of the 772 leadership styles (adapted from Tyler & Lind, 1992): "I 773 was able to influence the decisions of the leader," "This 774 leader acted in a procedurally fair way," "The leader 775 treated us with respect," and "The leader was honest 776 and trustworthy." 777

## Debriefing

The debriefing procedure was the same as in Experiment 1. Again, we found no evidence that participants 780 were suspicious about the authenticity of the email 781 messages they received from the leader, and no one 782 could guess our research hypothesis. The same lottery 783 procedures used in the first experiment were again described to participants and later used. 785

## Results and discussion

## Manipulation checks

Leadership style. To examine the success of the ma-788 nipulation of leadership style, we again asked partici-789 pants: "What was the procedure for making investments 790 in the previous task?" (1 =the leader decided which one 791 of us contributed without consulting us, 2 = the leader 792 consulted us about whether we wished to contribute, 793 794 and 3 = we could decide). All 126 participants recalled 795 this information correctly.

As before, we also asked participants to rate their 796 opinion (1 = not at all and 7 = extremely so) about 797 statements describing the leadership style: "To what 798 extent did the group leader make you feel redundant?" 799 "To what extent did the leader decide what should be 800 done and how it should be done?" "To what extent 801 did the leader allowed group members complete free-802 dom in their decisions" (reversely coded), and "To 803 what extent did you find the leader was bossy or 804 dominating." 805

DISK / 9/5/03 / Angai(CE)/ Rajesh(TE)

## M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

806 These scores were averaged to create a single domi-807 nance scale ( $\alpha = 0.80$ ), and subjected to a one-way ANOVA involving the three leadership conditions 808 (collapsing across the two outcome favorability condi-809 810 tions). This test was significant, F(2, 123) = 90.01,  $p < .001 \ (\eta^2 = .32)$ . Post hoc comparisons using Tu-811 812 key's HSD method revealed that the autocratic leader 813 (M = 5.86, SD = 0.98) was indeed considered to be more dominant than either the democratic (M = 4.04,814 SD = 1.06; p < .001) or the laissez-faire leader 815 (M = 2.75, SD = 0.95; p < .001). The democratic and 816 laissez-faire leaders also differed significantly from each 817 818 other (p < .001). Finally, as expected, the autocratic, t(49) = 13.35, p < .001, and laissez-fair leaders' ratings, 819 820 t(24) = -6.60, p < .001, differed significantly from the midpoint of the judgment scale (4), whereas the demo-821 822 cratic leader's ratings did not, t(50) < 1.

823 Finally, we conducted a 2 (leadership style: autocratic 824 vs. democratic) by 2 (outcome favorability: high vs. low) 825 ANOVA to see if leader ratings were influenced by the favorability of outcomes. This analysis revealed a sig-826 827 nificant main effect for Leadership Style, F(1,97) =828 68.27, p < .001 ( $\eta^2 = .17$ ). But the Outcome Favorability main effect and the Leadership Style × Outcome 829 Favorability interaction were not significant (both 830 831 F's < 1; both  $\eta^2$ 's = .001). Thus, it appears that the leadership manipulation was indeed successful. 832

Outcome favorability. We asked participants how
many times their endowments were used by the leader.
In the high and low outcome favorability conditions, all
participants recalled this information correctly (depending upon the condition, the correct answer was in
either "two" or "six out of eight trials").

### 839 Staylexit choice

The exit percentage across the sample was 25.4%. As
in Experiment 1, there were no gender differences in this
behavior.

843 The percentages of participants making a stay/exit 844 choice in each of the three leadership conditions (collapsed across the two outcome favorability-conditions) 845 846 were compared in a crosstabs analysis, as in Experiment 1. 847 This analysis showed a statistically significant association 848 between leadership style and exit,  $\chi^2(2, N = 126) =$ 9.61,  $p < .01 \ (\eta^2 = .08)$ .<sup>3</sup> Again, we conducted three 849 planned comparisons. The first comparison contrasted 850 851 the autocratic condition with the other two leadership 852 conditions. As in Experiment 1, this contrast was signifi-853 cant. A much greater percentage of members chose the exit option (40%; 20 out of 50 members) in the autocratic 854

condition than in the other two conditions combined 855 (15.8%; 12 out of 76 members),  $\chi^2(1, N = 126) = 9.33$ , 856 p < .01 ( $\eta^2 = .32$ ). The contrast between the autocratic 857 (40%) and democratic conditions (17.6%; 9 out of 51 858 members) was also significant,  $\chi^2(1, N = 101) = 6.16$ , 859 p < .02 ( $\eta^2 = .06$ ). Finally, there was no significant dif-860 ference between the democratic and laissez-faire condi-861 tions (17.6% and 12%; 3 out of 25 members), 862  $\chi^2(1, n = 76) < 1 \ (\eta^2 = .005).$ 863

As in Experiment 1, the observed levels of exiting, if 864 extrapolated to real groups, would have had implica-865 tions for groups with autocratic leaders only. On aver-866 age, these groups would have lost more than one 867 member per group of three (40% exit). Many of these 868 groups thus would have failed to win the bonus on the 869 second task, because each group needed contributions 870 from at least two members to win. 871

872 Can the destablizing influence of autocratic leaders be attributed to the distributive or the procedural as-873 pects of that leadership style (or maybe to a combi-874 nation of those factors)? A logistic regression analysis 875 was used to study the combined impact of leadership 876 style (autocratic vs. democratic) and outcome favor-877 ability (low vs. high) on participants' stay/exit choices. 878 According to the distributive hypothesis, we would 879 expect only a main effect of outcome favorability: 880 Members are more likely to exit when the outcomes 881 associated with a group leader are personally unfa-882 vorable, regardless of that leader's style. In contrast, 883 the procedural hypothesis would predict a main effect 884 of leadership style, independent of outcome favorabil-885 ity. Finally, the interaction hypothesis would predict 886 an interaction between leadership style and outcome 887 888 favorability.

We found a marginally significant main effect for 889 Outcome Favorability,  $\chi^2(1) = 3.37$ , p < .07 ( $\eta^2 = .03$ ). 890 As expected, more people exited when outcomes were 891 unfavorable (36.5%) than when outcomes were favor-892 able (20.4%). There was also a significant main effect 893 for Leadership Style,  $\chi^2(1, n = 101) = 6.40, p < .015$ 894  $(\eta^2 = .06)$ . As noted earlier, more people exited in the 895 autocratic condition (40%) than in the democratic con-896 dition (17.6%). Finally, the Leadership Style  $\times$  Outcome 897 Favorability interaction was not significant,  $\chi^2(1) < 1$ 898  $(\eta^2 = .001)$ . Thus, the effect of leadership style was not 899 dependent upon whether group members received fa-900 vorable or unfavorable personal outcomes from the 901 902 group leader.

## Reasons for staying versus exiting

We also investigated the reasons for group members' 904 decisions to stay or leave by analyzing their ratings of 905 the eight reasons described earlier. These were subdivided into two sets of four reasons each, namely distributive reasons and procedural reasons. We averaged 908 the responses to each set of four reasons to create two 909

<sup>&</sup>lt;sup>3</sup> As in Experiment 1, we checked for possible non-independence by including group (n = 21) as a factor in the analysis. Again, there was no effect for this factor,  $\chi^2(20, N = 126) = 19.08$ , p = .52 ( $\eta^2 = .01$ ), suggesting that there was no influence of the particular group session that participants attended.

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

910 separate scales, *outcome satisfaction* and *procedural* 911 *satisfaction*. Both the outcome and procedural satisfac-912 tion scales were internally consistent (respective 913  $\alpha$ 's = 0.81 and 0.77) and the interscale correlation was 914 modest (r = .31), albeit significant (p < .001).

DISK / 9/5/03 / Angai(CE)/ Rajesh(TE)

915 There were clear differences in outcome and proce-916 dural satisfaction depending on whether group members 917 decided to exit the group or not, F's(1, 124) = 24.72 and 918 23.08, both *p*'s < .001 ( $\eta^2$ 's = .20 and .17). Exiters were 919 less satisfied than stayers with the outcomes (M's = 4.05 920 vs. 5.10, SD's = 1.10 and 1.02) and procedures 921 (M's = 2.91 vs. 4.34, SD's = 1.44 and 1.46) associated 922 with their leaders.

923 Scores on the satisfaction scales were also analyzed in 924 separate 2 (leadership style: autocratic vs. democratic) 925 by 2 (outcome favorability: high vs. low) ANOVAs. For 926 outcome satisfaction, we found only a significant main 927 effect for Outcome Favorability, F(1,97) = 12.05, p <928 .001 ( $\eta^2 = .11$ ), but no Leadership Style main effect, 929  $F's(1,97) < 1 \ (\eta^2 s < .01)$  and no Leadership Style  $\times$ Outcome Favorability interaction, F's(1,97) < 1930 931  $(\eta^{2}$ 's < .01). Group members were more dissatisfied 932 when their outcomes were unfavorable (M = 4.56,933 SD = 1.12) rather than favorable (M = 5.30, SD =934 0.99), although in both conditions, satisfaction was 935 reasonably high (compared to the scale midpoint; 936 t's(51, 48) = 3.61 and 9.19, both p's < .01).

937 For procedural satisfaction, only the main effect of 938 Leadership Style was significant, F(1,97) = 24.16, p <939 .001 ( $\eta^2 = .20$ ). Group members were more dissatisfied 940 with procedures in the autocratic leadership condition 941 (M = 3.01, SD = 1.09) than in the democratic leader-942 ship condition (M = 4.08, SD = 1.17). Only the first 943 mean differed significantly from the scale midpoint, 944 t(49) = -6.42, p < .001. There was no main effect for 945 Outcome Favorability, F(1,97) < 1 ( $\eta^2 < .01$ ), and no 946 Leadership Style × Outcome Favorability interaction, 947  $F's(1,97) < 1 \ (\eta^2 < .01).$ 

948 Finally, we performed an analysis to see whether 949 procedural satisfaction would mediate the effects of 950 leadership style on stay/exit choices. This was a logistic 951 regression with leadership style and outcome favorabil-952 ity as predictors and procedural satisfaction as the co-953 variate. This analysis revealed a significant effect of 954 procedural satisfaction on stay/exit decisions,  $\chi^2(1) =$ 13.84, p < .001, but the main effect of leadership style 955 956 was no longer significant,  $\chi^2(1) = 0.70$ , p = .42 (in the 957 original analysis:  $\chi^2(1) = 6.40$ , p < .015), whereas the outcome favorability effect,  $\chi^2(1) = 2.32$ , ns (in the ori-958 959 ginal analysis:  $\chi^2(1) = 3.37$ , p < .07) and the interaction 960 between leadership style and outcome favorability, 961  $\chi^2(1) < 1$ , remained virtually the same. These results are 962 consistent with the idea that procedural concerns un-963 derlie the effects of leadership style, although they should 964 be interpreted with caution, given that the reasons were 965 rated after the stay/exit choices were made.

## General discussion

Autocratic leadership is regarded by many analysts as 967 the most efficient solution to group conflicts involving the 968 distribution of scarce resources or the provision of public 969 goods (see Hardin, 1968; Hobbes, 1651/1939; Messick & 970 Brewer, 1983; Olson, 1965; Yamagishi, 1986). The aim of 971 our research was to challenge this view by studying the 972 longer-term consequences of an autocratic style of lead-973 ership. We hypothesized that autocratic leaders would 974 threaten group stability by provoking members to exit 975 the group, thus removing vital resources from it. 976

Individuals worked together in small, computer-med-977 iated groups on a step-level public good task under the 978 supervision of either an autocratic, democratic, or laissez-979 980 faire leader. In the autocratic and democratic conditions, participants received bogus success feedback, whereas in 981 982 the laissez-faire condition either bogus success feedback (Experiment 2) or no outcome feedback (Experiment 1) 983 984 was given. After engaging in an investment task, each group member was given an opportunity to leave the 985 group and join a different group for a subsequent task. 986

Perhaps because their groups were successful, more 987 988 people choose to stay in their groups, rather than leave. But in both experiments, just as we predicted, people in 989 the autocratic conditions were more likely to choose the 990 exit option than were people in the other leadership 991 conditions. In fact, the proportion of exiters in the au-992 tocratic condition was so high that many groups would 993 have failed, because they lost the critical number of 994 995 group members needed to produce the good. These findings show that autocratic leadership is not a viable 996 997 solution to the provision and maintenance of step-level public goods, at least in groups with permeable 998 999 boundaries (Ziller, 1965).

## Autocratic leadership: A threat to group stability 1000

Why does leadership style affect group stability? In 1001 Experiment 2, we tested a distributive versus procedural 1002 explanation for the destabilizing influence of autocratic 1003 leadership. We found that when group members re-1004 ceived favorable personal outcomes from their leader, 1005 they were less likely to exit than when their outcomes 1006 were unfavorable. Although this effect was only mar-1007 ginally significant, it shows that group stability is, at 1008 least partly influenced by the capability of leaders to 1009 provide favorable outcomes for group members. 1010

That is not the whole story, however, because the 1011 influence of leadership style on group members' stay/exit 1012 choices did not interact with the favorability of out-1013 comes, suggesting that other factors affected how 1014 members responded to an autocratic leader. Analyses of 1015 the reasons that members gave for their stay/exit choices 1016 were consistent with a procedural explanation for the 1017 destabilizing influence of autocratic leadership: Under 1018

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

1019 an autocratic leader, group members were unhappy 1020 about the amount of control they could exercise over the 1021 decision-making process.

1022 This procedural account reflects the leadership litera-1023 ture, which argues that the primary difference between 1024 autocratic and democratic (consultative) leadership lies in 1025 the amount of control that group members have over the 1026 decision-making process (Bass, 1990; Yukl, 1989). Re-1027 searchers have found that process control is often more 1028 important for the endorsement of leadership than deci-1029 sion control, and that process control is valued even when 1030 it does not influence decision control (Tyler, Rasinski, & 1031 Spodick, 1985). The procedural explanation is also con-1032 sistent with theoretical work on the exit-voice hypothesis 1033 (Hirschman, 1970), which suggests that there is a trade-off 1034 in the use of exit and voice among dissatisfied group 1035 members. If opportunities to voice their concerns are 1036 lacking, then group members will resort to exit, and if exit 1037 opportunities are absent, then they will resort to voice.

1038 Our experiments revealed no systematic difference in 1039 exit behaviors between the democratic and laissez-faire 1040 leadership conditions. Group members had more deci-1041 sion control under a laissez-faire leader than under a 1042 democratic leader, but this did not produce a different 1043 exit rate. This suggests again that group members were 1044 primarily focused on the procedural rather than the 1045 distributive qualities of different leadership styles.

1046 Two alternative motives may underlie the importance 1047 of procedural concerns in reactions to different leadership 1048 styles (Tyler & Smith, 1998), and these need to be explored 1049 in future research. First, based on a notion of extended 1050 self-interest, group members may prefer to stay in a group 1051 with a democratic rather than autocratic leader, because 1052 having some input into the decision-making process may 1053 lead to better personal outcomes in the long-run than 1054 having no input at all (Thibaut & Walker, 1975). Second, 1055 the group-value model (Tyler & Lind, 1992) should be 1056 considered. Inspired by social identity theory (Tajfel & 1057 Turner, 1978), this model argues that a leadership style communicates important relational information to the 1058 1059 group. In contrast to an autocratic style, a democratic 1060 style leader conveys to group members that their input is 1061 appreciated, and that they are respected members of their 1062 group. People may thus believe that group membership is 1063 more worthwhile under a democratic rather than an au-1064 tocratic leader whether or not they receive favorable 1065 personal outcomes. Future research should make an ef-1066 fort to learn which of these two motives accounts for the 1067 destabilizing influence of autocratic leadership style, perhaps by manipulating members' identification with 1068 1069 their group (Van Vugt & De Cremer, 1999).

## 1070 Strengths, limitations, and implications

1071 Before closing we wish to note some limitations and a 1072 strength of our research. An apparent limitation of our research involves the bogus success feedback that par-1073 1074 ticipants received about the provision of the good. In the autocratic and democratic conditions, as well as the 1075 1076 laissez-faire condition in Experiment 2, every group was successful at providing the good. This may explain why 1077 1078 more group members chose to stay in their group than exit. But, the fact that exiting occurred more frequently 1079 1080 under autocratic leaders, even when they were successful at producing the good, illustrates the strong resistance 1081 against this leadership style. An aversion to autocratic 1082 leadership has also been found in other studies (Nielsen 1083 & Miller, 1997; Peterson, 1997; Rutte & Wilke, 1985; 1084 Samuelson, 1993; Van Vugt & De Cremer, 1999). For 1085 example, in a group decision making study, Nielsen and 1086 Miller (1997) found that groups that began with a dic-1087 1088 tatorial decision rule nearly always reverted to a democratic rule, regardless of how well or poorly they were 1089 1090 performing. However, we should be careful in assuming that the resistance against autocratic leadership is uni-1091 versal, because most research on leadership (including 1092 ours) has been conducted with samples from Western 1093 democratic societies (cf. Bass, 1990). 1094

A second limitation involves our manipulation of 1095 leadership style. Recall that the leader in our experi-1096 1097 ments was somebody from outside the group who was assigned to lead on an unclear basis, rather than being 1098 1099 elected by group members or appointed on the basis of particular leadership skills. Leaders are presumably 1100 more legitimate sources of influence under the latter 1101 conditions (Hollander & Julian, 1970; Van Vugt & De 1102 Cremer, 1999). Fewer members might have exited the 1103 autocratically led groups if their leaders had been elected 1104 or appointed on merit. 1105

Furthermore, based upon the leadership literature 1106 (Bass, 1990; Cartwright & Zander, 1953; Lewin et al., 1107 1939; Yukl, 1989), we chose to compare three different 1108 leadership styles, two of which were fairly extreme (au-1109 tocratic and laissez-faire styles) and a third (a demo-1110 cratic style) that tended more towards the autocratic 1111 than the laissez-faire style. In natural groups, leaders 1112 may adopt a more flexible leadership style, sometimes 1113 open and democratic and at other times more distant 1114 and authoritarian. Further research should examine the 1115 impact of having a leader with a hybrid leadership style 1116 on exit behaviors, using both laboratory groups and 1117 natural groups. 1118

1119 A final limitation concerns our operationalization of group stability. We focused exclusively on the effects of 1120 members exiting their groups. We did so because stay/ 1121 exit decisions have an immediate impact on group per-1122 formance in step-level tasks. However, it would also be 1123 interesting to explore the role of leadership style in the 1124 recruitment of newcomers to groups (cf. Orbell & 1125 Dawes, 1993). It may be that autocratic leadership is a 1126 "double whammy" for groups, because autocratic 1127 leaders are poor at both retaining members and at-1128

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

1129 tracting new members to replace them. Groups led by 1130 such persons may thus be very unstable, even more so than we have shown here. 1131

DISK / 9/5/03 / Angai(CE)/ Rajesh(TE)

1132 A strength of our research is its focus on membership 1133 stability within a social dilemma context. Social di-1134 lemma research has largely ignored membership dy-1135 namics by studying cooperation within closed groups 1136 only (for exceptions, see Orbell et al., 1984; Yamagishi, 1137 1988). Most natural groups, however, are open systems 1138 involved in continuous exchanges with their environ-1139 ment. These groups must try to preserve some degree of 1140 stability to survive (Arrow et al., 2000). Our research 1141 indicates that the presence of an attractive rival group 1142 can threaten the group's existence (cf. Levine et al., 1143 1998). The use of a step-level task, which requires a 1144 minimum number of contributors, enabled us to dem-1145 onstrate this convincingly.

1146 A final issue concerns some implications of our re-1147 search for public good dilemmas in the real world. In 1148 light of our findings, we believe that an autocratic style 1149 of leadership is not a viable long-term solution to social 1150 dilemmas, at least in open group settings. An autocratic 1151 leader in an open group may not be able to secure the 1152 welfare of the group in the long run, because group 1153 members will be tempted to leave the group. To ensure 1154 that there are always enough members, such a leader 1155 could decide to close the boundaries of the group, either 1156 psychologically via threats and sanctions (Kerr, 1999), 1157 or even physically (like the Berlin Wall; Hirschman, 1158 1970). Yet these practices may not be feasible or socially 1159 desirable among groups operating within Western 1160 democratic traditions. To preserve group stability, an 1161 autocratic leader may thus be forced to give group 1162 members input into the decision-making process, perhaps by adopting a democratic or laissez-faire leadership 1163 1164 style.

## 1165 Uncited references

1166 Baron and Kenny (1986), Lind, Kanfer, and Earley 1167 (1990).

## 1168 Acknowledgments

1169 The authors thank John Levine, Dick Moreland, and 1170 Tim Wildschut for their helpful comments on drafts of 1171 this paper.

## 1172 References

- 1173 Arrow, H., & McGrath, J. E. (1995). Membership dynamics in groups
- 1174 at work. A theoretical framework. In B. M. Staw, & L. L.

Cummings (Eds.), Research in organizational behavior: Vol. 17 (pp. 11751176 373-411). Greenwich, CT: JAI.

- 1177 Arrow, H., McGrath, J. E., & Berdahl, J. L. (2000). Small groups as complex systems. London: Sage. 1178
- 1179 Arrow, K. J. (1951). Social choices and individual values. New Haven, 1180 CT: Yale University Press.
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator 1181 1182 distinction in social-psychological research: Conceptual, strategic, 1183 and statistical consideration. Journal of Personality and Social Psychology, 51, 1173-1182. 1184
- Bass, B. M. (1990). Bass and Stogdill's handbook of leadership: Theory, 1185 research and management applications (3rd ed.). New York: Free 1186 1187 Press.
- 1188 Bies, R. J., & Shapiro, D. L. (1988). Voice and justification: Their influence on procedural fairness judgments. Academy of Manage-1189 1190 ment Journal, 31, 676-685.
- 1191 Brockner, J., Tyler, T. R., & Cooper-Schneider, R. (1992). The influence of prior commitment to an institution on reactions to 1192 perceived unfairness: The higher they are, the harder they fall. 1193 1194 Administrative Science Quarterly, 37, 241–261. 1195
- Carley, K. M. (1991). A theory of group stability. American Sociological Review, 56, 331-334. 1196
- 1197 Cartwright, D., & Zander, A. (1953). Group dynamics. New York: 1198 Row, Peterson, and Company.
- 1199 Cohen, J. (1977). Statistical power analysis for the behavioral sciences. 1200 New York: Academic Press.
- 1201 Dawes, R. M. (1980). Social dilemmas. Annual Review of Psychology, 31, 169–193. 1202
- 1203 Farrell, D. (1983). Exit, voice, loyalty, and neglect as responses to job 1204 dissatisfaction: A multidimensional scaling study. Academy of 1205 Management Journal, 26, 596-607.
- Foddy, M., & Crettenden, A. (1994). Leadership and group identity as 1206 1207 determinants of resource consumption in a social dilemma. In U. 1208 Schulz, W. Albers, & U. Mueller (Eds.), Social dilemmas and cooperation (pp. 207–232). Berlin: Springer. 1209
- Folger, R. (1977). Distributive and procedural justice. Combined 1210 1211 impact of voice and improvement on experienced inequity. Journal 1212 of Personality and Social Psychology, 35, 108-119.
- French, J. R. P., & Raven, B. (1959). The bases of social power. In D. 1213 1214 Cartwright (Ed.), Studies in social power (pp. 118-149). Ann Arbor: 1215 University of Michigan, Research Center Group.
- Hackman, J. R. (1990). Groups that work (and those that don't). San 1216 Fransisco: Jossev-Bass. 1217 1218
- Hardin, G. (1968). The tragedy of the commons. Science, 162, 1243-1248. 1219
- 1220 Hollander, E. P. (1985). Leadership and power. In G. Lindzey, & E. 1221 Aronson (Eds.), The handbook of social psychology (3rd ed., Vol. 2, pp. 485-537). New York: Random House. 1222 1223

Hobbes, T. (1651/1939). Leviathan. New York: Modern Library.

Kenny, D. A., Kashy, D. A., & Bolger, N. (1998). Data analysis in social psychology. In D. Gilbert, S. Fiske, & G. Lindzey (Eds.), The 1225 handbook of social psychology (4th ed., Vol. 1, pp. 233-265). Boston, MA: McGraw-Hill.

1224

1226

- 1228 Kerr, N. L. (1999). Anonimity and social control in social dilemmas. In 1229 M. Foddy, M. Smithson, S. Schneider, & M. Hogg (Eds.), 1230 Resolving social dilemmas (pp. 103-120). Philadelphia: Psychology Press. 1231 1232
- Komorita, S. S., & Parks, C. D. (1994). Social dilemmas. Dubuque, IA: 1233 Brown & Benchmark.
- Levine, J. M., & Moreland, R. L. (1998). Small groups. In D. 1234 1235 Gilbert, S. T. Fiske, & G. Lindzey (Eds.), The handbook of social 1236 psychology (4th ed., Vol. 2, pp. 415-469). New York: McGraw-1237 Hill.
- 1238 Levine, J. M., Moreland, R. L., & Ryan, C. (1998). Group sociali-1239 zation and intergroup relations. In C. Sedikides, J. Schopler, & C. Insko (Eds.), Intergroup cognition and intergroup behavior (pp. 283-1240 1241 308). Mahwah, NJ: Lawrence Erlbaum.

M. V. Vugt et al. | Journal of Experimental Social Psychology xxx (2003) xxx-xxx

- 1242 Lewin, K., Lippit, R., & White, R. K. (1939). Patterns of aggressive behavior in experimentally created social climates. *Journal of Social Psychology*, 10, 171–199.
- 1245 Ley, R. (1966). Labor turnover as a function of worker differences, 1246 work environment, and authoritarianism of foremen. *Journal of* 1247 *Applied Psychology*, 50, 497–500.
- Lind, E. A., Kanfer, R., & Earley, P. C. (1990). Voice, control, and procedural justice: Instrumental and noninstrumental concerns in fairness judgments. *Journal of Personality and Social Psychology*, 59, 952–959.
- Messick, D. M., & Brewer, M. B. (1983). Solving social dilemmas: A review. In L. Wheeler, & P. Shaver (Eds.), *Review of personality and social psychology: Vol. 4* (pp. 11–44). Beverly Hills, CA: Sage.
- Messick, D. M., Wilke, H. A. M., Brewer, M. B., Kramer, R. M.,
  Zemke, P. E., & Lui, L. (1983). Individual adaptations and
  structural change as solutions to social dilemmas. *Journal of Personality and Social Psychology*, 44, 294–309.
- Moreland, R. L. (1999). Transactive memory: Learning who knows
  what in work groups and organizations. In L. Thompson, D.
  Messick, & J. Levine (Eds.), *Shared cognition in organizations: The management of knowledge* (pp. 3–31). New York: Lawrence
  Erlbaum.
- Moreland, R. L., & Levine, J. M. (1982). Socialization in small groups:
  Temporal changes in individual-group relations. In L. Berkowitz
  (Ed.), Advances in experimental social psychology: Vol. 15 (pp. 137– 192). New York: Academic Press.
- Nielsen, M. E., & Miller, C. E. (1997). The transmission of norms regarding group rules. *Personality and Social Psychology Bulletin*, 23, 516–525.
- 1271 Olson, M. (1965). *The logic of collective action: Public goods and the* 1272 *theory of groups.* Cambridge, MA: Harvard University Press.
- 1273 Orbell, J. M., & Dawes, R. M. (1993). Social welfare, cooperators' advantage and the option of not playing the game. *American Sociological Review*, 58, 787–800.
- 1276 Orbell, J. M., Schwartz-Sea, P., & Simmons, R. T. (1984). Do
   1277 cooperators exit more readily than defectors? *American Political Science Review*, 78, 147–162.
- Peterson, R. S. (1997). A directive leadership style in group decisionmaking can be both virtue and vice: Evidence from elite and
  experimental groups. *Journal of Personality and Social Psychology*,
  72, 1107–1121.
- Rusbult, C. E., & Lowery, D. (1985). When bureaucrats get the blues:
   Responses to dissatisfaction among federal employees. *Journal of Applied Social Psychology*, *15*, 80–103.
- 1286 Rutte, C. G., & Wilke, H. A. M. (1984). Social dilemmas and 1287 leadership. *European Journal of Social Psychology*, 14, 294–309.
- Rutte, C. G., & Wilke, H. A. M. (1985). Preference for decision structures in a social dilemma situation. *European Journal of Social Psychology*, 15, 367–370.
- 1291 Samuelson, C. D. (1991). Perceived task difficulty, causal attributions,
  1292 and preferences for structural change in resource dilemmas.
  1293 Personality and Social Psychology Bulletin, 17, 181–187.
- 1294 Samuelson, C. D. (1993). A multivariate evaluation approach to 1295 structural change in resource dilemmas. Organizational Behavior 1296 and Human Decision Processes, 55, 298–324.
- 1297 Samuelson, C. D., & Messick, D. M. (1986). Inequities in access to and
  1298 use of shared resources in social dilemmas. *Journal of Personality*1299 and Social Psychology, 51, 960–967.
- 1300 Samuelson, C. D., & Messick, D. M. (1995). When do people want to change the rules for allocating shared resources?. In D. Schroeder (Ed.), *Social dilemmas* (pp. 143–162). New York: Praeger.
- 1303 Samuelson, C. D., Messick, D. M., Rutte, C. G., & Wilke, H. A. M.
- 1304 (1984). Individual and structural solutions to resource dilemmas in

two cultures. *Journal of Personality and Social Psychology*, 47, 94–1305 104. 1306

- Stroebe, W., & Frey, B. S. (1982). Selfinterest and collective action: 1307
   The economics and psychology of public goods. *British Journal of* 1308
   *Social Psychology*, 21, 121–137. 1309
- Thibaut, J. W., & Kelley, H. H. (1959). The social psychology of 1310 groups. New Brunswick: John Wiley. 1311
- Tyler, T. (2000). Why do people cooperate with groups? Support for 1312 structural solutions to social dilemma problems. In M. Van Vugt, 1313 M. Snyder, T. R. Tyler, & A. Biel (Eds.), Cooperation in modern 1314 society: Promoting the welfare of communities, states, and organi-1315 zations (pp. 64–82). London, UK: Routledge. 1316
- Tyler, T. R., & Lind, E. A. (1992). A relational model of authority in 1317 groups. In M. Zanna (Ed.), Advances in experimental social 1318 psychology (4th ed., Vol. 25, pp. 115–191). New York: Academic 1319 Press. 1320
- Tyler, T. R., Rasinski, K., & Spodick, N. (1985). The influence of voice 1321
  on satisfaction with leaders: Exploring the meaning of process 1322
  control. *Journal of Personality and Social Psychology*, 48, 72–1323
  81.
- Tyler, T., & Smith, H. J. (1998). Social justice and social movements. 1325
  In D. Gilbert, S. T. Fiske, & G. Lindzey (Eds.), *The handbook of* 1326 *social psychology* (4th ed., Vol. 2, pp. 595–632). New York: 1327
  McGraw-Hill. 1328
- Van de Kragt, A. J. C., Orbell, J. M., & Dawes, R. M. (1983). The minimal contributing set as a solution to public goods problems. 1330 *American Political Science Review, 77*, 112–122. 1331
- Van Lange, P. A. M., Liebrand, W. B. G., Messick, D. M., & Wilke, 1332
  H. A. M. (1992). Introduction and literature review. In W. 1333
  Liebrand, D. Messick, & H. Wilke (Eds.), Social dilemmas: 1334
  Theoretical issues and research findings (pp. 3–28). Oxford, 1335
  England: Pergamon Press. 1336
- Van Vugt, M., & De Cremer, D. (1999). Leadership in social dilemmas: 1337
  The effects of group identification on collective actions to provide 1338
  public goods. *Journal of Personality and Social Psychology*, 76, 1339
  587–599. 1340
- Van Vugt, M., & De Cremer, D. (2002). Leadership and cooperation in 1341 groups: Integrating the social dilemma and social identity perspectives. *European review of social psychology: Vol. 13* (pp. 155–184).
  London: Psychology Press.
- Van Vugt, M., Snyder, M., Tyler, T., & Biel, A. (2000). Cooperation in modern society: Promoting the welfare of communities, states, and organizations. London, UK: Routledge. 1347
- Vroom, V. H., & Yetton, P. W. (1973). Leadership and decisionmaking. Pittsburgh: University of Pittsburgh Press. 1349
- White, R. K., & Lippit (1953). Leader behavior and member reaction 1350 in three social climates. In D. Cartwright, & A. Zander (Eds.), 1351 Group dynamics (pp. 318–335). New York: Row, Peterson and 1352 Company. 1353
- Wilke, H. A. M. (1991). Greed, efficiency and fairness in resource 1354 management situations. In M. Hewstone, & W. Stroebe (Eds.), 1355 *European review of social psychology: Vol. 2* (pp. 165–187). *1356* Chichester: Wiley. 1357
- Yamagishi, T. (1986). The structural goal/expectation theory of 1358 cooperation in social dilemmas. In E. Lawler (Ed.), Advances in 1359 group processes: Vol. 3 (pp. 51–87). Greenwich, CT: JAI Press. 1360
- Yamagishi, T. (1988). Exit from the group as an individualistic 1361 solution to the free-rider problem in the US and Japan. *Journal of 1362 Experimental Social Psychology*, 24, 530–542.
- Yukl, G. A. (1989). Leadership in organizations. Engelwood Cliffs, NJ: 1364 Prentice-Hall. 1365
- Ziller, R. C. (1965). Toward a theory of open and closed groups. 1366 Psychological Bulletin, 64, 164–182. 1367