THE NEGATIVE AND POSITIVE PSYCHOLOGY OF LEADERSHIP AND GROUP RESEARCH

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ABSTRACT

The academic literature within social psychology focuses on describing what leaders and groups do wrong rather than what they do right. We refer to this as the “negative psychology” of leaders and groups. This chapter reviews the negative and positive research perspectives on leadership and groups. We propose that scholarly research makes more references to the shortcomings of leaders and groups rather than their successes. We conjecture that the pressure by the academic community to produce compelling counterintuitive research findings fuels the tendency to concentrate on failures. In contrast, we suggest that popular articles and books more often focus on the positive achievement of leaders and groups because their audience, namely managers, are more interested in learning how to achieve positive results than to avoid negative outcomes. Finally, we suggest that scholarly research on the psychology of leaders and groups could benefit from understanding how to achieve and maintain positive outcomes, whereas popular press may better prevent organizational failure and ruin by understanding managers’ blunders and faults.
For several decades, management scholars have highlighted the extraordinary failures of organizational actors. The organizational actor has been under attack, labeled as a cognitive miser (Fiske & Taylor, 1991), a biased decision-maker (Tversky & Kahneman, 1974), and a faulty negotiator (Bazerman, Magliozi, & Neale, 1985). One organizational actor who receives an abundance of criticism from the academic community is the leader within an organization. Social psychologists discuss that those in power become corrupt (Kipnis, 1972) and engage in heinously demeaning behavior toward those with little or no power (Haney, Banks, & Zimbardo, 1973; Zimbardo, 1972). To be sure, the organizational actor is not alone in being criticized. The study of the faults of the organizational actor has even expanded to groups, with researchers noting that groups also fall prey to the aforementioned central biases.

Classic examples of group failure include excessive conformity of group members (Asch, 1951) leading to notable phenomena such as groupthink (Janis, 1982), the Abilene Paradox (Harvey, 1988), and the pervasive tendency to favor one’s in-group and discriminate against out-groups (cf. Brewer, 1979; Brewer & Brown, 1998). As a whole, there are many more references in the literature to faulty teamwork than flawless teamwork.

In short, groups and their leaders have been under attack by management scholars intent on painting managers as biased, overconfident, and in many cases, downright dangerous as far as their organizational effectiveness is concerned. In some sense, groups and their leaders are the veritable laughing stock of organizational behavior.

Interestingly, the popular press does not hold this same conception; business books remain enamored by leaders and their teams. A perusal of Business Week and other popular business outlets reveal a celebration of leadership and teamwork. For example, what social psychologists refer to as “social loafing” is referred to as “the wisdom of crowds” in a recent business best-seller. Indeed, the positive spin on teamwork and successful leaders likely results from the fact that books about faults do not sell. Managers want to know formulas for success. They desire books that will catapult them to everlasting glory, teach them how to become the next Jack Welch and bring companies back from the brink of Hades to the acme of Olympus. In stark contrast, scholarly work focuses on foibles because journal articles celebrate paradoxical, non-obvious findings. Thus, scientific pursuit is often geared toward studying toxins within the situation, whether it is the decision-making bias of an organizational actor in the management field or studying cancer cells within the medical field.
In sum, the academic field and popular press seem at odds with one another. For example, academics critique popular press for giving too much credit to leaders, suggesting that the impact of leadership on organizational outcomes are “romanticized”, such that leaders tied to superior organizational results are given more credit than actually deserved (Meindl, Ehrlich, & Dukerich, 1985). Thus, there is a Catch-22 of popular press and scholarly work on leaders and groups: academics and practitioners both can better understand leaders and their teams if they studied the contrasting positive and negative perspectives, but do not do so because it does not publish or sell to their respective communities.

In this chapter, we expose the theoretical foundations of the positive and negative psychology of leaders and groups. Our fundamental argument is that management scholars need to stop being so fault-driven; and that practitioners and managers need to stop being so silver-bullet driven. Instead of talking past each other, popular press and management scholars need to find a way to juxtapose their research to tell one the complete story. Following the notion forwarded by President Martin of the American Psychological Association Seligman (1998), we will refer to the fault-based research as “negative psychology”, and the small but burgeoning area of research focused on the positive features of leaders and groups as “positive psychology”.

**POSITIVE PSYCHOLOGY**

The field of positive psychology seeks to study and understand individual and institutional features that “promises to improve quality of life and prevent the pathologies that arise when life is barren and meaningless” (Seligman & Csikszentmihalyi, 2000, p. 5). The study of positive psychology is defined by three pillars. The first investigates the positive states of the actor, those related specifically to happiness. This pillar studies the subjective well-being of the actor: contentment with the past, happiness with the present, and optimism about the future.

The second focuses on the actor’s positive traits, characteristics, or abilities. Seligman describes 17 traits and characteristics positive individuals possess that enable good occurrences in life: love and intimacy, satisfying work, altruism, citizenship, spirituality, leadership, aesthetic appreciation, depth and breadth, integrity, creativity, playfulness, feeling of subjective well-being, courage, future-mindedness, individuality, self-regulation, and wisdom.
The third investigates the positive organizations that support positive emotions. Positive organizations are any sort of institution that supports and enhances positive subjective experience (e.g., communities, families, and schools).

Positive psychology does not simply refer to an absence of problems. Accordingly, we distinguish positive psychology of leadership and teamwork from mere lack of problems and discuss it in terms of promoting outcomes greater than what is usually expected. We distinguish it by first describing the scholarly literature that has been invaded with negativity, the negative psychology of leadership and teams, followed by the important but limited research on positive leadership and teamwork.

It is important to realize that what we are casting as the negative psychology of leadership and groups is considered by many to be mainstream social psychological research. And, before it is said about us, we will fully admit that at least one author of this chapter has written several papers that neatly fall into the chasm that we now cast as “negative psychology”. Most important, we do not argue that scholars should don their rose-colored glasses and only look at the positive, but rather to expand their research to look at the negative as well as the positive. We begin with a selective review of the negative psychology of leadership. In reviewing this research, but we are not criticizing the methods of the research, we simply review the progress of the state of the research. Thus, our focus at this point is descriptive, rather than prescriptive.

NEGATIVE PSYCHOLOGY OF LEADERSHIP

Organizational scholars remain fascinated with the negative effects of leadership. We describe two streams of research: the power literature and the leadership literature, the former which generally is studied more by social psychologists and the latter by applied psychologists. We review research that defines a leader in one of two ways: as an individual that either has power over another individual, that is, the relative capacity to make decisions that influence the outcomes of another individual toward the achievement of the power-holder’s goal (Depret & Fiske, 1999; Keltner, Gruenfeld, & Anderson, 2003; Sachdev & Bourhis, 1985) or an individual that holds a formal position of authority (French & Raven, 1959). Being a leader is context specific and assumes that power is based on the relationships and social interactions with others (Emerson, 1962; Fiske, 1993; Lawler, 1992).
The negative effects of leadership centers on three topics: the results of being in a leadership position, the consequences of being under the authority of a leader, and leadership biases. The first central stream of leadership research focuses on the consequences of being in a position of power. The 1960s and 1970s enjoyed a flurry of leadership research with a negative psychology slant. The deleterious effects of power on the power-holder are studied so extensively by social psychologists that their mantra must assuredly be Lord Acton’s declaration that “absolute power corrupts absolutely”.

Power does indeed corrupt, leading the powerful to disregard individualizing-based cues and to stereotype (Erber & Fiske, 1984; Fiske & Depret, 1996; Goodwin, Gubin, Fiske, & Yzerbyt, 2000), and attempt to reify existing social inequities by maintaining their dominance over less powerful groups (Fiske, 1993; Jost & Banaji, 1994). The powerful show more displays of anger (Martorana, 2005; Tiedens, Ellsworth, & Mesquita, 2000), are worse at estimating the interests and positions of others (Keltner & Robinson, 1996, 1997), and devalue the ability and worth of the less powerful (Kipnis, 1972; Kipnis, Castell, Gergen, & Mauch, 1976). In one investigation by Kipnis (1972), participants were assigned to the position of a “boss” who oversaw the work of “subordinates” in a simulated situation. The experiment was manipulated so that all subordinates performed similarly on the task. Control over more managerial resources increased the boss’s attempts to influence the behavior of the subordinates, led to the perception that the subordinates were objects of manipulation, and increased the preference to maintain psychological distance from the subordinates.

Arguably the most popular psychology experiment illustrating how experiencing power results in socially destructive behavior is the Stanford Prison Experiment (Haney et al., 1973; Zimbardo, 1972). This study, seeking to understand the power of the situation, placed participants in either the role of a prisoner or guard in a mock prison. Most notably, some participants assigned to be guards internalized their roles so deeply that they ended up torturing prisoners in ways that paralleled the infamous prisoner abuse that occurred in Abu Ghraib in 2004. The researchers suggested that the absolute power and authority the guards held resulted in the inhumane treatment of those that lacked power.

The research on the corrupting nature of power continues to be pervasive and a central interest in social psychological research. Power not only leads to devaluation of others, but also leads to self-interested behavior, with powerholders more likely to consume food that is seen as a scarce resource (Ward & Keltner, 1998) and more likely to distribute awards in ways that favor their own group (Chen, Lee-Chai, & Bargh, 2001; Sachdev & Bourhis, 1985).
The self-interested behavior of power-holders is posited to result from decreased perspective-taking ability. High-powered individuals, as compared to low-powered individuals, are more likely to draw an “E” on their forehead in a self-oriented manner, more likely to assume that others have the same privileged information they possess, and less accurate in judging others’ emotions (Galinsky, Magee, Inesi, & Gruenfeld, unpublished manuscript). Thus, high-powered as compared to low-powered individuals are less likely to take the perspective of others and as a result act in more egocentric ways.

A second genre of negative psychology-oriented leadership research focuses on the flip side of the coin; how leaders negatively influence their subordinates. The psychological experience of being a leader results in the devaluation of their subordinates (Kipnis, 1972; Kipnis et al., 1976) and, in turn, the abusive relationship can negatively impact the subordinates’ well-being. Certain leadership styles have been tied to negative subordinate reactions. For example, employees feel helpless and alienated from work when their managers use non-contingent punishments (i.e., when punishment is not tied to performance, Ashforth, 1997). Abusive leadership is associated with increased employee stress (Offermann & Hellmann, 1996; Tepper, 2000). For example, medical students who reported to abusive supervisors exhibited higher stress (Richman, Flaherty, Rospenda, & Christensen, 1992). Moreover, poor leadership can haunt the leaders associated with higher levels of subordinate retaliation (Townsend, Phillips, & Elkins, 2000) and aggression (Dupre, Inness, Connelly, Barling, & Hopton, 2005).

Leaders can influence subordinates to the point that they internalize their low-power roles and act in ways that support the asymmetrical power structure. Revisiting the Stanford Prison Experiment (1973), not only did the participants assigned as guards internalize their roles, but also those assigned as prisoners. The prisoners often passively accepted the punishments that they received, even demeaning acts such as cleaning toilets with their bare hands. The prisoners began to believe and act in ways in line with their roles rather than decrying the inhumane treatment and attempting to exit the experiment.

Zimbardo’s high-school classmate, Stanley Milgram, performed a related experiment on authority (Milgram, 1963) that rivaled the Stanford Prison Experiment as one of the most famous (or infamous) social psychology studies of all time. In his classic obedience experiment, participants were told that they would be asked to monitor another participant’s (in reality, a confederate’s) performance on a memory task. An authority figure (the experimenter) then assigned the participant to the role of “teacher”
where s/he would administer a shock to the “leader” (i.e., the confederate) every time s/he got a wrong answer on the word memory task. If the participant hesitated, the experimenter verbally prodded the participant to continue. Disturbingly, 65% of participants administered the highest (fatal) level of shock of 450 volts, even after cries of pain and eventual silence from the learner.

In both Zimbardo’s and Milgram’s experiments, the decision to conform to the subordinate role superseded more common sense and morality-based reactions – instead of rebelling against immoral authority figures, the individuals with no power accepted and complied with the decisions of authority. These studies highlight the power of the situation where low-powered individuals accept their subordinate positions without a question.

Power inequalities persisting over time can eventually lead to differentiating status hierarchies within a social system, where certain traits and characteristics are associated with higher status groups (Lovaglia, 1994, 1995; Ridgeway, Boyle, Kuipers, & Robinson, 1998). Often confounded, status and power have been separated by various theorists (see Thye, 2000). Power, as defined in this paper, is often described as the relative capacity to make decisions to influence another (Depret & Fiske, 1999; Keltner et al., 2003; Sachdev & Bourhis, 1985). In contrast, status refers to one’s relative standing in a group based on prestige (Berger, Zelditch, & Cohen, 1972). There are cultural schemas about status positions of certain groups within society such that group characteristics such as gender, race, ethnicity, education, or occupation become inextricably tied to different levels of status (Wagner & Berger, 1997).

Possessing status is so powerful that low-status actors believe that high-status actors deserve their high-status positions, even at the expense of derogating their own in-group (Jost & Banaji, 1994). This phenomenon known as system justification, which is defined as the “process by which existing social arrangement are legitimized, even at the expense of personal or group interest” (Jost & Banaji, 1994). In this case, there is consensus about the status hierarchy, rather than opposed and competing beliefs, by both the dominant and non-dominant groups (Ridgeway et al., 1998).

The advantaged high-status groups act in ways to support the status quo, however the absence of resistance of the disadvantaged groups also perpetuates the current system (see Jost, Banaji, & Nosek, 2004). High-status individuals receive numerous benefits from the rest of society; they receive more opportunities to perform, perform more, and are evaluated more positively for their performance, exhibit greater influence over decisions, and are more likely to be elected into leadership positions (Berger, Conner, & Fisek,
As a whole, high-status actors and groups can maintain their elite position as they have more opportunity to garner and utilize their power. Even when low-status actors possess power, they will not necessarily utilize it effectively. Low-status actors placed in high-power positions will exercise less of their power as compared to both high- and low-power actors of equal status (Thye, 2000). Moreover, low-status actors will hold high-status actors in higher esteem, even when they hold more power than the high-status actors. Even with power in hand, lower-status actors yield their power to higher-status counterparts. Therefore, actors who possess high-status characteristics exercise greater power and utilize more resources, reinforcing the status quo. The status/power relationship is cyclical and self-reinforcing, reifying current status hierarchies (Lenski, 1966; Weber, 1968). All in all, subordinates embrace and act in ways, such as blind and hazardous obedience to authority (Haney et al., 1973; Zimbardo, 1972), that protect the original status hierarchy (Jost & Banaji, 1994; Jost et al., 2004; Lenski, 1966; Thye, 2000; Weber, 1968). Through the psychological acceptance of their positions, the power structure in society secured, leaving the low powered in the dust and high powered on a pedestal.

A final stream of negative leadership research is the study of biased leadership evaluation. Specifically, there is a propensity to have an archetype in the mind of what characteristics a leader should possess, and to assume that certain types of individuals will be better leaders than others. The bias against leaders that are not prototypical has become a central research question, most notably within the gender stereotyping and social identity literatures.

There are sex differences in ranks and rate of promotion within the workplace (Fiske, Bersoff, Borgida, Deaux, & Heilman, 1993; Kathlene, 1994). These differences are often attributed to structural barriers (e.g., fewer network opportunities for women, Lyness & Thompson, 2000; Ragins & Sundstrom, 1989) that result in the glass ceiling for females (Morrison & Von Glinow, 1990). However, there may not only be structural barriers but also psychological barriers that deter women from being highly successful leaders. The psychological and micro-sociological study of gender and leadership focuses on how female leaders suffer from negative perceptions and reactions because they are not prototypically seen as a leader (Carli, 1990, 2001; Rudman & Glick, 2001).

Two recent theories attempt to explain why negative evaluations of female leaders occur and persist. *Expectation states theory*, related to the discussion of status above, suggests societal expectations are encoded in gender stereotypes, perceived rules for how females and males should behave. The
gender stereotypes result in valenced status beliefs about females in leadership positions, where females are deemed as less competent leaders than males (Wagner & Berger, 1997, see Ridgeway & Walker, 1995, for a review).

Complimentary and similar to expectation states theory is social role theory, which posits that culturally defined stereotypes led people to form expectations about the behavior of themselves and others (Eagly & Karau, 2002). These stereotypes may be formed based on a person’s gender role and other roles (e.g., occupational) that he or she holds. Devaluation of a person’s actions occur when expectations of a social group’s generalized traits are incongruent with the expectations of a social role (Eagly & Karau, 2002).

Expectation states theory includes more valenced reasoning than social role theory, incorporating status elements into the discussion, suggesting certain advantaged groups exhibit greater competence in leadership positions. However, both theories predict similar results, that women will be disadvantaged when in leadership positions.

Recent research supports that women in leadership positions will be more likely to face negative consequences (see Ridgeway, 2001, for a review). For example, leadership behavior, such as acting in a more dominant manner, are seen as more pronounced for females than for males because such behavior is traditionally viewed as more masculine then feminine (Manis, Nelson, & Shedler, 1988). In the United States, masculine or agentic traits such as independence and task-orientation match the qualities that leaders possess, whereas feminine or communal traits such as nurturance and expressiveness relate to parenting and caring for the home (Eagly & Mladinic, 1994; Eagly, Wood, & Diekman, 2000; Heilman, Block, Martell, & Simon, 1989). Females who display leadership behavior receive more negative than positive facial reactions, in contrast to males who receive more positive than negative reactions when exhibiting the same traits (Butler & Geis, 1990). Females acting in an agentic fashion are regarded as more competent, but ultimately less liked overall (Rudman, 1998). Moreover, female leaders may be selected by others into tenuous leadership situations because they are more likely to fail. Involving females in high-crisis roles that are more likely to fail is another barrier females face, and in turn reinforce the perception that women are not good leaders (Ryan & Haslam, 2005).

Not only are perceptions of female leaders more negative, activating stereotypes influence women’s attitudes and behavior toward gender-typed occupations. Specifically, activating gender for women influences aspirations and goals in male-dominated arenas. Women who viewed stereotypical advertisements of women (e.g., women not being as good in mathematics)
inhibited ambitions in mathematical arenas, suggesting mass media influ-
ences women’s perceptions (Davies, Spencer, & Steele, 2005). Thus, ster-
eotypes constrain aspirations of the stereotyped group.

Not only do female leaders suffer from negative perceptions, but any
leader who is from an out-group. Recently, social identity researchers ex-
plored the negative perceptions of out-group leaders by their subordinates.
Subordinates endorsed leaders prototypical of their own in-group, regardless
of whether the leader favored the in-group or out-group more (Hains, Hogg, &
Duck, 1997; Haslam et al., 2001; Hogg, Hains, & Mason, 1998) and even
when leaders acted against the best interest of their in-group (Duck &
Fielding, 2003). Therefore, the more prototypical leaders are, the better they
are judged. The social identity literature focuses on the biases and discrim-
ination of the out-group, specifically how in-group leaders receive percep-
tual benefits more than out-group leaders (see Hogg, 2001, for a review).

NEGATIVE PSYCHOLOGY OF GROUPS AND TEAMS

It is debatable when the negative psychology of groups and teams began,
but certainly, four epic lines of research typify the negative psychology of
tams. One line of research is the bystander effect, which refers to the ten-
dency for a given individual to not intervene as the number of perceived
other social actors increase. This phenomenon was used to describe the
Kitty Genovese case, in which a woman was stabbed to death, despite the
face that over 30 “witnesses” were present (and could have helped, but did
not). In the classic study testing the bystander effect, Darley and Latané
(1968) found that participants who believed a person was having an epileptic
seizure were more likely to help when they thought they were alone than
when in the presence of several others. The bystander effect is attributed to
the diffusion of responsibility, where it is not explicitly assigned and as a
result individuals feel less accountable to help in the situation.

Another well-established negative group effect is the conformity effect,
which refers to the tendency for individuals to bring their behavior and
attitudes in line with those they perceive the group to hold. In 1951, Solo-
mon Asch performed a study where participants were led to believe they
would be taking a vision test. Participants were asked to choose a line out of
three lines that matched the length of a line on another card. In a room with
several confederates who chose the same wrong line, 33% of subjects con-
formed to the majority answer, compared to the control subjects who all got
the answer correct.
A third classic group effect is *social loafing*, a phenomenon related to the bystander effect. Social loafing refers to the tendency for people to put less effort in a task when in a group than when alone (Latané, Williams, & Harkins, 1979). One investigation found that people clap their hands and shout with less force in a group than when they were doing the same task individually. This occurs because individuals in groups have a diminished sense of personal identity and are not under the same evaluation concerns as individuals performing alone.

Finally, of all the negative psychology research on teams, it is *groupthink* that has made its way into mainstream thinking. It may only be a slight exaggeration to declare that there is not a businessperson alive who has not heard of the term. Irving Janis (1982), the originator of groupthink, defines it as a phenomenon where a highly cohesive group unfailingly supports a group decision, even in the face of contrary information. Janis lists a number of antecedents that are likely to encourage groupthink, including insulation of the group, high-group cohesiveness, directive leadership, lack of norms requiring methodical procedures, homogeneity of members' social background and ideology, and high stress from external threats. It is particularly ironic, therefore, that of all the negative psychology classics, groupthink has had the spottiest empirical record. For example, a meta-analysis of groupthink by Tetlock, Peterson, McGuire, and Chang et al. (1992) revealed that two central factors proposed to promulgate groupthink, group cohesiveness and situational stress, did not actually result in groupthink. Rather, only one proposed factor, procedural faults within the organization (e.g., leader directiveness), held any empirical muster.

In addition to these four epic lines of research that all emerged in the 1960–1970s, the 1980s brought an arguably harsher lens to the analysis of groups with the research on cognitive biases. Spurred largely by Tversky and Kahneman’s (1974) publication of “Judgment under Uncertainty: Heuristics and Biases”, the authors used the razor-sharp economic yardstick to measure the systematic departures of humans from otherwise rational decision-making. Although Tversky and Kahneman’s analysis centered upon individuals, researchers quickly extended the classic biases to teams (see Kerr, MacCoun, & Kramer, 1996, for a review). Here, we point to four cognitive bias inspired effects that profoundly cemented the negative psychology of groups and teams: group overconfidence, group polarization, the common information effect, and the escalation of commitment.

*Group overconfidence* is an extension of the individual bias in which people express great overconfidence in their decisions. Most empirical demonstrations of the overconfidence effect involve giving people general knowledge
questions (e.g., “What was the revenue earned by The Wal-Mart Corporation in 2004?”). Respondents then provide an estimate and provide confidence bounds around their judgments such that they are x% (with ranges between 90–98%) sure that the true answer falls within their range. The overwhelming empirical finding is that most people are grossly overconfident (cf. Plous, 1993). For example, in an investigation of 15,000 judgments, 42% of all the participants’ judgments were outside the 98% confidence range (Lichtenstein, Fischhoff, & Phillips, 1982). Moreover, experts in a field, such as stock traders are even worse (Odean, 1998). Also, teams are significantly more overconfident than are individuals, and group discussions heighten overconfidence (Ono & Davis, 1988; Seaver, 1979; Sniezek & Henry, 1989). One reason is that people in groups are less accountable than are individuals, with the estimates of one group member potentially discouraging others from sharing their own information.

Group members often do not share information that they own (Stasser, Taylor, & Hanna, 1989; Stasser & Titus, 1985, 1987). For example, a study by Sniezek, Paese, and Furiya (1990) established that groups are ineffective when sharing information, with less than one-third of all individual judgments shared during similar group discussions. When group members do share information, they can fall prey to the common information effect (Gigone & Hastie, 1993, 1997), the tendency to discuss information that group members already know rather than the unique information each may possess. Specifically, information held by more members prior to group discussion is discussed more and has greater impact on group decisions than information held by fewer members. The common information effect is based on the information sampling model (Stasser & Titus, 1987), which suggests that the bias to discuss commonly shared information is explained by the heightened probability that an item will be recalled when a greater number of group members know the piece of information.

The information-sampling model explains how a shared item may be recalled more easily. However, Gigone and Hastie (1993) suggest that a shared item will also have more influence on the judgment of a group when it is shared than when it is unshared. Because individuals make immediate judgments based on the information they have, shared information often results in similar post-discussion judgments. Shared information is more likely to affect the group judgments. For example in one investigation, three-member groups weighted shared information more heavily than unshared information (Gigone & Hastie, 1993). Specifically, information about a target student’s grade point average (GPA) that was brought up during group discussion was weighted more heavily, when all group
members already knew that piece of information, than if only one group member knew that piece of information prior to group discussion. Moreover, more widely shared information had a stronger impact on decision-making even controlling for information pooling (i.e., if an item was mentioned during discussion) suggesting that all information is not weighted equally as the information sharing model would suggest, rather shared information has a greater impact than unshared information. In sum, groups tend to focus on information that everybody already know and that tendency biases the group decision-making.

Group polarization is a uniquely group-level phenomenon. In the classic empirical demonstration of group polarization, people read a vignette about a protagonist who must make a decision (e.g. undergo a career change with significant financial risk or stay in one’s current job, cf. Stoner, 1961). The typical empirical result is that people need to have nearly a 66% probability of success in the new (risky) career before they would advise a career change, whereas groups reading the same problem are willing to take a risk with the chances of success as low as 50%. It is not the case that teams are inherently more “risky” than are individuals; but rather, people in a group make more extreme judgments than they do when acting alone. Accordingly, group polarization is the tendency for group discussion to intensify group opinion, producing more extreme judgments in groups. This shift to the extreme occurs for two reasons (Deutsch & Gerard, 1955). First, people gain additional perspectives on a given problem when they are in groups, and these different perspectives often provide more reasons for holding a particular view. Second, people seek acceptance in groups and by aligning themselves with the majority opinion, they are better liked by others. These two different mechanisms are referred to as informational social influence and normative social influence (Deutsch & Gerard, 1955).

The escalation of commitment occurs when individuals and groups commit additional resources after an initial commitment despite signals that the decision is flawed or doomed (Staw, 1976). The escalation of commitment provides a theoretical account of why people “throw good money after bad”. Real world examples of the escalation of commitment often involve investment decisions, such as when John R. Silber, president of Boston University, invested $1.7 million over six years in a promising cancer drug which eventually dropped in value to $43,000 (Barboza, 1998). Escalation situations often build up over time, with decision makers committing further resources to “turn the situation around”, often repeating and escalating their decisions several times throughout the process. Moreover, the social aspects of the group heighten the likelihood to escalate. For example,
groups that are highly cohesive (e.g., groups that consist of friends) are especially prone toward escalation because the need for approval is heightened and there is a desire to take a course of action that pleases group members rather than one that is unpopular but more rational (Dietz-Uhler, 1996).

Another genre of negative group psychology stems from research on stereotyping and prejudice. A large body of research on intergroup psychology has pointed to the poor behavior of people when interacting with members of different groups. In-group bias, in-group favoritism, out-group derogation, and intergroup hostility are all documented empirical phenomena that point to the hostile, self-serving behavior of people in groups (Brewer & Campbell, 1976; Brewer & Miller, 1996; Sumner, 1906; Tajfel & Turner, 1986). For example, Brewer and Campbell (1976) found in-groups were attributed numerous positive traits (e.g., trustworthy, cooperative, honest, and peaceful), whereas out-groups were scrutinized as possessing negative traits (e.g., untrustworthy, competitive, and aggressive).

The classic Robber’s Cave experiment by Sherif et al. (1961) set up an isolated camp and pitted two groups of boys similar along the lines of demographics, education, and religion against one another. Sherif et al. predicted that when one group of boys was placed in the same proximity with another group of boys under similar circumstances, they would exhibit in-group favoritism and out-group hostility. Indeed, Sherif et al. found that out-group hostility escalated over time, with verbal abuse and derogation eventually making way for physical acts of terror (e.g., ransacking out-group’s cabins and physical aggression).

The intergroup literature has gone to careful lengths to disentangle scarce resource competition from social competition, such that even when there is nothing to be gained (economically) by under-rewarding or devaluing another group, people in groups are still motivated to view themselves as superior to other groups. Lemyre and Smith (1985) suggest that social categorization by itself may constitute a threat to self-esteem, which is often resolved by engaging in social competition, and find that individuals who had the opportunity to discriminate against out-group members report higher levels of self-esteem than those participants who do have the opportunity to engage in discrimination.

The relationship between intergroup behavior and several societal problems, such as racism, ageism, sexism, and gang warfare are closely linked in the eyes of behavioral scientists. Even more depressing, group-serving behavior at the expense of out-groups appears to be hardwired such that people are not necessarily aware that they are displaying favoritism toward
their own group at the expense of an out-group (Dovidio & Gaertner, 1998; Gaertner & Dovidio, 1986).

**POSITIVE PSYCHOLOGY OF LEADERSHIP**

Seligman’s three pillars of positive psychology, the study of positive states and experiences, traits, and institutions can also be discussed in a negative psychology framework. The research on the negative psychology of leadership has mainly been rooted in social psychology, focused on the negative experiences of being a leader or under the authority of a leader, along with the institutions supporting the negative experience (e.g., societal norms that perpetuate leadership stereotypes and biases). However, the study of individual traits has enjoyed more positive attention from leadership researchers, particularly those from the personality and applied arenas of psychology. Specifically, positive leadership researchers desire to understand and document the traits and characteristics that make a good leader.

The dominant research on leadership traits occurred between 1930 and 1950. Researchers at that time were interested in the specific personal characteristics (e.g., height, appearance) and psychological traits (e.g., authoritarianism, intelligence) that were associated with leadership. However, owing to a number of methodological issues and difficulty in finding universal traits that defined a leader, leadership trait theory fell out of favor (see House & Aditya, 1997, for a review). In the 1970s, leadership trait theory was revived when several trait theories began to take into account moderating factors and as a result, these finer-grained studies enjoyed greater empirical support than their predecessors.

A number of recent theories in the leadership traits literature fall most in line with the positive psychology perspective, with the first being Social Influence Motivation and Leader Motive Profile (LMP) theory (McClelland, 1975). According to LMP theory, three qualities are necessary to be an effective leader: high-power motivation, high concern for the moral exercise of power, and having one’s power motivation greater than one’s affiliative motivation. In short, leaders non-consciously seek status and influence over others and desire to exercise power in a socially constructive manner rather than a self-aggrandizing manner. Moreover, effective leaders do not allow their affiliative motivation (i.e., concern for maintaining close relationships) to deter their power motivation. Several studies support LMP theory, finding that congruence with the LMP profile led to greater leader success (McClelland & Boyatzis, 1982; Winter, 1978, 1991) and instilled employees
with greater team spirit and a sense of responsibility (McClelland & Burnham, 1976).

A second branch in the leadership traits literature is charismatic leadership theory (House, 1977), which proposes that the most successful leaders are also self-confident, desire moral correctness, and are persistent. Both LMP and charismatic leadership theories posit that leaders use their status for not self-aggrandizement, but rather, have a moral sense of responsibility to further the good of the group that they lead.

In the past, the ethical component of leadership was subsumed in more encompassing theories such as LMP and charismatic leadership theory. More recently, however, ethical leadership has been introduced as a separate construct from other leadership theories (Brown, Treviño, & Harrison, 2005; Treviño, Brown, & Hartman, 2003). Specifically, these theorists propose that ethical leadership is related to consideration of behavior, honesty, trust in the leader, interactional fairness, and charismatic leadership, but is not subsumed by any of these aspects. Moreover, ethical leadership is hypothesized to lead to greater perceived effectiveness of the leaders, higher satisfaction of the subordinates, and greater openness between the leader and subordinate (Brown et al., 2005). Overall, the empirical research on the ethical components of leadership is scarce at best (Schminke, Ambrose, & Neubaum, 2005, being an exception), with contributions to the literature chiefly theoretical (i.e., Bass & Steidlmeier, 1999; Brown et al., 2005; Kanungo & Mendonca, 1996; May, Chan, Hodges, & Avolio, 2003; Treviño et al., 2003).

Another recent set of theories, known as the neo-charismatic theories (House & Shamir, 1993), extended and encouraged a new era of leadership styles focused on follower motivation, admiration, trust, dedication, and loyalty. The theories include the aforementioned charismatic leadership (House, 1977), transformational leadership (Bass, 1985; Bass & Avolio, 1989; Burns, 1978), visionary theories of leadership (Kousnes & Posner, 1987), and empowering leadership (Manz & Sims, 1987, 1991, 1992, 1997).

Of all the neo-charismatic theories, transformational leadership has received the most attention in the applied leadership research area (Judge & Bono, 2000). Transformational leadership emphasizes the leader’s ability to inspire and encourage subordinates to perform by inspiring pride, loyalty, and confidence (Bass, 1985; Bass & Avolio, 1989; Burns, 1978). This type of leadership has been directly tied to well-being and positive psychology (see Sivanathan, Arnold, Turner, & Barling, 2004, for a review). Unlike ethical leadership, transformational leadership has received an abundance of empirical support (Barling, Loughlin, & Kelloway, 2002; Bass & Steidlmeier,

The neo-charismatic theories suffer from a similar weakness as the leadership trait theories: whereas some theorists argue that charismatic, transformational, and visionary leadership styles differ drastically (Bass, 1997; Howell & House, 1992), the characteristics associated with each leadership type often overlap, making it difficult to separate one leadership type from another (House & Shamir, 1993). For example, some characteristics associated with transformational leadership are difficult to separate from other types of leadership; transformational leadership (Sivanathan & Fekken, 2002; Turner et al., 2002), LMP theory (McClelland, 1975), charismatic leadership (Howell & Avolio, 1992), and ethical leadership (Kanungo & Mendonca, 1996) have all suggested that higher cognitive moral reasoning of the leader will positively impact followers. The study of positive leadership as a whole may benefit from a clearer delineation between the specific behaviors that fall under each leadership type. Particularly, it is useful to understand how each characteristic of leaders may encourage a specific positive subordinate response (e.g., employee satisfaction), and subsequently test how the interaction of characteristics or other contextual variables might moderate the positive effects.

Whereas the social psychological study of leadership has generally centered on the deleterious effects of leadership, there is no doubt that there is some focus on trying to understand not only the negative, but possibly positive consequences of being a leader (Gardner & Seeley, 2001). For example, participants primed with power, display more goal-oriented behavior by removing an annoying stimulus from an environment (Galinsky, Gruenfeld, & Magee, 2003). However, most research has focused on removing the negative effects of power. For example, a communal relationship orientation (i.e., considering the group) rather than an individual relationship orientation moderates the effect of the self-serving bias (e.g., greater distribution to out-group) that results from being in a position of power (Chen et al., 2001). When power was made insecure, participants exhibited less in-group favoritism to the point the out-group became favored (Ng, 1982). Finally, one study revealed that the deleterious effect of stereotype threat on women’s leadership aspirations could be removed. Once the stereotype threat was removed by making the task unrelated to the
stereotype, females increased aspirations as compared to those facing high stereotype threat (Davies, Spencer, Quinn, & Gerhardstein, 2002). Rather than trying to remove the negative effects of power, it might behoove social psychologists studying leadership and power to specifically discover the undeniable positive effects of power.

**POSITIVE PSYCHOLOGY OF GROUPS AND TEAMS**

The positive psychology of teams, strangely enough, may be traced to the earliest studies, namely Triplett’s (1898) studies of social facilitation. *Social facilitation*, a term coined by Allport (1920), refers to the tendency for people to increase their dominant response when in the presence of others. In the original studies by Triplett, bicyclists riding against other bicyclists performed better than those riding alone. Triplett suggested that it was the mere presence of others that facilitated performance. Zajonc (1965) elaborated on the phenomenon by noting in his drive theory that one's dominant response would prevail in the presence of others, such that with an ill-learned task, one would perform worse and with a well-learned task, one would perform better. Social facilitation largely creates positive effects for teams; even though in most of the investigations, teams are not interdependent, but just co-actors.

*Group synergy* is a widely used term that refers to the tendency for a group of individuals to achieve greater productivity or performance over what each could do working independently and then aggregating their outcomes. Thus, group synergy refers to the belief that “the whole is greater than the sum of the parts”. The question of whether group synergy exists, if it does, and under what conditions, is a matter of intense scholarly research. True to form, it was a business executive (not a crusty scholar) who heralded the idea of group synergy (cf. Osborn, 1953). Osborn, who coined the concept of “brainstorming”, was convinced of the power of group synergy, a sine qua non of positive team psychology. Unfortunately, empirical research overturned Osborn’s lay theory; brainstorming groups not only did not display synergy, they performed significantly worse than their potential, as benchmarked by “nominal groups” (Diehl & Stroebe, 1987; Jablin, 1981; Mullen, Johnson, & Salas, 1991; Paulus & Dzindolet, 1993; Paulus, Larey, & Ortega, 1995; Taylor, Berry, & Block, 1958).

In Steiner’s (1972) classic group formula, the actual productivity of a group is a function of three key factors: the potential productivity of the group, group synergy (process gain), and process loss. Specifically: group
performance = actual behavior + synergy - process losses. Process loss primarily refers to problems of coordination and motivation. However, Steiner (1972) went on to focus on process loss. In others words, the focus of Steiner’s model was on the two types of process loss in groups: motivational loss and coordination loss. Synergy was viewed as nice when it happened, but was not something to count on to always emerge. Subsequent research focused heavily on process loss in groups, with several investigations of social loafing (Karau & Williams, 1993; Latané & Darley, 1969) and the bystander effect (Darley & Latané, 1968; Latané & Darley, 1969), to name a few.

Whereas the cognitive bias movement heralded the negative psychology of teams; the groups-as-information-processors movement heralded a new look at the positive psychology of teams. A significant positive psychology concept that emerged from this perspective as the transactive memory construct (Wegner, 1986; Wegner, Giuliano, & Hertel, 1995). A transactive memory system (TMS) is a group-level information processing system in which each team member in a group will encode, store, and retrieve info together, using their shared experiences to work as if they are part of one system. Group members divide tasks that reflect the abilities of each and develop a common language all members can understand. Group members view other group members like an external storage device (i.e. computer), where they can retrieve information otherwise unavailable.

Couples, which have many shared memories because of their constant interactions, are believed to have a superior TMS. A study by Wegner, Raymond, and Erber (1991) tested the TMS of couples. Individuals were told that they would either be working with their partners or an other-sex person from another couple on a memory task. When pairs memorized the task (without communication with each other) in a structured way (e.g., one person would memorize food items and the other the history items), impromptu pairs memorized more items than natural pairs. When working together in an unstructured way, natural pairs performed better than impromptu pairs. These results suggest that natural couples have a TMS that works well during unstructured tasks, a situation in which anticipating the partner’s behavior is beneficial. However, when the task is structured, it interferes with the natural couple’s ability to use the TMS.

Transactive memory is a largely positive concept; in that groups are truly viewed to be greater than the sum of their parts, with a TMS having access to a greater knowledge base than individuals. A study by Liang, Moreland, and Argote (1995) explored the benefits of TMS, either having individuals receive group training, in which groups of three people worked together, or individually based training on a radio assembly task. A week later, they were
asked to assemble the radios again with no instructions. Groups that had trained together did dramatically better on an assembly task than groups consisting of individuals that were trained alone, being more likely to successfully complete the assembly more quickly and with fewer errors.

Liang et al. (1995) theorized that the superior performance of intact groups over individually trained groups was attributable to the fact that the intact groups developed an implicit system for understanding who knows what and who is responsible for what. One way that Liang et al. (1995) attempted to document the presence of an implicit system for understanding who knows what is by looking at how the groups interacted. The authors predicted that groups that developed TMSs would be less likely to challenge one another’s knowledge and less likely to make mistakes (e.g., drop things). In their investigation, three process measures were used reflect the operation of TMSs: (1) memory differentiation, the tendency for each group member to remember different components of the radio, (2) task coordination, the ability for the group to work together in a smooth fashion, and (3) task credibility, the level of trust in other group members’ knowledge of how to assemble the radio. The authors found that intact groups exhibited greater memory differentiation, task coordination, and task credibility than individually trained groups. Moreover, these three process measures mediated the effects of group training on group performance, giving support that intact groups do better at assembling the radio than individually based groups because they are able to develop a well-oiled TMS.

Interestingly, one of the emerging areas of team positive psychology rests on studies of group emotion and mood. Positive mood, according to theorists can catapult a group to be more effective than it otherwise would (Collins, 1981, 2004; Lawler, 2001). The idea of group positive mood is based on the research on emotional contagion, the process where the mood and emotions of one individual transferred to nearby individuals (Hatfield, Cacioppo, & Rapson, 1992, 1993).

Emotional contagion, a concept that has both a negative as well as a positive side, occurs in groups. Barsade (2002) found that contagion of mood occurred when induced by a trained confederate and when contagion occurred naturally between group members. Moreover, contagion of positive emotions results in greater cooperation, decreased conflict, and increased perceived task performance, whereas contagion of negative emotions results in the reverse pattern.

Groups whose high-powered individuals emitted positive moods expressed and felt more positive affect (Anderson, Keltner, John, & Anderson, 2003), and performed better in group tasks as well (Anderson & Thompson,
2004). Scholars theorize that high-powered individuals are particularly “contagious” because many people in the group are outcome-dependent upon them and hence, group members are closely monitoring them.

Groups often assemble on a repeated basis and the continual transmission of emotion likely strengthens and weakens bonds within the group over time. The affect theory of social exchange (Lawler, 2001) which, unlike past work which views social exchange and unemotional (Emerson, 1972; Homans, 1961), suggests that social exchange between individuals within groups generate positive and negative emotions and subsequently promote or deter solidarity between group members.

For example, repeated exchanges with the same group members generates positive emotions and in turn results in perceived cohesion and commitment-oriented behavior (e.g., staying in the relationship, gifts) (Lawler, Thye, & Yoon, 2000; Lawler & Yoon, 1993, 1996, 1998).

One group emotion concept that is partly research-based and practitioner-oriented is the concept of psychological flow (Csikszentmihalyi & Hunter, 2003). Psychological flow refers to situations in which people are completely involved in what they are doing to the extent that they lose themselves in the activity. Some facets associated with flow include complete involvement in an activity, a sense of ecstasy or excitement, and intrinsically motivated drives. This line of research suggests that there is a precise combination of a person’s skills and the challenge or task presented that will lead to a “flow” experience. For example, when a manager is highly challenged and has the skills to accomplish his/her goals, he/she will be in a state of “flow”. If the challenge or skills are not present, apathy or anxiety, respectively, will result. Therefore, learning the precise levels of challenge and skill can ultimately optimize both satisfaction and performance in an individuals and groups.

A related theoretical concept to psychological flow is the notion of interaction rituals (IR), a mechanism of social rituals that bind society together (Collins, 1981, 2004). IR include four aspects: (1) two or more people must be part of the interaction, (2) the ritual must have a boundary that separates insiders from outsiders, (3) all members must focus on the same goal or objective, and realize that other members also share this focus, and (4) all participants share a common mood or emotional experience. Successful IR result in solidarity and shared group membership, and an influx of emotional energy and exhilaration, whereas failed IR drain emotional energy and result in social disarray. Each person goes from situation to situation, attracted to those situations that give them the best emotional payoff. As a whole, the search for positive IR result in social institutional stability and failed IR are used to explain social strife and conflict.
Both the concept of psychological flow and IR provide a solid theoretical framework for understanding what ultimately leads to group and societal success: individuals who are able to achieve an ultimate balance of the self and situational forces will catapult themselves and their groups into an emotional state of bliss and inevitable group and institutional stability and success. However, both concepts are more theoretical than empirical, and these propositions are yet to be tested.

CONCLUSION

One criticism of the positive psychology movement is that it is just that: a movement that represents a research fad; or worse yet, a way for psychologists and organizational theorists who have spent most of their lives focusing on faults and to focus on the positive aspects of teamwork. Another criticism is that positive psychology ignores the elephant in the room; namely that just because we might think it is time to focus on how great teams and their leaders can be, the plain fact is that to not address some of the problems that would be akin to a doctor not doing cancer screening tests and only prescribing wellness care.

Frankly, we think that academic research needs to take more responsibility for understanding the negative as well as the positive psychology of groups and teams. Management theorists will always be enamored with the “dark side” of human behavior and perhaps one reason why the business ethics scandals that rocked the corporate world were so startling is that they occurred in the midst of the celebration of managers and organizations. Organizational behavior research has an excellent treasure-trove of group and leadership foibles. The next step in the rich history of organizational behavior is to lay claim to some of the greatest achievements of groups and leaders.

Methodological Issues

When it comes to methodological elegance, the “negative” psychology side has made significant inroads as compared to the positive psychology movement. For example, elegant ways of measuring bias, while controlling for a host of other factors, exist in the negative psychology of groups and teams. It is possible that the positive psychology side can make similar strides by carefully carving up the “synergy” side of the equation. However, measures of “subjective well-being” and “happiness” will most likely not be enough
to satisfy management scholars who revel in behavioral measures of performance. Thus, a continued focus on hard measures of performance and achievement is paramount.

**Applied and Practical Issues**

One problem for the scholar is that if groups are working really well, what problem are they solving? As we pointed out at the beginning of the chapter, the negative psychology model (as manifested in OB) is much like the medical model: it is problem based, and perhaps a little prevention based. The scholar, like the doctor, finds the new, insidious cancer and designs a study to show its devastating effects. We propose that OB scholars complement the problem-based model with a wellness model. It is reasonable to think that the field of organizational behavior has not yet discovered how effective groups and leaders can ultimately be.

**REFERENCES**


