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Romance of leadership and management decision making

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Many studies have shown that romance of leadership as an implicit leadership theory has an impact on the perception and evaluation of leadership. In this article we argue that romance of leadership also influences top leaders’ behaviour in terms of decision making. We assume that people with high scores in romance of leadership rely more on the project leader’s characteristics than on situational conditions when they have to decide to approve a project or not. In our study 145 clerical workers had to make several managerial decisions in an experimental simulation. We systematically varied three factors: the probability of success of the leader (high vs. low), the probability of success in the given situation (high vs. low) and the leader’s behaviour in the past (ethical vs. unethical). Results show that participants with a high romance of leadership have a tendency to approve a project if the leader’s probability of success is high, and to reject a project if the leader’s probability of success is low. “Romanticizers” also approve projects to a greater extent in mixed situations where the leader’s probability of success is high and the situation is more unfavourable than in reversed situations. Interestingly, the effects of romance of leadership did not hold for situations where the participants had information about unethical behaviour of the project leader. Implications of romance of leadership for managerial and political practice indicate that decisions may be more risky when situational information is neglected and only information about the project leader is taken as being relevant.

Most research in the field of leadership can be considered as leader-centric as it is focused on leaders’ behaviour and its effectiveness with regard to different outcomes. In recent years, research with a follower-centred
perspective that emphasizes the role of the followers in an interactive, dyadic process has received increased attention (e.g., Awamleh & Gardner, 1999; Ayman, 1993; Felfe & Schyns, 2006; Gardner & Avolio, 1998; Lord & Emrich, 2001; Lord & Maher, 1993; Meindl, 1995; Nye, 2002). From this point of view, there is evidence that the chance to become and to remain an effective leader does not solely depend on the leaders’ own behaviour but also followers’ information processing. The evaluation and acceptance of a leader in a specific situation is determined by followers’ mind-sets, which consist of assumptions, beliefs, and expectations regarding the causes, nature, and the consequences of leadership. These mind-sets are regarded as implicit leadership theories (ILT; Lord & Emrich, 2001).

In this study, we extend this approach, as we claim that not only are followers’ perceptions and attribution of leadership determined by ILTs, but also that top managers’, CEOs’, executive board members’, or other stakeholders’ decision making behaviour may be influenced by their respective implicit theories of leadership. The romance of leadership (Meindl, Ehrlich, & Dukerich, 1985) can be regarded as a specific ILT that emphasizes an outstanding role of leaders for organizational success or failure. It is of theoretical and practical interest to better understand how managerial decision making is biased by ILTs such as romance of leadership. Accordingly, we argue that persons who believe that a leader’s capability is the core factor for success or failure, as proposed by romance of leadership theory, will tend to base their decision for an enterprise or a project on the evaluation of the leader than on alternative factors.

If our study provides evidence that ILTs, and, in particular, romance of leadership (RoL), influence decision making, this will also contribute to the theoretical development of the RoL concept. Furthermore, we ask whether the quality of decisions is biased by actors’ ILTs. For example, persons who predominantly rely on the leader may be prone to take more risky decisions because they neglect situational information or even accept unethical behaviour to maintain the leader’s success. However we do not believe that any kind of leader will be romanticized. In order to address the question of this potential risk we ask whether people refuse to romanticize unethical leaders.

The first aim of this study is to examine the meaning of RoL for managerial decisions. Before we take a closer look at this approach, the background of ILT is briefly outlined.

**IMPLICIT LEADERSHIP THEORIES**

In line with Schneider’s (1973) implicit personality theory, Eden and Leviathan (1975) consider implicit leadership theories as cognitive structures that contain schemas with typical traits and behaviours of leaders.
ILT\textsuperscript{s} work as cognitive frameworks and categorization systems. Sensitivity, charisma, attractiveness, etc. are relevant dimensions underlying an implicit leadership theory (Offermann, Kennedy, & Wirtz, 1994). If a focal leader matches categories of leader prototypes, this leader will be recognized as a leader (Lord, Foti, & de Vader, 1984). Recognition and inference are the underlying information processing effects that explain the perception and attribution of leadership (Lord & Maher, 1993). Generally, it is assumed that people within one culture share a common set of categories that define a prototypical leader (House, Hanges, Javidan, Dorfman, & Gupta, 2004; Shamir, 1992). However, individual differences exist. These may be due to followers’ self-conceptions (Keller, 1999), their personality (Felfe & Schyns, 2006) or to situational cues. Accordingly, studies with the Social Identity Theory approach were able to show that the emergence of a leader is based on that leader’s fitting a prototype (“prototypicality”) for the characteristics of a group in a specific situation (Haslam & Platow, 2001). The perception of leadership is also associated with high performance and success (Lord, 1985; Rush, Phillips, & Lord, 1981). While success of a group enhances the perception of leadership, failure reduces the perception of leadership (Lord & Maher, 1993). In winning groups leaders were rated as significantly more responsible for the group’s performance than in losing groups (Nye, 2002).

Besides a better theoretical understanding of leadership processes, Felfe (2005) pointed out at least two practical reasons why implicit leadership theories should be considered. (1) In general, leaders are evaluated by their followers and their own direct leaders. The implicit leadership theories of the above groups may serve as an explanation for the individual bias in the response to a focal leader’s behaviour. It is an important empirical question as to what extent leadership ratings are due to leaders’ behaviour and to what extent they are due to observers’ implicit leadership theories. (2) Moreover, it can be assumed that followers influence their leaders’ behaviour by their feedback and behaviour. Leaders who meet their followers’ expectations and demands have a better chance of being effective as they can expect more motivation, support, and are given more credit for results (Lord & Emrich, 2001; Lord et al., 1984; Nye & Forsyth, 1991). Accordingly, Kenney, Schwartz-Kenney, and Blascovich (1996) identified followers’ criteria for leaders’ being “worthy of influence” (p. 1128). Once followers consider a person/leader as being worthy of influence, they report that they will be more likely to allow that person to exert influence.

To sum up, leadership is also a phenomenon of information processing and social construction, and it can be assumed that effective leaders are also created on the basis of their followers’ implicit theories. As mentioned before we extend this perspective by considering not only followers’ but also other important actors’ (e.g., executive board members) behaviour. With their decisions, they assign responsibilities, tasks and resources to a specific
leader (empowerment). These decisions are supposedly influenced by the degree by which a leader meets their expectations and how important the role of leadership is considered in general. The issue of the importance of leadership is explicitly addressed by the romance of leadership concept (Meindl et al., 1985).

ROMANCE OF LEADERSHIP

Romance of leadership can be defined as the tendency to view leadership as the most important factor for the success or failure of organizations (Meindl et al., 1985). Whereas the influence of other factors is de-emphasized, the influence of leadership is overemphasized. Particularly in cases of outstanding success or failure, people tend to overestimate the role of the leader and neglect external circumstances. In a set of experimental studies, the reasons for outstanding success and failure were attributed to leadership, whereas performance that did not challenge expectations was not primarily attributed to leadership (Meindl et al., 1985). Meanwhile, romance of leadership is not only explained by situational factors but also considered as a stable characteristic of the individual. As Meindl (1990) states, some persons may be especially prone to romanticize leadership. To measure individual differences the Romance of Leadership Scale was developed (Meindl, 1998; Meindl & Ehrlich, 1988). The items focus on the perceived causal significance of leadership, the assignment of blame and responsibility to leaders for success or failure, and the value of investing in extensive and costly assessment procedures to select applicants for vacant leadership positions. This general propensity affects the perception of leadership (Felfe & Schyns, 2004; Meindl, 1998; Shamir, 1992).

Romance of leadership can be understood from an information processing perspective. It helps people to structure and to make sense of organizational phenomena that are complex, ambiguous, and difficult to comprehend (Meindl et al., 1985; Shamir, 1992). Thus leadership provides followers with a plausible category for a better understanding and a sense of control with regard to failure and success in organizations. This tendency may be reinforced by the fundamental attribution error (Ross, 1977), that people in general tend to focus on the role of personal causes and underestimate the impact of situations. Followers’ need to understand and make sense of things is particularly high in cases of unexpected success or failure.

When explaining success or failure in the past, recent empirical work has focused on a retrospective attribution perspective. However, little is known about how romance of leadership influences behaviour with consequences and implications for the future. Decision making is a future-directed behaviour with far-reaching consequences, and it is an important part of managerial behaviour. It can be assumed that persons who think that
leaders play an important role for a company’s success or failure have a stronger propensity to enable a leader to be influential. For instance, from a superior position they assign responsibilities, tasks, and resources, whereas from a subordinate position they may show more compliance with a leader’s instructions and may even sacrifice their self interests. As Meindl (1995) states, RoL is an important cause of “follower-ship”.

ROMANCE OF LEADERSHIP AND DECISION MAKING

To maintain and improve the success of an organization, leaders and managers have to make decisions every day. In order to enhance success it is a given that decisions should maximize chances and profits and minimize risks and costs. In a specific decision making situation, for example, when voting for a particular project or enterprise, managers have to take different factors into account and calculate their probabilities of success, as has already been proposed by the “subjectively expected utility theory” (Edwards, 1954). Important factors may be a favourable situation (innovative product, efficient technology and organization, high sales expectation), sufficient capital or political security. Moreover, well educated and highly motivated employees as well as an appropriate leader for the project are required. As a matter of fact the assessments of most factors are combined with insecurity. Thus, judgements are based on probabilities. If all requirements seem to be fulfilled with a high probability, a positive decision will be made.

For an optimal rational decision making process, both comprehensive information and sufficient time are required. However, most complex and long term decisions are made with restrictions that do not allow for a thorough collection and analysis of information. If complexity is high, important information is not available and time pressure exists, people have to cope with insecurity and ambiguity. As has been shown in the research, people often fail to make appropriate use of information even when sufficient data is available and accept the risk of a suboptimal decision (e.g., Kruglanski & Webster, 1996). Bounded rationality is a widely researched phenomenon—as has been shown by the groundbreaking work of Kahneman and Tversky (1973) and Tversky and Kahneman (1974). In this line of research it was shown that people often rely on quite different kinds of inferential heuristics, for example: rules of thumb, personal experiences, and their explicit or implicit theories of judgement.

For the purpose of our research question, participants were confronted with several management situations in which they had to make a decision about approving or rejecting a project. In order to attain experimental control, standardized situations were construed and we reduced complexity by focusing on two central factors that should be considered for the decision
in favour of or against a project: First, a favourable or an unfavourable situation for the success of the project, and second, an appropriate leader with high competence and experience who has been successful in the past or a leader with deficits who failed when running projects in the past. A favourable situation is associated with a high probability of success and a low risk of failure whereas an unfavourable situation results in a low probability of success or high probability of failure. The same holds true for the evaluation of the leader (high vs. low probability of success). Both factors are supposed to influence a person’s approval of a project in a given situation.

**H1.1:** Information about the leader will influence the approval of a project: Participants will approve a project to a greater extent if a leader’s probability of success is high compared to a situation where the probability of success of the leader is low.

**H1.2:** Information about the situation will influence the approval of a project: Participants will approve a project to a greater extent if the situation is favourable (high probability of success) compared to an unfavourable situation (low probability of success).

The basic assumption of RoL is the emphasis of the role of leadership while neglecting the situational context (Meindl, 1985), and therefore decisions that are based on a romanticized view will predominantly consider leader-relevant cues. This propensity may influence managerial judgements in a specific way: Persons who romanticize leadership are more willing to make a positive decision on a project when the probability of success of the leader is high. On the other hand persons with low romance of leadership are less willing to make a positive decision on such a project, as they do not rely as much on the information about the leader. This also means that the designated leader is empowered and given more influence. In the case of a poor leader, the pattern will be reversed: Persons with high romance of leadership will tend to reject a project more if the probability of success of the leader is low. In this case the designated leader’s influence decreases. In contrast, persons with low romance of leadership will not emphasize the information about the leader that strongly and are therefore more willing to make a positive decision, even when the information about the leader is unfavourable. Thus, romance of leadership evokes more extreme decisions depending on the information about the leader. Accordingly we expect the following:

**H1.3:** The relationship postulated in H1.1 is moderated by romance of leadership: Participants who score high on romance of leadership will approve projects to a greater extent if the probability of success of the
leader is high and approve projects to a lower extent if the probability of success of the leader is low than participants who score low on romance of leadership.

In the following section we will outline our hypothesis concerning mixed situations and the influence of romance of leadership. The combination of the two factors, the leader’s and the situation’s probability of success, make up four different situations. It is not surprising that people are expected to make a positive decision when the probability of success is high for both factors, and to reject a project (negative decision) when the probability of failure is high for both factors. But how will people decide in mixed situations that are characterized by insecurity? Will it make a difference if there is an appropriate leader in an unfavourable situation or if there is a favourable situation but an inappropriate leader?

The assumption of RoL, that the role of leadership is overestimated does not only mean that people base their decision on the information about the leader but it also means that they neglect the information about the situation. In particular, this can be shown in mixed situations where insecurity and ambiguity are higher. Following Meindl et al. (1985) and Meindl (1990), RoL is a phenomenon that occurs on the societal as well as on the individual level. It can be expected that our results will be affected by both levels. First, according to Meindl et al.’s (1985) proposal that romance of leadership is a social construction that exists on a societal level, and with regard to the general fundamental attribution error we expect a general tendency toward romance of leadership in our sample. This means that the evaluation of the leader turns out to be a more relevant factor than the favourability of the situation for all participants, independent of their individual level of RoL. Therefore, in our mixed situations, we expect that the likelihood of approval is low even when the situation is favourable but the leader’s evaluation is poor. In contrast to this, the likelihood of approval will be higher when the situation is unfavourable, but the project leader’s probability of success is high. Thus, the evaluation of the leader appears to be a more relevant factor than the favourability of the situation.

H2.1: The approval is higher in situations where the leader’s probability of success is high and the situation is unfavourable than in situations where the leader’s probability of success is low but the situation is favourable.

On the individual level, persons vary with regard to their individual tendency to romanticize leadership (Meindl, 1990). Therefore, the aforementioned effect of H2.1 will be modified by an interaction effect: Persons high in romance of leadership are more willing to make a positive decision in
mixed situations when the probability of the leader is high. The same persons show less approval in mixed situations when the probability of the leader is low. In mixed situations, persons high in romance have a stronger propensity to focus on the information about the leader than persons low in romance of leadership.

**H2.2:** Romance of leadership moderates the effect postulated in H2.1:
The effect will be stronger for persons high in romance of leadership than for persons low in romance of leadership.

The next question that we will address is if people with higher romance of leadership will be prone to make less than optimal or even risky decisions because they neglect important information. So far, we have argued in our hypothesis that RoL will influence decisions in such a way that persons overestimate leadership and neglect the situational cues. Moreover, we pointed out that these decisions may increase or decrease a leader’s influence and power, in that some leaders get the opportunity to run a new project and others will not get this chance. It is an open question if people who generally romanticize leadership will put their trust in any kind of leader and therefore bestow influence and power.

On the one hand, one could worry that persons who consider the leader as being the main factor of success might even accept an unethical leader for the purpose of success. For instance, one can imagine that particularly in a difficult economic situation persons high in RoL focus their hopes and expectations on the leader’s person. In this situation the leader may be seen as the only one who can guarantee that goals will be reached or can manage the turnaround. In this case persons may even be ready to ignore and neglect negative cues about the leader, such as information about unethical behaviour. This would mean a serious increase of risk when romanticizers make decisions. Meindl (1995) has already mentioned that the reputation of a leader serves as a significant cue for the development of the leader–follower relationship. However, the relationship between RoL and unethical behaviour has not yet been examined. Thus it is an empirically open question if information about unethical behaviour directly affects the role of RoL.

On the other hand there may be an indirect link between ethical leadership and RoL. Many scholars have argued that the ethical component is essential for the functioning of transformational leadership (Bass, 1998; Bass & Steidlmeier, 1999; Howell & Avolio, 1992; Kanungo, 2001). Accordingly, influential and extraordinary leadership such as transformational and charismatic leadership is associated with trust, confidence, and social values. Although results are mixed, there seems to be a relationship between romance of leadership and transformational leadership
Meindl (1990) even postulates that transformational/charismatic leadership is “hyperromanticism” (p. 182). According to him, “transformational leadership, with its emphasis on charisma and vision, is in part a matter of perception and attribution, myth and symbol, that is likely to have a romanticized component to it” (p. 182). Moreover, the GLOBE study (House et al., 2004) revealed that implicit theories on successful leadership can be characterized as charismatic and team-oriented. It seems to be justified to assume that romance of leadership is only influential in situations where the leader is perceived as being ethical. However, if the leader is perceived as being unethical, persons high in romance of leadership will experience disappointment and therefore not allow more influence and show less approval. Accordingly, we expect the following:

**H3:** The effect of romance of leadership (H1.3) on the relationship between the probability of success of the leader and approval only holds if the leader is perceived as ethical.

**METHOD**

**Participants and procedure**

Participants were 145 highly qualified clerical workers from a financial services company. Most of them were women (62.8% women and 37.2% men). The mean age was 38.5 ($SD = 10.6$) and 68.4% have been in the organization for more than 10 years. 26.9% held supervisory positions. 59% of the supervisors were men and 41% were women. The education level in this sample was high as all participants have earned a diploma from a German secondary school (A-level) and hold additional bachelor or master degrees. All participants in this study were volunteers and they were informed that the survey was only being conducted for research purpose. Questionnaires were distributed by the researchers and these were filled out during leisure time. They were returned anonymously directly to the researchers.

First, the participants were asked to answer the items on the romance of leadership scale. Then, participants were instructed to act like a member of an executive board who is preparing for the next board meeting. The instructions given were: “Imagine you are member of the executive board of a middle-size, prospering pharmacy company…. In preparation for tomorrow’s board meeting you received some project proposals. Tomorrow the board will decide on these projects. Please make your decision now”. Next participants were presented a set of short descriptions of the proposed projects and they were asked to make a decision for each of them on the
basis of the information provided. After reading the information about each project, participants had to decide if they would approve or would not approve the project on a scale from 1 = “completely disapprove” to 5 = “completely approve”. All participants filled in the complete set. To avoid effects of the order of presentation, the situations were presented in a randomized sequence.

Materials

The descriptions of the projects were similar in length, complexity of information, etc. The content varied slightly for all projects (e.g., developing a new medicament, implementing a new production engineering process, building a new factory). According to our research questions the probability of the success of the leader and the probability of the success of the situational context were systematically varied. Moreover, ethical behaviour of the leader was varied as a third factor, so that a Leader × Situation × Ethic design was created. Overall, eight different situations can result from the combination of these three factors. The factors were described as follows: The probability of success of the leader was either low (e.g., “Mr Ulrich has only little experience as a project leader,… his performance appraisals only reached average level,… some subordinates complained about his leadership style”), or high (e.g., “Mr Kling is an experienced project leader,… he has diplomatic capabilities,… is convincing”). To make sure that these characteristics are related to success some objective figures were added: “six of his last eight projects were successful” (high probability) vs. “…was only successful in two of the last eight assignments” (low probability). The probability of success of the situation was either high (e.g., “for reasons of demographic development an increased demand can be expected,… there is political support,… our generic product will be much cheaper than…”) or low (e.g., “corruption can be anticipated,… the recruitment of a qualified workforce will be difficult,… there is severe competition in this market”). To once again ensure that these characteristics are related to success, some objective figures were added: “the prospects of success are estimated at 75%” (high probability) vs. “the prospects of success are estimated at 25%” (low probability). To differentiate ethical from unethical leaders, further information was added for unethical leaders, e.g., “Unfortunately, Mr Nolte violated legal rules in order to be successful with his last project”. For ethical leaders no such information was given. Ethical behaviour was not mentioned explicitly, since compliance with legal rules is regarded as the standard code of conduct.

Materials were pretested with a sample of 43 students to make sure that the situations were understandable and would influence the approval of the
projects as the dependent variable. All participants rated the situations as clear and understandable. Three subsequent t-tests revealed significant differences between all of the situations as expected. Highest approval was found for Situation 1, with high probability of success for both the leader and the situation (\(M = 3.35, SD = 1.13\)). The approval in Situation 2 (leader high and situation low) was lower (\(M = 2.84, SD = 1.13\)). The approval in Situation 3 (leader low and situation high) was even lower than in Situation 2 (\(M = 2.12, SD = 0.91\)), and the approval in Situation 4 (leader low and situation low) was lowest (\(M = 1.60, SD = 0.58\)). All differences (Sit. 1 – Sit. 2, Sit. 2 – Sit. 3, Sit. 3 – Sit. 4) were significant, \(t = 2.39, p \leq 0.05; t = 3.09, p \leq 0.01; t = 3.92, p \leq 0.001\), respectively. Since three subsequent t-tests were conducted, a Bonferroni correction to the nominal alpha required t-values of \(t = 2.39\) for a .05 level of significance. All three t-values are equal or higher than this cut-off value. Means and standard deviations for the approval in the main study are provided in Table 1.

Measures

To measure romance of leadership we administered a shortened version of the Romance of Leadership Scale (RoL; Meindl, 1998; Meindl & Ehrlich, 1988; German translation by Schyns, Meindl, & Croon, 2004). The original scale consists of 32 items, and the answer format was from −3 (does not apply at all) to +3 (applies completely) (Meindl & Ehrlich, 1988). For the purpose of this study the answer format was changed to 1 = not at all true to 5 = completely true, in order to provide a homogeneous format in the entire questionnaire, and the scale was shortened because persons’ willingness to participate would probably decrease if the questionnaire was too long. Originally a single factor solution was found (Meindl & Ehrlich, 1988), but subsequent studies revealed inconsistent factor solutions, and therefore the use of a shortened version was proposed (Awamleh & Gardner, 1999; Schyns et al., 2004). According to Schyns et al. (2004), who found a core factor representing relevance of leaders (“influence of a leader”), a second

<table>
<thead>
<tr>
<th>Type of situation</th>
<th>Ethical</th>
<th>Nonethical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Situation</td>
<td>Leader</td>
<td>N</td>
</tr>
<tr>
<td>Low</td>
<td>High</td>
<td>145</td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
<td>143</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>145</td>
</tr>
<tr>
<td>Low</td>
<td>Low</td>
<td>144</td>
</tr>
</tbody>
</table>
factor representing irrelevance of leaders ("interchangeability of a leader"), and a third factor that was not interpretable, we decided to eliminate items of this third factor as well as items that loaded on different factors in different samples (Schyns et al., 2004). Moreover, items were removed that referred to existing politicians (e.g., the Queen and the German Chancellor) or were formulated too extremely ("life and death decisions"). As all negative items loaded on the second factor, it is questionable if this factor emerged from methodology rather than from contents. Therefore an overall measure was computed on the basis of all 21 items. Cronbach’s alpha for this scale was $\alpha = .78$ and six items showed item-total correlations ($r_{it}$) lower than .30. A scale of this length is supposed to show an internal consistency of at least $\alpha = .80$ and item-total correlations ($r_{it}$) higher than .30 are required. This is in line with the standards of reliability recommended by Nunnally (1978), who states: ". . . what a satisfactory level of reliability is depends on how a measure is being used. In the early stages of research . . . reliabilities of .70 or higher will suffice. . . In basic research, . . . a reliability of .80 . . . is adequate. In those applied settings . . ., a reliability of .90 is the minimum that should be tolerated” (pp. 245–246) (see also Lance, Butts, & Michels, 2006). Therefore we removed items to improve the internal consistency of the scale. Six were excluded, one by one using item-total correlations ($r_{it}$) as criterion. The deleted items did not show any specific similarity with regard to their content. Cronbach’s alpha of the final scale ($M = 3.62$, $SD = 0.52$) was $\alpha = .81$ and item-total correlations ($r_{it}$) were satisfactory. A principal component analysis revealed four components with eigenvalues 4.3, 1.7, 1.2, and 1.1. An examination of the scree plot indicated that only one component should be interpreted. The amount of overall explained variance was 54.5%. Moreover, except for two items that showed highest loadings on component two or four, all items showed their highest loading on the first component.

**RESULTS**

**Test of hypotheses**

Due to the fact that three of our four factors were dichotomous we chose an ANOVA in order to test Hypotheses 1.1–1.3 and 3. For Hypotheses 2.1 and 2.2 we conducted post hoc $t$-tests. As we calculated more than one $t$-test we applied a Bonferroni correction to the nominal alpha level (Hays, 1994).

H1.1–1.3 and H3 were tested with an ANOVA with four factors and repeated measures. As addressed in the hypotheses the three within-subject factors were leader (high vs. low), situation (high vs. low) and ethical vs. unethical, and RoL (high vs. low) was the between-subjects factor. RoL groups were defined by median-split ($Md = 3.69$). As expected in H1.1,
information about the leader and the situation influenced the approval of a project. Participants approved a project to a greater extent \((M = 3.60)\) if a leader’s probability of success was high compared to a situation where the probability of success of the leader was low \((M = 2.18)\). They also approved a project to a greater extent \((M = 3.27)\) if the probability of success in a situation was high compared to a situation where the probability of success was low \((M = 2.25)\) (H1.2). Both effects were significant, \(F(1, 139) = 404.99, p < .001, \eta^2 = .74\); \(F(1, 180) = 135.69, p < .001, \eta^2 = .49\). Means are presented in Table 2. As stated in H1.3, participants who scored high on romance of leadership approved projects to a greater extent if the probability of success of the leader was high \((M = 3.69)\) and approved projects to a lower extent if the probability of success of the leader was low \((M = 2.13)\) when compared to participants who scored low on romance of leadership \((M = 3.51 \text{ and } 2.23, \text{ respectively})\). This interaction effect was significant, \(F(1, 139) = 3.97, p = .049, \eta^2 = .03\). Means are presented in Table 3. Thus, Hypotheses 1.1 – 1.3 are supported.

Hypotheses 2.1 – 2.2 were tested with three subsequent post hoc \(t\)-tests and Bonferroni correction to the nominal alpha level was considered afterwards. In line with H2.1 the approval of a project was higher in situations where the leader’s probability of success was high and the situation was more unfavourable \((M = 3.05)\), than in situations where the leader’s probability of success was low but the situation was favourable \((M = 2.38)\), \(t(144) = 7.05, p < .001\) (see Table 2). As expected, this general effect corresponded to the high overall level of RoL in our sample. Actually, the empirical mean \((M = 3.62)\) was clearly above the theoretical scale mean of 3.0. Thus, there is a general propensity to romanticize leadership in our sample. As postulated in Hypothesis 2.2 the effect of H2.1 will be stronger for persons high in romance of leadership than for persons lower in romance of leadership: In situations where the leader was successful and the situation was unfavourable, high RoL resulted in higher approval \((M = 3.25)\), whereas in reversed situations (success of leader low and situation favourable) high RoL resulted in lower approval \((M = 2.32)\), \(t(74) = 7.10, p < .001\) (see Table 2). As expected, this difference was significant, \(t(143) = 2.88, p = .005\). Because three subsequent \(t\)-tests were conducted, a Bonferroni correction to the nominal alpha requires \(t\)-values of \(t = 2.39\) for a .05 level of significance. All three \(t\)-values were
### TABLE 2
Mean ratings and standard deviations of the dependent variable “Approval of the project” as a function of the probability of success of the leader, the probability of success of the situation, and romance of leadership

<table>
<thead>
<tr>
<th>Romance of leadership</th>
<th>Low probability of success of situation</th>
<th>High probability of success of situation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (SD)</td>
<td>Low (SD)</td>
<td>High (SD)</td>
</tr>
<tr>
<td>Low probability of leader success</td>
<td>1.99 (0.85)</td>
<td>2.04 (0.80)</td>
<td>1.94 (0.89)</td>
</tr>
<tr>
<td>High probability of leader success</td>
<td>3.05 (0.96)</td>
<td>2.84 (1.00)</td>
<td>3.25 (0.87)</td>
</tr>
<tr>
<td>Total</td>
<td>2.52 (0.67)</td>
<td>2.44 (0.65)</td>
<td>2.60 (0.70)</td>
</tr>
</tbody>
</table>

Values can range from 1 (completely disapprove the project) to 5 (completely approve the project). SDs are presented in brackets.
### TABLE 3
Mean ratings and standard deviations of the dependent variable “Approval of the project” as a function of the probability of success of the leader, romance of leadership, and ethical vs. unethical leader

<table>
<thead>
<tr>
<th>Ethic</th>
<th>Low romance of leadership</th>
<th>High romance of leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Ethical</td>
</tr>
<tr>
<td>Low probability of leader success</td>
<td>2.23 (0.60)</td>
<td>2.61 (0.72)</td>
</tr>
<tr>
<td>High probability of leader success</td>
<td>3.51 (0.70)</td>
<td>3.80 (0.69)</td>
</tr>
<tr>
<td>Total</td>
<td>2.87 (0.51)</td>
<td>3.21 (0.50)</td>
</tr>
</tbody>
</table>

Values can range from 1 (completely disapprove the project) to 5 (completely approve the project). SDs are presented in brackets.
clearly higher than this cut-off value. As mentioned before, H3 was also tested with the ANOVA conducted to test H1.1–1.3. With H3 we postulated that the effect of romance of leadership (H1.3) on the relationship between the probability of success of the leader and approval only holds if the leader is perceived as being ethical. As can be seen in Table 3, in situations where the probability of success of the leader was low and the leader was ethical, participants with high scores in RoL approved the project as expected to a smaller degree ($M = 2.42$) than participants with low scores in RoL ($M = 2.61$). For unethical leaders there was no such difference ($M = 1.84$ and 1.85, respectively). In situations where the probability of success of the leader was high there was a difference between high and low RoL ($M = 4.09$ and 3.80, respectively) only for ethical leaders. In contrast, for unethical leaders no difference occurred ($M = 3.30$ and 3.23, respectively). This interaction effect was significant, $F(1, 139) = 3.57$, $p = .025$, $\eta^2 = .03$. In other words: The effect of the probability of success of the leader on approval was stronger for high RoL compared to low RoL only when the leader is ethical. Thus, the data supported Hypothesis 3.

DISCUSSION

Previous research already showed that followers’ implicit leadership theories have considerable effects on the perception and evaluation of their leaders (Felfe & Schyns, 2004; Meindl, 1998; Schyns et al., 2006; Shamir, 1992). The aim of this study was to contribute to this body of research by extending one of the most prominent implicit leadership theories—romance of leadership—through the examination of its impact on decision making in management contexts. Based on Meindl et al.’s (1985) theory, and referring to empirical findings in the field of RoL, which indicate that people tend to overestimate a leader’s role and neglect external circumstances, we postulated that persons’ scoring on romance of leadership will influence their decision making in a management context. We expected to find results that confirm the romance of leadership concept by showing that decisions by persons who are high in romance of leadership are based more upon information about the leader than on information about the situational context. If we find empirical evidence that this tendency can be explained with RoL, a basic assumption of RoL is confirmed and therefore our study also contributes to the validation of the concept.

Overall our findings clearly indicate that participants’ decisions are based on both sources of information: the leader and the situational context. First, participants decided to approve a given project to a greater extent if favourable information about the designated leader was available. Second, participants approved a project to a greater extent if the probability of
success in the given situational context was high. More importantly, we asked if it made a difference if there is an appropriate leader in an unfavourable situation, or if there is a favourable situation but a questionable leader. A comparison of the influence of these two sources of information reveals that the information about the leader is more influential than the information about the context. This interpretation is confirmed when we take a look at mixed situations. The results clearly showed that there is a lower chance for approval if the leader’s evaluation is poor, even when the situation is favourable, than in situations where a favourable leader is combined with an unfavourable situation. Although there is also an influence of the leader’s quality in unfavourable, risky situations, it is particularly in favourable situations that the approval of a project depends on the positive evaluation of the leader. Thus there is a clear bias toward the information about the leader.

So far, at least two questions can be raised. First, what is the meaning of romance of leadership for the explanation of these overall results, and second, which consequences may be anticipated.

**IMPLICATIONS OF THE RESULTS FOR THE ILT**

**ROMANCE OF LEADERSHIP**

With regard to the first question one can argue that the results so far are in line with romance of leadership theory, which proposes that the role of the leader is overemphasized and circumstances are neglected. As this result occurred as a general effect for the whole sample, Meindl et al.’s (1985) proposal that romance of leadership as a social construction is a common phenomenon, that originally exists on a societal level, is supported. The fact that we also found a considerable high average level of RoL may serve as a plausible explanation of this general effect. This finding of a high level of RoL is supported by other studies that also revealed high means (Ehrlich, Meindl, & Viellieu, 1990; Felse, 2005; Meindl & Ehrlich, 1988). Thus we could replicate a general effect that reflects a widespread implicit theory on leadership.

To give evidence that romance of leadership is involved, additional analysis on the individual level was required. Following Meindl’s (1990) idea that there are individual differences with regard to romance of leadership, we postulated that we would find the above-mentioned effects especially for persons high in romance of leadership. As expected, our results clearly showed that romance of leadership serves as a moderator for the relationship between the information about the leader and approval in the sense that this relationship is stronger for persons who score high on romance of leadership than for their counterparts. In particular, people with high romance of leadership tend to be optimistic, and to make a positive
decision for a specific project, when there is a high degree of promise that the leader will be successful although the situation is really unfavourable, whereas they would hesitate in a reversed situation. Thus we found empirical evidence for our assumption that persons’ ranking in romance of leadership will influence their decision making. This finding extends previous theory and research on romance of leadership that has primarily focused on attribution and perception.

However, we still do not know very much about the underlying psychological mechanism of RoL. There are several explanations why RoL might play an important role. From an information-processing perspective, Meindl et al. (1985) and Shamir (1992) argue that leadership as a plausible category helps people to structure and to make sense of organizational phenomena that are complex, ambiguous, and difficult to comprehend. Followers’ need to understand and make sense of things is particularly high when a course of events is unexpected or negative. Meindl (1990) also assumes that romance of leadership helps to confirm persons’ own need for control. Probably persons who lack control and efficacy project and attribute influence to others. By identifying with influential leaders they may substitute for their lack of control and self-esteem. However, the empirical support for this view is weak (e.g., Felfe, 2005; Meindl, 1990). The fundamental attribution error or more general implicit personality theories may serve as alternative explanations. As outlined by Werth, Markel, and Förster (2006), so-called “entity theorists”, who believe in the stability of personality, are more prone to the fundamental attribution error than “incremental theorists”, who take situational factors into account. Implicit person theories of followers and leaders influence the evaluation of leaders, such that entity theory managers are judged more positively by their followers (Werth et al., 2006). Possibly, the explanation is that leaders who are “entity theorists” better meet the expectations of those followers, who are driven by romance of leadership.

The ethical component of leadership is another issue that was addressed in this study. We were concerned that romance of leadership could facilitate the acceptance of unethical leaders. Blind trust in the ability of the leader to achieve success might enhance the potential risk of romance of leadership. On the other hand, we argued that outstanding leadership such as transformational and charismatic leadership has a strong ethical component, and followers only enable their leaders to be influential when they perceive them as being ethical. Our data supports the last assumption. The influence of romance of leadership can only be observed when leaders are not unethical. Obviously, a more differentiated view on the romance of leadership is necessary. Its influence only holds for ethical leaders but not for unethical leadership. Consequently, there is no evidence for an alternative
assumption that RoL facilitates unethical behaviour in organizations as mentioned above.

**PRACTICAL IMPLICATIONS**

As far as anticipated practical implications, it is important to note that decisions may be less appropriate when situational information is neglected and only the information on the project leader is considered relevant. Decision makers in organizations should be aware of this tendency and should handle their decisions with care, since there is a high risk that organizations overlook important chances or underestimate risks. There were strong and convincing arguments in our study, such as high level of political support for a project or a promising objective marketing analysis, that should have impressed the participants and encouraged them to emphasize the situational factor. Moreover, an aggregated probability for the success was provided which summarized a bundle of factors (politics, marketing, product quality, etc.). In sum, there was no reason to underestimate the situational factor. However, our participants were ready to reject the project when only one specific factor, the leader, had some competency deficits or was unlucky in the past. Obviously, this single factor deserves more attention and priority compared to the combined number of situational factors. In our opinion, serious doubts must be raised if it is appropriate to reject a promising project in this kind of situation. In the one case the company risks losing future market opportunities. In the other case direct damage and financial loss for the organization may occur when risks are underestimated. Even when we provided many strong arguments for the rejection of a project, people seem to believe that there will still be a considerable chance for the whole project if only a competent leader, who was mostly successful in the past, goes into action and takes responsibility. This only makes sense when people are of the opinion that a leader has extraordinary influence as well as power, and other circumstances can be neglected. Again we have serious concerns that this belief system is appropriate for complex managerial settings as described in our study. Moreover, it is notable that decisions are even more unbalanced when persons’ romance of leadership is high. The obvious influence of the subjective factor suggests that the reason for unbalanced decisions cannot be explained by objective cues pertaining to the situation. For managerial practice, leaders and decision makers in organizations should be advised not to neglect the information about the situation and thereby engage in questionable projects. The probability of taking inadequate risks should not be underestimated. Coaching, training, and case studies may be appropriate methods for managers and executives that help to reflect on their implicit theories and belief systems that influence their decision.
FUTURE RESEARCH

As we mentioned earlier, it is important for leaders and decision makers in organizations not only to focus on the abilities of the leader, but also to take information about the situation into account. Of course, we can envisage situations in which the abilities of the leader are more important than the situational factors and vice versa. In our simulations, we stress the importance of the leader as well as the importance of the situation, but we cannot prove the adequacy of a specific balance of leader and situation. However, in our situations we argue that a strong focus on the leader and a neglecting of situational cues is not a good basis for a decision. In some cases an appropriate decision is based primarily on the leader and not on the situational factors and in other cases a good decision takes the situational factors into account more than the abilities of the leader. So far we do not have an objective criterion to measure the quality of decisions by the participants. This would be an interesting issue for future research. Information provided in the simulations should clearly indicate that in the given situation the leader or the situational factors are especially important for the success of a specific project.

Another interesting issue for future research is to find out which information about the leader is most relevant. In our study, we provided two kinds of information: weak or strong abilities and success or failure in the past. For future research it would be interesting to separate these effects. Previous research has shown that followers’ ratings of leaders are systematically influenced by information on the previous success of a group (Nye, 2002; Rush et al., 1981).

Another topic for future research is to focus not only on individual decisions but also on decisions in groups, as many decisions in the business context are made in groups and even romance of leadership is a group phenomenon. Outlining a general model, Meindl (1995, 1998) states that romance of leadership can be regarded as a social construction that is based on individual and group level processes. The individual processes are influenced by group level processes that can be described with concepts such as social contagion and interaction networks. The social construction is a result of an intersubjective collaboration and negotiation on the basis of a shared system of leadership concepts (Pastor, Meindl, & Mayo, 2002). It is a highly interesting question whether our results can be replicated for group decisions as well. Homogeneity versus heterogeneity with regard to romance of leadership may emerge as an important factor. For a more differentiated perspective Social Identity Theory (Tajfel & Turner, 1986) proposes that cognitive structures representing leadership are not static, but will be continually rebuilt as new information is available or the tasks and the context changes (Hogg, 2001; Lord, Brown, Harvey, & Hall, 2001;
Lord & Emrich, 2001). Within the theoretical frame of Social Identity Theory, Haslam and Platow (2001) argue that prototypicality for the characteristics of a group explains the attribution and emergence of leadership. For further research it could be fruitful to combine prototypicality and romance of leadership to explain managerial decisions.

**LIMITATIONS**

One limitation that should be mentioned refers to the sample of this study. As participants were all clerical workers from a financial services company, this sample was relatively homogenous with regard to education, organizational background, and leadership experience. Probably other results would occur with a more heterogeneous sample. However, it is an advantage of this study that participants have had real experience with leadership for many years compared to student samples. Nevertheless, the argument that the ability to generalize our results may be limited cannot be ruled out and future research should cover a broader range of participants. One may also raise the question whether the managerial situation was properly understood. Due to the high educational level and working experience in business it can be argued that the participants were familiar with this kind of managerial decision situation. Moreover, the cases had been discussed with students after they had taken part in the pilot study. The feedback revealed that the cases were interesting, clear, and easy to understand. None of the students could guess the underlying research question.

It could be considered as a methodological problem that the measure of romance of leadership and the experimental part of the study were obtained at the same point in time. Though the RoL self-rating as the independent variable was presented first, and the decisions were presented afterwards, we cannot exclude that the filling in of the RoL questionnaires caused some kind of priming effect. In answering the questions, the role of leadership may become salient and as a consequence participants’ attention is directed more towards this factor. This may be an alternative explanation for the high level of RoL found in our study. However, this potential flaw could not affect individual differences and the related findings. Furthermore, our pretest revealed patterns that are similar to those that we found in our main study. In the pretest the RoL scale was not employed, and therefore leadership was not salient. In order to create a factorial design RoL was dichotomized, which may have reduced variance.

**CONCLUSION**

In this study we were able to show for the first time that romance of leadership has an impact on decision making when taken in a managerial
context. Therefore, we propose further research to replicate and extend this approach by addressing the following issues: (1) decisions in a group context, (2) the question of which information about the leadership factor is most relevant (past success/failure vs. abilities/deficits of the designated leader), and (3) other managerial decision situations in which, for example, the success of a project especially relies on the competence of the leader or on situational factors. The most ambitious and challenging issue, however, seems to be (4), the development of objective criteria that differentiate appropriate from suboptimal or even risky decisions.

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