

# HOW DIFFERENT LEADERSHIP STYLES WORK FOR DIFFERENT WORKGROUPS - AN EMPIRICAL STUDY ON ADAPTIVE LEADERSHIP

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## ABSTRACT

*This study investigates the effect of different leadership styles in different group settings. Two leadership styles (directive and transformational) and two group types (functional and cross-functional) were controlled in a hypothetical setting to assess their impact on perceptions of procedural and interpersonal justice. The subsequent impact of procedural and interpersonal justice perceptions on leadership credibility and group commitment were also examined. The results suggest that procedural and interpersonal justice perceptions are affected by leadership style, while group type affects procedural justice. Leadership credibility was found to be a full mediator between procedural justice and group commitment, as well as a full mediator between interpersonal justice and group commitment.*

## INTRODUCTION

Organizations remain in constant pursuit of ways to improve efficiencies, develop competitive advantages, and adapt to forces in a dynamic environment. In this pursuit, teams have become increasingly important to organizational success, evidenced by the growing trend of organizations to use more team-based structures (Mayer, et al., 2007). This upward trend in work groups has increased the motivation for organizations to identify ways to enhance the team's productivity and satisfaction (Kahai, Soski, & Avolio, 1997). The potential advantages teams offer are many, including greater employee satisfaction and commitment, better quality of products and services, greater efficiency and productivity, better decision-making, increased innovation, and increased cooperation among members (Yukl, 2006). In spite of the benefits, teams are also prone to negative behaviors, including decision-making biases (Jones & Roelofsma, 2000), social loafing (Brandyberry & Bakke, 2006), and groupthink (Whyman & Ginnett, 2005). Team failures are frequent (Hlavacek & Thompson, 1978). Thus, simply forming a team to address an organizational objective does not guarantee team success or effectiveness.

Within the past twenty-five years, there has been an increase of theoretical work conducted on team effectiveness, which has sought to better understand the antecedents, processes, and emergent states that facilitate effective team outcomes (Burke, et al, 2006). Researchers have

long established that leadership is key to individual, group, and organizational success (Bass, 1990, Burke et al, 2006). Leaders play an influential role in groups by instilling a willingness among group members to work towards a common purpose, thereby allowing the teams to accomplish their objectives and allowing organizations to capitalize on the advantages that teams offer. Since leadership is a key group attribute, it is important to examine how leader behaviors influence work groups (Kahai, Sosik, & Avolio, 1997).

In spite of leadership's importance in both an individual and group context, most studies on leadership have been conducted at the individual level and few have examined the effectiveness of different leadership styles at the group level (Liu et al., (2003). Liu et al. (2003) proposed a framework matching leadership styles (e.g. Directive, Transactional, Transformational, and Empowering) with the different underlying characteristics of employees in different employment arrangements (e.g. contracting, partnership, knowledge-based, and job-based). Their framework was based on the assumptions that "a) different employment modes are associated with different underlying objectives and psychological obligations between employees and organizations and, b) leadership styles that are more consistent with these characteristics of each employment mode are likely to be most effective" (Liu et al. 2003).

This paper answers Liu et al.'s (2003) call for research on leadership styles and groups by addressing two key issues: a) the impact on employee concerns of fairness and equity as a result of using different leadership styles in different group types, and b) the impact of employee perceptions of fairness and equity on leadership credibility. Two additional but related issues were developed around the construct of group commitment. Commitment engenders a sense of energy and enthusiasm among employees, and, over time, their satisfaction becomes tied to the accomplishment of group goals (House & Podsakoff, 1994). Goal commitment is central to the theory and application of goal setting (Locke & Latham, 1990); so, if there is no commitment, there by definition is no goal (Latham, 2001). Commitment requires gaining trust and involvement so that employees will have greater ownership for the desired outcome and want to make it happen (Rodenbough & Fletcher, 2006). Thus, the following issues were also explored in the paper: c) the impact of fairness and equity perceptions on group commitment intentions, and d) the impact of leadership credibility to group commitment intentions.

## **THEORETICAL BACKGROUND**

*Leadership Theory & Leadership Styles:* Leaders and followers each have different traits, values and levels of motivation. Theories that explain leadership effectiveness in terms of situational moderator variables are called contingency theories of leadership (Yukl 2006). Fiedler's (1964) contingency model of leadership effectiveness is contingent upon the interaction of leadership style and situational favorableness (Liu et al. 2003). Thus, leader effectiveness is the product of many variables related to the followers, the task, and the organization (Tatum, et. al., 2003). Transformational leadership theory emphasizes longer-term and vision-based motivational processes (Bass & Avolio, 1997; Liu et al, 2003) and attempts to capture the emotional and symbolic aspects of leadership, helping researchers understand how leaders influence followers and motivate them to make self-sacrifices, putting the needs of the mission or organization above materialistic self-interests (Yukl, 2006). Researchers have found that most managers believe there is no single universal style of leadership applicable in all situations (Yun, Cox, and Sims, Jr., 2006; Lord et al., 2001). For example, a task-oriented leadership style may be most appropriate where a job involves psychologically immature or inexperienced workers; whereas, a

relations-oriented leadership style may be most appropriate where workers are highly experienced and can be trusted to work autonomously (Tatum, et. al., 2003).

*Group Types:* Yukl (2006) defines several types of teams that can be found within an organization; two such teams include: Functional and Cross-Functional. Yukl (2006) provides the following about each team: “Functional teams are characterized by members of an organization with specialized jobs but are all part of the same basic function (e.g. maintenance, quality, etc.). These teams operate for a long duration of time with membership that is relatively stable. Cross-Functional teams are characterized by members from a combination of functional subunits (e.g. quality, production, sales, and maintenance) working together on projects that require joint problem-solving skills. These teams operate until their task is completed. Membership may be stable over the life of the team or it may change as some functions increase/decrease in importance”.

*Leadership Credibility:* Credibility is the foundation of leadership, and employees want their leaders to be honest, inspiring, competent, and forward looking (Kouzes and Posner, 2000). The credible leader must be seen as well informed and worthy of belief (Stoner, 1989). Credibility nurtures collaborative, cooperative relationships where employees assume responsibility for accomplishing work-related objectives voluntarily (Gabris & Ihrke, 1996). For credibility to exist there must be trust between leader and follower (Kouzes & Posner, 2000). Leadership credibility deals with perceived believability toward the leader-supervisor as someone an employee can trust in a supervisor-subordinate relationship (Gabris & Ihrke, 1996).

*Organizational Justice:* Organizational justice theory is intimately tied to leadership and decision processes (Tatum, et. al, 2003) and is based on the idea that a set of justice rules is used by individuals to evaluate fair treatment; and the extent to which those rules are satisfied or violated determines perceptions of justice or injustice (Mayer, et al., 2007). Procedural justice refers to the perceived fairness of the methods used to make organizational decisions (Tepper, et. al., 2006; Bauer, et al, 2001). In procedural justice, employees are concerned about whether the decision process is fair and the process used to determine the outcome was just (Fernandes & Awamleh, 2006). Perceptions of fair procedures enhance employee acceptance of organizational outcomes (Latham & Pinder, 2005), lead to organizational commitment (Lind & Tyler, 1988) and satisfaction at the individual level (De Cremer, 2007). Shared perceptions of justice at the group level are positively related to satisfaction and commitment to the organization (Mayer, et al., 2007). Just outcomes signal to employees that they are valued by the organization (Tyler & Lind, 1992). Individuals experience procedural injustice when they are denied voice and decision control (Tepper, et. al., 2006), producing resentment (Greenberg, 1993), and feelings that one is not held in high esteem by their organization (Tyler, 1994), or valued as a group member (Folger & Kass, 2000). Interactional justice is defined as the interpersonal treatment people receive as procedures are enacted (Bies & Moag, 1986; Colquitt, 2001). Interactional justice is concerned with how information is communicated and whether individuals affected by a decision are treated with respect and dignity (Fernandes & Awamleh, 2006).

*Group Commitment:* Commitment is believed to affect organizational performance (Fiorito, et al., 2007) and outcomes such as job satisfaction (Williams & Hazer, 1986). Commitment is strongly influenced by leadership (Kouzes & Posner, 2000). When employees feel unfairly treated, they may respond affectively with low commitment (Latham & Pinder, 2005). The effect of leadership style on group interaction depends on both the consistency of the leadership style and the attitude group members have toward the leadership style (Kahai, Sosik, & Avolio, 1997). Leadership behaviors that are especially relevant for increasing member commitment to shared

objectives include articulating an appealing vision of what can be accomplished by a team, describing the task in a way that links it to member values and ideals, explaining why a project or task is important, involving members in planning strategies for attaining the objectives, and empowering members to find creative solutions to problems (Yukl, 2006). If members see leadership as legitimate, they should remain more attached to the team and exert more effort to benefit it (Colquitt, Noe, & Jackson, 2002).

## **RESEARCH MODEL & HYPOTHESES**

Recent literature suggests that leadership and organizational justice are intimately connected (Mayer, et. al., 2007; Tatum, et. al., 2003). The research model in Figure 1 suggests that leadership style, group type, and their interaction affect perceptions of procedural and interpersonal justice. Furthermore, perceptions of procedural and interpersonal justice are posited to have a direct effect on group commitment and leadership credibility. Finally, leadership credibility is posited to mediate between justice perceptions and group commitment.

Researchers have conceptualized numerous leadership typologies (Liu et al., 2003), including: directive (House, 1971); transactional (Burke et al., 2006); transformational (Bass, 1985); and empowering (Liu et al., 2003). The focus of this paper is on directive and transformational leadership styles. These two leadership styles were selected because of their dissimilarities, allowing for a clearer understanding of differences in group perceptions due to leadership styles.

Directive leadership styles are categorized as “task-oriented” (Yukl, 2006). Directive behaviors include: initiation and organization of work group activity, assignment of tasks, specification of the way work is to be conducted, emphasis on goal attainment, and the establishment of clear channels of communication (Burke et al., 2006). Leaders who display this type of leadership can force favorable or unfavorable decisions upon others (De Cremer, 2007). Directive leaders generally do not concern themselves with maintaining group cohesion (Bass, 1990), display a dominating, pushy leadership style in which they show little respect towards follower’s opinions and values, and are often seen as limiting group member’s control and voice over decision-making processes within the group (Russel & Stone, 2002; Bass 1990). Participants under a directive leader are likely to interpret that they have to conform to a set of directives (Kahai, Sosik, & Avolio, 1997).

In contrast, transformational styles of leadership are categorized as “relations-oriented” (Yukl, 2006). Transformational leadership is associated with strong personal identification with the leaders, the creation of a shared vision of the future, and a relationship between leaders and followers that goes beyond the simple exchange of rewards for compliance by motivating and inspiring followers to perform beyond expectations (Keegan & Hartog, 2004; Bass, 1985). Transformational behaviors are aimed at employee development and attainment of self-actualization through mutual trust and confidence between the leader and follower (Burke et al., 2006). Transformational leadership has been found to be very effective in providing satisfaction and performance, as well as organizational commitment among employees and organizations (Judge & Piccolo, 2004; Keegan & Hartog, 2004). Relations-oriented behaviors account for nearly double the variance in team productivity when compared to task-oriented behaviors (Burke et al., 2006). Thus, individuals are likely to have a more favorable attitude toward a relations-oriented leader (Kahai, Sosik, & Avolio, 1997; Bass, 1990).

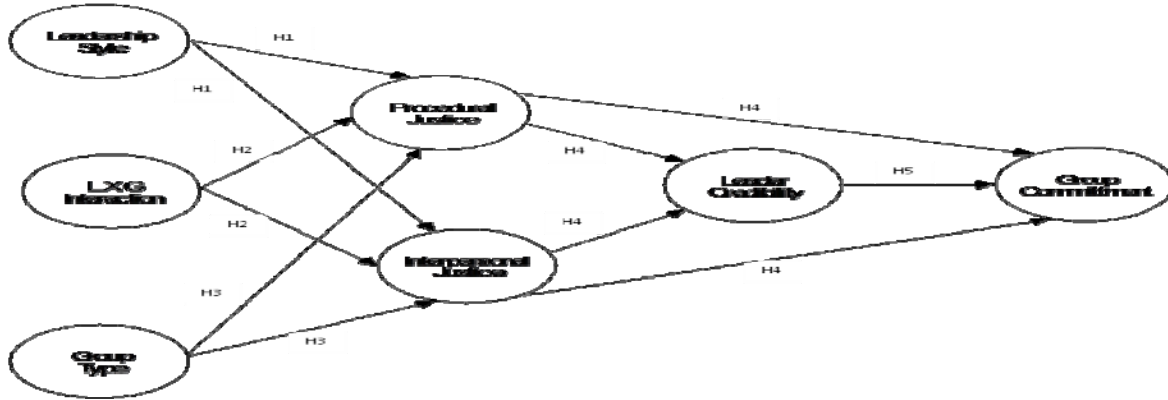


Figure 1: Research Model

Leadership styles influence worker motivation (Halepota, 2005). People do not generally favor directive leaders because these leader types do not motivate followers to exhibit loyalty and dedication toward the leader and the group (De Cremer, 2007). Group performance will be higher when its members are highly motivated to attain shared objectives (Podsakoff, MacKenzie, & Ahearne, 1997). However, issues of fairness are always inherent in a workgroup setting. To the extent that a team is treated fairly and group members believe the team will advance their interests, members should feel satisfied belonging to it, should be more likely to fulfill their individual role requirements (Colquitt, Noe, & Jackson, 2002), and should remain attached and committed to it in the future (Roberson & Colquitt, 2005). Thus, the following research hypotheses were proposed:

- H1: Directive leadership style weakens group member's perceptions of procedural and interpersonal justice, while transformational leadership style enhances group member's perceptions of procedural and interpersonal justice.
- H2: Functional group types enhance group member's perceptions of procedural and interpersonal justice, while cross-functional group types weaken group member perceptions of procedural and interpersonal justice.
- H3: The interaction between multiple leadership styles and group types has mixed effects on group member perceptions of procedural and interpersonal justice.
- H4: Perceived procedural and interpersonal justice have a positive linear relationship with group commitment and leadership credibility.

High levels of leadership credibility can raise the probability that good things such as increased intergroup cooperation and higher performance may happen (Gabris et al, 2000). In contrast, low levels of employee credibility can lead to bad things such as employee burnout (Gabris & Ihrke, 1996) and low commitment. In the absence of credible leadership, the connection with followers is weak, and there is little chance to move to a higher level of effectiveness and success (Walker & Pagano, 2005). When present, credibility has a significantly positive outcome on individual and organizational performance (Kouzes & Posner (2004). Higher leadership credibility seems to be connected with higher levels of intergroup trust, openness, risk taking, and owning (Gabris et al., 2000).

- H5: Leadership credibility has a positive linear relationship with group commitment intentions.

## METHODOLOGY

### *Participants and Research Design*

This research was conducted in a university setting in the Southwest of USA. A total of fifty (50) graduate students voluntarily participated in this study. Thirty-eight (38) of the students were working on their Master of Business Administration (MBA) degree, while twelve (12) were enrolled in a doctoral business program. Questionnaires were distributed to each of the participants during normal class time. Four fictitious scenarios were devised to observe the impact of two leadership styles (directive and transformational) and two group types (functional and cross-functional) on employee perceptions of procedural and interpersonal justice and subsequent perceptions of leadership credibility and group commitment. While scenario methods are sensitive to the extent to which the descriptions are perceived to be real and valid (Campbell, 1977), a scenario approach was developed to overcome some of the problems associated with this type of study in a field setting. First, there are numerous leadership typologies and observing a sufficient number of at least two different typologies across different group types was prohibitive due to limited accessibility to groups in organizations. Also, respondent bias was a concern as some respondents may have prejudiced their answers based on how much they liked or disliked the leader. The scenario method represented a practical compromise approach and provided an additional advantage of control over the leadership styles and group types under observation. Participants in the study were instructed to read each scenario and then respond to the questions as they pertained to the specific scenario. Since participants answered questions in all four scenarios, a repeated measures design, a common technique because of “logistical and statistical efficiency” (Vermeulen, 2000), was used. The main advantage of the repeated measure design is that individual differences between participants are removed as a potential confounding variable; also, the repeated measures design requires fewer participants since data for all conditions derive from the same group of participants ([http://www.learnpsychology.net/g/ 263](http://www.learnpsychology.net/g/263), 2007). Since the problems associated with individual differences are reduced, the power of repeated measures is increased (Conaway, 1999).

### *Measures<sup>1</sup>*

*Procedural Justice.* Leventhal et al. (1980) determined that procedural justice could be assessed by comparing one’s experiences to several generalizable rules (consistency, bias suppression, accuracy of information, correctability, representation, and ethicality) such that if the rules were upheld, procedures were deemed as just (Colquitt, 2001). Lind and Tyler (1988) developed other criteria for procedural justice positing that procedural justice is important because it signifies that people are valued by their authority figures (Colquitt, 2001). Procedural justice was assessed with three items: 1) “Do you feel that the leader’s behavior toward your group has been applied consistently with that of the other groups?” 2) “Do you feel that the leader’s behavior towards your group is free of bias?” and 3) “Do you feel that the leader’s behavior towards your group is ethical?”

*Interactional (Interpersonal) Justice.* How fairly leaders treat followers is a basic issue that falls within interactional justice (Cobb, 1993), which is fostered when decision makers treat people with respect and sensitivity and explain the rationale for decisions thoroughly (Colquitt, 2001). Interactional (Interpersonal) justice was assessed with three items: 1) “Do you feel that the leader

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<sup>1</sup> All outcome measures were assessed with 5-point Likert scales with anchors of 1 = *strongly disagree* and 5 = *strongly agree*.

is sensitive to the needs of the group?” 2) “Do you feel that the leader has treated your group with respect?” and 3) “Do you feel that the leader values your group?”

*Leadership Credibility.* Dimensions frequently associated with credibility include trustworthiness (Newell & Goldsmith, 2001), vision and value sharing (Gabris & Ihrke, 1996), inspiration, competence, and relationships built on respect (Kouzes and Posner, 2000). Leadership credibility was assessed with three items: 1) “Do you think that the leader is trustworthy?” 2) “Do you think that the leader shares the same vision and values with your group and the other?” and 3) “Do you think that the leader’s behavior is respectable?”

*Group Commitment.* Group commitment was assessed with three items: 1) “Are you likely to commit to the group?” 2) “Are you likely to commit to the leader?” and 3) “Do you aspire to emulate the leader’s behavior?”

### ***Data Analysis***

Structural equation modeling (SEM) was used to test the hypothesized relationships. Three key characteristics of SEM are (1) the estimation of multiple and interrelated dependence relationships, (2) an ability to represent unobserved concepts in these relationships and correct for measurement error in the estimation process, and (3) a focus on explaining the covariance among the measured items (Hair et al., 2006). SEM was particularly useful in this study because of its ability to handle simultaneous relationships examining the impact of two different leadership styles, two group types, and their interaction on the latent constructs of procedural and interpersonal justice perceptions and their posited effects on both leadership credibility and group commitment. Leadership credibility acted both as a dependent variable, predicted by perceptions of procedural and interpersonal justice, and as an independent variable, predicting group commitment. Additionally, leadership credibility played a mediating function between justice perceptions and group commitment intentions. One particular advantage of SEM over other statistical techniques (e.g. multiple regression analysis) is that SEM has the ability to model mediating variables (Garson, 2007).

A confirmatory modeling strategy was selected for this study. Although the measurement scales were devised from previous research, confirmatory factor analysis was applied to test the measurement model (Figure 2) for assurance that the measures adequately represented the constructs in the proposed model. As suggested by Hair et al. (2006), at least three indicators were used to reflect each construct. This study adopted the within-subject (repeated measures) design, which requires fewer subjects and typically has more statistical power because it controls the variance due to subject differences (Garziano & Raulin, 2000). Every subject experienced each scenario in the context of all other scenarios. The main concerns of such a design include the potential practice effects and carry-over effects. To minimize the negative effects, we made the scenarios easy to understand and distinct from each other, and randomized the sequence in which the participants experienced the scenarios.

In this study, we are mainly interested in testing the hypothesized relationships between the treatment variables and the psychological constructs with SEM. Thus, we used Muthén’s (1994) maximum-likelihood (MUML) method to obtain the pooled within-subject correlation matrix as the input for the measurement model (Figure 2) as well as the structural model (Figure 1). The within-subject correlation matrix, obtained together with the scaled between-subject correlation matrix, is free of the between-subject variance. In this way, the error variance is reduced, and the estimation of the measurement model as well as the structural model is likely to be more

accurate. Compared with the traditional GLM approach, this approach of handling repeated measures is capable of testing models that contain latent constructs and mediating relationships.

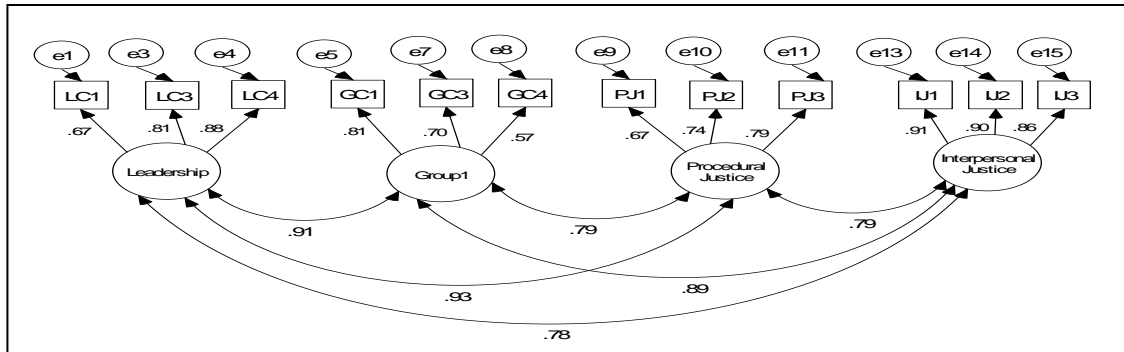


Figure 2: Measurement Model

## RESULTS

To assess the goodness-of-fit of the measurement model, different types of fit indexes - including the sample-based absolute, population-based absolute, sample-based relative and population-based relative - were used (Sun, 2005). In the absence of a single best index to assess model fit, applying multiple fit indexes of different types provides a reasonable consensus as to the acceptability of the proposed models. Specifically, we rely on the chi-square statistic as a sample-based absolute index, the root mean square error of approximation (RMSEA) as a population-based absolute index, the Tucker-Lewis index (TLI) as the sample-based relative index, and the comparative fit index (CFI), as the population-based relative index, respectively.

Results from Table 1 indicate that the measurement model has a close fit to the data. Since the chi-square statistic (CMIN) tests the difference between – the reproduced correlation matrix and the observed correlation matrix, a p-value that is greater than .05 indicates an acceptable model fit. However, fit indices based on the chi-square statistic are known to be sensitive to sample size and model complexity and when the sample size is large enough, the null hypothesis of a perfect fit will always be rejected (Bentler & Bonett, 1980). Root mean square of approximation (RMSEA) is a population-based absolute index that does not rely on the chi-square statistic and its formula explicitly corrects for both model complexity and sample size. A value of RMSEA less than .08 indicates acceptable fit (Browne and Cudeck, 1993). CFI and TLI values greater than .90 indicate acceptable model fit. In this study, the values of RMSEA, CFI, and TLI met the cutoff criteria, indicating that the fit of the measurement model was acceptable.

Model	CMIN	RMSEA	CFI	TLI
Default model	207.109	0.076	0.929	.902
Saturated model	.000		1	
Independence model	1692.687	0.244	0	.000

Table 1: Fit Indices

With a good measurement model, the next step was to test the relationships specified in the structural model. Standardized regression weights in the structural model are provided in Figure 3. As expected, leadership style adaptability was significant and positively related to both procedural justice ( $\beta = .24$ ,  $p < .01$ ) and interpersonal justice ( $\beta = .57$ ,  $p < .001$ ), supporting the first hypothesis. Partial support for the second hypothesis was found as cross-functional group



type did weaken group member perceptions for procedural justice ( $\beta = -.39, p < .001$ ) but no effects were found for interpersonal justice. The interaction term had a slightly positive relation to interpersonal justice ( $\beta = .13, p < .10$ ), but a non-significant relation to procedural justice. Thus, hypothesis three was partially supported. Interpersonal justice had a linear positive non-significant relationship with group commitment ( $\beta = .37$ ) and a strong positive linear relationship with leadership credibility ( $\beta = .44, p < .001$ ). Procedural justice had a strong positive linear relationship with leadership credibility ( $\beta = .77, p < .001$ ), but a negative linear non-significant relationship with group commitment ( $\beta = -.39$ ). Thus, partial support was found for hypothesis four. Finally, leadership credibility was posited to have a positive linear relationship with group commitment intentions. The results ( $\beta = .95, p < .05$ ) supported this hypothesis.

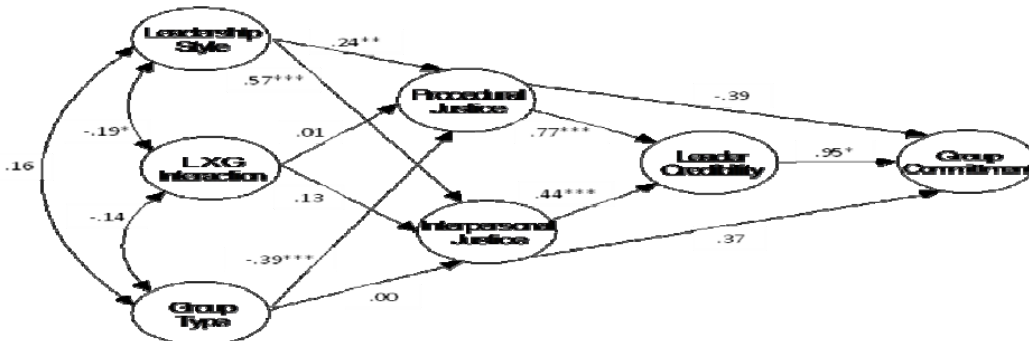


Figure 3: Structural Model: \*\*\* = .001 Significance Level; \*\* = .1 Significance Level; \* = .05 Significance Level

## DISCUSSION

This study tested whether perceptions of procedural and interpersonal justice were affected by multiple leadership styles, group type, and their interaction. The results offer evidence that leadership style does impact perceptions of procedural and interpersonal justice. Specifically, directive leadership styles weakened perceptions of procedural and interpersonal justice. Contrastingly, transformational leadership styles enhanced perceptions of procedural and interpersonal justice. The results also provided evidence that group type impacts perceptions of procedural, but not interpersonal, justice, providing evidence that perceptions of procedural justice are weakened in cross-functional teams. This finding is not surprising given that “many of the same conditions that create potential advantages for a cross-functional team also create difficulties for the leader” (Ford & Randolph, 1992). The functional diversity of the members creates communication barriers; functional subunits often have different objectives and priorities; and member loyalty is often to the functional subunit (Yukl, 2006). These conditions highlight the importance of ensuring that decisions are viewed as procedurally just. The results of this study are consistent with Roberson and Colquitt (2005) who suggest that procedural justice should be the strongest input to the emergence of shared team justice because it is based on formal practices and organizational representatives common to all team members; whereas interpersonal justice should have somewhat weaker effects given that it originates in interpersonal exchanges with organizational representatives which may vary considerably across team members. An interesting finding was related to the significant mediation between perceptions of procedural and interpersonal justice and group commitment through leadership credibility. Leadership credibility fully mediated the relationships between procedural justice and group commitment, as well as between interpersonal justice and group commitment. These

findings support Kouzes and Posner's (2000) notion that credibility is the foundation of leadership.

### ***Limitations***

There are several limitations to this study. First, the experiment treatments are based on hypothetical scenarios. While this approach afforded control over the independent variables—leadership style and group type, it raises questions of generalizability. From their own work experiences in organizations, the authors attempted to make the scenarios as realistic as possible. Another limitation is the use of a student sample. All participants in the study were master-level and doctoral-level business students. Since graduate students usually have some real work experiences, this selection of sample helps minimize the negative impact on generalizability. Future research would benefit from collecting field data on actual group types and actual scenarios. Also, future research should consider additional leadership styles (e.g. transactional, empowering) and their impact on organizational justice perceptions.

### ***Theoretical and Practical Implications***

Understanding the impact of leadership styles and group type has both theoretical and practical implications. Theoretically, it fills a gap in group leadership research by exploring the role of procedural and interpersonal justice perceptions on group commitment and leadership credibility and provides additional insight into the complex interrelationship between leaders and group members. Independent of leadership credibility, both procedural and interpersonal justice perceptions significantly affected group commitment intentions; however, the effect was moderate ( $p < .10$ ). When leadership credibility was introduced in the model, it became a full mediator between procedural and interpersonal justice perceptions and group commitment intentions. Though previous research has emphasized the importance of leadership credibility, few have investigated the specific mechanism through which it facilitates group functioning. This study confirms the importance of leadership credibility and provides clues regarding how it plays the role in the behavior of group members by connecting their leadership-related perceptions and intentions. The result suggests that leadership credibility is a meaningful construct worthy of future research.

This study has several important practical implications as well. First, an understanding of group perceptions arising from adaptive leadership styles may lead to a greater ability for leaders to successfully maximize the effectiveness of the groups under their command. Organizational leaders wishing to maximize team performance may need to adapt a transformational leadership style, since this type of leadership appears to suit the group-project context well (Keegan & Hartog, 2004). Organizational leaders should assure that they are perceived as credible by assuring that the messages they convey are consistent across all groups within the organization. Leaders attempting to instill a vision, encourage change, or promote group cohesiveness must be positively influential; and the effect of their influence may be directly related to the amount of credibility attributed to them by their followers. Leaders who recognize the importance of building personal relationships with their followers may be also be building their own credibility in the eyes of their followers. Finally, organizations whose leaders predominantly employ directive leadership styles may be creating negative justice perceptions, losing their credibility, and ultimately may be directly contributing to ineffective workgroups.

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