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Unearthing the Moral Emotive Compass: Exploring the Paths to (Un)Ethical Leadership

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General Introduction

Organizations endure, however, in proportion to the breadth of the morality by which they are governed. Thus the endurance of organizations depends upon the quality of leadership; and that quality derives from the breadth of the morality upon which it rests.

– Chester Irving Bernard

Following the collapse of Enron because of a series of fraudulent activities committed by company leaders, media headlines have delivered a relentless litany of accounts revealing unethical, abusive, or otherwise questionable leader behavior. Such leader behavior, it seems, is everywhere, afflicting for-profit and not-for-profit organizations, and, to the dismay of many, even the scientific community. The proliferation of corporate ethical scandals has spurred research on the negative effects of unethical leader behavior. Not surprisingly perhaps, empirical findings demonstrating the detrimental impact of unethical leadership and abusive supervision have been accumulating. For instance, abusive supervision has been estimated to affect 13.6% of U.S. workers and to result in financial losses up to $23.8 billion annually for US-companies alone. Moreover, it has been found to be related to employee deviance, employee turnover, and reduced job satisfaction (e.g., Tepper, 2007). In contrast, ethical leadership has consistently been found to be associated with favorable outcomes in the workplace, such as increased job satisfaction, organizational commitment, and organizational citizenship behavior (e.g., Koh & Boo, 2004; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009; Schminke, Ambrose, & Neubaum, 2005). Provided that leaders create the 'tone at the top' and thereby shape the organization's ethical culture as well as subordinates' behavior (e.g., Treviño, Butterfield, & McCabe, 1998), it appears to be particularly crucial to understand what causes leaders to behave (un)ethically.

Despite increased research attention devoted to the topic of (un)ethical leadership, much remains to be understood about the antecedents of (un)ethical leader behavior, its consequences, and the

conditions under which it may occur. To this end, the present dissertation is intended to identify factors and conditions that may motivate leaders to behave (un)ethically.

What is (Un)ethical Leader Behavior?

Before moving on to discussing the ethicality of the behaviors displayed by leaders, it is important to consider what characterizes a leader. In most contexts, a leader typically is someone who holds a higher hierarchical position vis-à-vis (a group of) people who are in a hierarchically subordinate position (i.e., "followers"; Wisse, Rus, & Tanghe, 2015). Generally speaking, the leader's task is to influence others and to aid in individual and collective efforts towards the accomplishment of shared goals (Yukl, 2010). Although this may formally be the leader's appointed task, the normative expectation of what a leader ought to do does not necessarily align with the actual behavior displayed during task enactment. Indeed, leaders may, at times, fail to pursue shared objectives and act in an abusive, harmful or otherwise unethical way. At this point the ethicality of the leader's acts become a matter of concern.

Throughout the years scholars have postulated several different definitions of (un)ethical (leader) behavior. For instance, Jones (1991) defined unethical behavior as acts that have harmful effects on others and are "either illegal or morally unacceptable to the larger community" (p. 367). Although definitional debates exist, a common theme that seems to be reflected in all definitions of (un)ethical (leader) behavior is the tension between egoistic versus altruistic behavior. Specifically, unethical leader behavior is argued to entail a focus on egocentric needs and a lack of sensitivity to other people's (e.g., followers) needs (cf. Howell & Avolio, 1992), whereas ethical leader behavior is characterized by social responsiveness to the needs and interests of others (cf. Eisenberg, 2000; Gilligan, 1982; Kant, 1785/1959). A wide variety of behaviors could be classified as either unethical or ethical leader behavior. Yet, in the present

dissertation I mainly (but not exclusively) focus on abusive supervision and ethical leadership as specific instantiations of, respectively, unethical and ethical leader behavior vis-à-vis subordinates. Abusive supervision is defined as "the sustained display of hostile verbal and nonverbal behaviors, excluding physical contact" (Tepper 2000, p. 178) and incorporates behaviors such as, lying and being rude towards subordinates. In contrast, ethical leadership is defined as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown, Treviño, & Harrison, 2005, p. 120) and includes behaviors such as keeping the best interests of employees in mind.

From a Cognitive Perspective Towards an Emotional Basis of (Un)Ethical Behavior

Echoing a general trend in the field of psychology, research on business ethics has been dominated by a cognitive approach that has viewed emotions as disruptive to rational moral thought. Specifically, Kohlberg's (1969) theory of cognitive moral development – which states that higher rationality and deliberation yields higher levels of morality – and Rest's (1986) four-stage model of the moral decision-making process have been used as a starting point to examine why some leaders seem to function without a fully developed moral compass. This cognitive approach especially stimulated research on the influence of leaders' moral judgment and moral awareness on their (un)ethical behavior in the workplace (e.g., Jordan, Brown, Treviño, & Finkelstein, 2011; Reynolds, 2006b). Yet, the proposed cognitive antecedents of unethical behavior in the workplace yielded inconsistent findings. Some scholars have argued that this could be due to a neglect of taking into account affective determinants of ethical behavior (Kish-Gephart, Harrison, & Treviño, 2010).

In addition, recent insights from inside and outside the disciplines of psychology raised concern about the exclusive focus on conscious moral reasoning. For instance, moral motivation and moral behavior alike often appear to be detached from explicit moral reasoning (e.g., Bergman, 2004; Blasi, 1980, 1999, 2004, 2005). Cases of sociopaths – who are capable of correct moral reasoning but nevertheless fail to experience a sense of obligation to act in line with their reasoning (Roskies, 2003) – demonstrate that moral reasoning alone is not always sufficient to foster ethical conduct nor is it always necessary (Treviño, Weaver, & Reynolds, 2006). Possibly inspired by the more general affective revolution in psychology (Zajonc, 1980) and findings demonstrating that emotionally impaired individuals are incapable of making moral decisions (Damasio, 1994), scholars began to highlight the overlooked but important role of emotions as determinants of (un)ethical behavior.

Moral Emotions

Although emotions are no longer viewed as antithetical to ethical conduct per se, the leadership literature, to date, has hardly concerned itself with a systematic inquiry of the role that distinct emotions may play in predicting (un)ethical leader behavior. Given the potentially important role of emotions as antecedents of (un)ethical leadership, I aimed to further our understanding of the emotional determinants of (un)ethical leadership with the research conducted in the present dissertation.

Emotions have been found to influence thinking, decision-making and behavior, and are argued to permeate organizations because of their presence in the interdependent relationships between organizational members. For instance, Barsade and Gibson (2007) state that: *"Affective processes (more commonly known as emotions) create and sustain work motivation. They lurk behind political behavior, they animate our decisions; they are essential to leadership"*. In general, emotions can be defined as being elicited by a particular target or cause, often including physiological

reactions and action sequences, and being relatively intense and short-lived (Frijda, 1986; Lazarus, 1991). Because emotions can differ in their unique constellation of quintessential antecedents and consequences, they have come to be viewed as discrete (Barsade & Gibson, 2007). That is, discrete emotions, such as anger, fear, sadness, and disgust, are linked to specific action tendencies (e.g., avoid contact with the object of one's disgust). This implies, that distinct discrete emotions may differentially influence (ethical) behavior.

Discrete emotions can generally be classified into four different categories by crossing the dimension of affect focus (self versus other) with the dimension of affect valence (positive versus negative). Self-focused emotions are evoked by self-reflection and self-evaluation (Tangney, Stuewig, & Mashek, 2007) meaning that the self is the object of the experienced emotion. These self-focused emotions can either have a positive or negative valence. For instance, pride can be viewed as a positive self-focused emotion (e.g., feeling proud of your own behavior), whereas guilt can be viewed as a negative self-focused emotion (e.g., feeling guilty about one's own transgressions). Self-focused emotions can provide a feedback mechanism by punishing or reinforcing behavior. For example, individuals may experience a sense of punishment by experiencing negative emotions after sinning, whereas they may feel reinforcement by experiencing positive self-relevant emotions after 'doing the right thing' (cf. Tangney et al., 2007). In contrast to self-focused emotions, other-focused emotions are evoked by the evaluation of a person other than the self, meaning that someone else is the object of the experienced emotion. Similar to self-focused emotions, other-focused emotions can either have a positive or negative valence. For instance, sympathy and gratitude can be viewed as a positive other-focused emotion (e.g., feeling sympathy/gratitude for someone), whereas contempt and anger can be viewed as a negative other-focused emotion (e.g., feeling contempt/anger for someone else). Experiencing positive feelings for someone else typically goes hand in hand with taking into account this

person's needs, whereas the experience of negative feelings towards someone else is oftentimes accompanied by a disregard of the other person's needs.

Hence, some emotions may be more motivating of pro-social behavior than others. Haidt (2003) discusses these emotions as *moral emotions*. Moral emotions are those emotions that provide the motivational force to do good and to avoid doing bad. Specifically, moral emotions are defined as those emotions that are "linked to the interests or welfare either of society as a whole or at least of persons other than the judge or agent" (p. 276). Conversely, some emotions could be considered to be more 'immoral' than others, that is, motivating individuals to forgo other people's interests and welfare.

Interestingly, emotions do not necessarily have to be actually felt in order to influence (un)ethical behavior. As can be inferred from the words of Robert Frank (1988) *"People who do not cheat when there is almost no possibility of getting caught would be better of by cheating and they know it. They refrain not because they fear the consequences of being caught, but because they would feel bad if they cheated "*, the mere anticipation of experiencing a particular emotion (e.g., guilt) in the future may already exert a strong influence on ethical intentions and actual behavior (cf. Tangney et al., 2007). Furthermore, aside from immediate felt emotions, dispositional tendencies to experience certain emotions across a range of situations in everyday life may also have an impact on (un)ethical conduct. As such, the present dissertation includes research assessing actual felt emotions, anticipated emotions, and propensities to experience certain emotions. In particular, I zoom in on the effects of three distinct emotions that may impact (un)ethical behavior in their own unique way: the positive self-focused emotion of pride, the negative other-focused emotion of contempt, and the negative self-focused emotion of guilt. Each of these three emotions is discussed in more detail below.

Pride. The popular media has repeatedly pointed to pride as one of the key factors leading leaders—like Jeffrey Skilling—to go astray (e.g., Farell, 2006). Yet, of all the emotions, pride appears to be somewhat of a black sheep (Michie, 2009) and little research attention has been devoted to the effects of pride on (un)ethical behavior. Notably, pride has been paradoxically pictured as both a pro-social virtue and a deadly sin. Tracy and Robins (2007) tried to reconcile this paradox by teasing apart the pro-social form of the emotion from the self-aggrandizing antisocial form and postulated two distinct facets of pride. The facet of pride that has been named *authentic pride* is characterized by feelings of accomplishment and confidence, whereas the facet that is named *hubristic pride* is characterized by an immodest excessive display of pride (note that recent research has instigated a debate about the labels and correlates of these two facets of pride; Holbrook, Piazza, & Fessler, 2013). Overall, authentic pride appears to motivate pro-social behavior, whereas hubristic pride does not. For instance, Michie (2009) found that leader's self-reported tendency to experience feelings of authentic pride was positively related to the display of pro-social behavior. That is, authentically proud leaders' scored higher on altruistic behavior, and the use of social justice principles in their decision-making. In contrast, hubristic pride seems to be related to unethical leader behavior, such as engaging in financial reporting fraud (Magnan, Cormier, & Lapointe-Antunes, 2008).

Contempt. Contempt is an other-condemning emotion that tends to arise in hierarchical relationships, such as those often found in the work-context (Melwani & Barsade, 2011). It involves a basic feeling of superiority over others (e.g., Miller, 1997) and it has been portrayed as a cold emotion that depersonalizes and objectifies the other, making it easier to commit hurtful acts towards the subject of one's contempt (Izard, 1977). Not surprisingly, therefore, contempt has been associated with interpersonal aggression (cf. Melwani & Barsade, 2011). Nevertheless, research on the

effects of contempt in a work-context is still very scarce and a measure to assess tendencies to experience contempt is still missing.

Guilt. Guilt is known as the quintessential moral emotion, and a host of research findings attest to its function as a motivator of pro-social behavior (Baumeister, Stillwell, & Heatherton, 1994; Haidt, 2003; Tangney et al., 2007). Although guilt itself is a negative experience – it elicits feelings of remorse about the adverse impact of one's actions on others – it has beneficial consequences because it motivates individuals to put the concerns of others above their own (e.g., De Hooge, Zeelenberg, & Breugelmans, 2007; Haidt, 2003; Ketelaar & Au, 2003; Nelissen, Dijker, & De Vries, 2007). For instance, feelings of guilt stimulate people to make amends for past transgressions (e.g., Roseman, Wiest, & Swartz, 1994; Schmader & Lickel, 2006; Tangney, 1993; Tangney, Miller, Flicker, & Barlow, 1996; Zeelenberg & Breugelmans, 2008). Indeed, most research, to date, has focused on the effects of feelings of guilt that arise after having made a moral transgression or having violated a (social) norm. Yet, as is illustrated by the above-mentioned words of Robert Frank (1988), the mere anticipation of feeling guilty may already steer individuals away from actions that can have an adverse impact on others and trigger actual feelings of guilt (cf. Steenhaut & Van Kenhove, 2006). The present dissertation taps into the role that each of the three discussed discrete emotions play in predicting (un)ethical behavior in the workplace.

Overview of the Dissertation

In addition to the current introductory chapter, this dissertation consists of four empirical chapters as well as a final chapter that embodies the findings and general conclusions of the present research. All four empirical chapters broadly tap into the role of emotional factors in predicting (un)ethical behavior in the workplace. The common goal of these four empirical chapters is to shed light on distinct emotive factors that may (in interaction with other factors) serve as precursors of leaders' (un)ethical

behavior (Chapters 2, 3, and 4) or may play a role in explaining employee reactions to (un)ethical leadership (Chapter 5). In each chapter, we employed a multiple-study multiple-method approach – replicating the findings using different measures, manipulations, or tasks – to increase the confidence in our findings.

Each chapter was written as an individual paper and, as such, they can be read independent of each other. Yet, they may contain some overlap in theoretical reasoning and methodology. Furthermore, all research reported in this dissertation has been conducted in collaboration with others. Accordingly, I will use "we" instead of "I" from this point on to express the thoughts and ideas that were developed in collaboration with my co-authors.

Part One: Antecedents of (Un)Ethical Leadership

As was already alluded to, feelings of authentic pride may motivate ethical behavior on the part of leaders, whereas feelings of hubristic pride and contempt may motivate unethical behavior. In this part, we will propose two different factors that may pose an asset or burden to the display of (un)ethical leader behavior. In particular, we will look at the role of moral identity and power. We incorporated these two variables in our research, because previous research has consistently demonstrated that moral identity plays a crucial role in fostering ethical conduct, whereas power has been found to align people's behavior with their feelings and preexisting tendencies. Indeed, a growing body of research shows that moral identity is a powerful regulator and motivator of ethical leadership (Mayer, Aquino, Greenbaum, Kuenzi, 2012), whereas it negatively impacts moral disengagement and the occurrence of unethical leader behavior (e.g., lying in business negotiations; Aquino & Reed, 2002; Reed & Aquino, 2003; Sage, Kavussanu, & Duda, 2006). Regarding the role of power, recent findings refine the long held notion that 'power makes people corrupt' and demonstrate that power does not necessarily make people corrupt but

rather makes them relatively more sensitive to their own subjective experiences, feelings, and preexisting tendencies (Weick & Guinote, 2008). Hence, tendencies to act (un)ethically arguably come more to the foreground with higher levels of power.

Chapter 2. In Chapter 2, the first empirical chapter of this dissertation, we examined the impact of two different forms of pride – authentic pride and hubristic pride – on leader ethical behavior. Specifically, we predicted that authentically proud leaders show higher levels of ethical behavior (e.g., keeping in mind followers' interests, being honest, and providing ethical leadership) than hubristically proud leaders when their moral identity is salient. This because emotions that motivate ethical behavior (such as authentic pride) may especially translate into actual ethical behavior when behaving ethically has implications for one's self-concept (i.e., the set of beliefs people have about themselves). Indeed, it has been argued that moral identity is an important element in the transformation of a tendency or urge to act ethically into actual ethical behavior (cf. Hardy & Carlo, 2005; Aquino, Freeman, Reed, Lim, & Felps, 2009). Phrased differently, factors that motivate individuals to act ethically are more likely to translate into ethical behavior when it is essential for one's self-identity to be a moral person (e.g., Brebels, De Cremer, Van Dijke, & Van Hiel, 2010). As such, we predicted that authentically proud leaders are more motivated to and act more ethically than hubristically proud leaders when their moral identity is salient. Chapter 2 reports the results of two experimental studies (Study 2.1 and Study 2.2) and one field survey (Study 2.3). The aim of this chapter was to demonstrate that (1) even two different forms of the same emotion can prompt leaders to behave differently in terms of ethics, (2) leaders' moral identity plays a moderating role in the relationship between pride and leader ethical behavior, and (3) the motivation to act ethically mediates the interactive effects of pride and moral identity on leader ethical behavior.

Chapter 3. In Chapter 3, we build further on the notion that leaders' moral identity represents an important factor that may help leaders to regulate their (un)ethical behavior in the workplace. Nevertheless, moral identity's capacity to translate motivators of ethical behavior into actual ethical behavior may be vulnerable to factors that deactivate its function. The influence of any particular identity will vary in accordance with its activation or salience (e.g., Bergman, 2004). That is, when one's identity as a parent is salient one might behave differently than when one's identity as a competitive sportsman or sportswoman is salient. Likewise, only when one's moral identity is activated or salient would it influence actions related to ethicality. Consequently, factors that deactivate the salience of one's moral identity simultaneously reduce its positive influence on ethical behavior. As contempt represents a factor that steers people in the direction opposite to the ethical course of actions dictated by a working identity-based moral compass, we argue that feelings of contempt reduce the salience of one's moral identity, and, as a consequence, shuts down the positive effect of moral identity on ethical behavior. Specifically, we predicted that contempt (either measured as a propensity to experience the emotion in daily life or situationally induced) moderates the relationship between leaders' moral identity and their unethical behavior, such that the negative link between moral identity and unethical behavior becomes weaker when feelings of contempt are stronger. In Chapter 3, we first report the convergent, nomological, and discriminant validity of the scale we developed to assess leaders' propensity to experience contempt (Study 3.1). Next, we tested the above-mentioned prediction across three studies (Study 3.2, 3.3, and 3.4) employing different methods and relying on different samples. In short, the aim of this chapter was two-fold: (1) to test the validity of a self-developed contempt scale, and (2) to show that the self-regulating function of leaders' moral identity may be deactivated by the negative other-directed emotion of contempt.

Chapter 4. In Chapter 4, we zoom in on the potential detrimental effects of leaders' feelings of contempt. Specifically, we integrate the insights from Chapter 3 regarding the positive association between contempt and unethical supervisory behaviors with findings from the power literature. Social power, defined as the relative capacity to modify the behaviors and outcomes of other individuals by providing or withholding resources (Fiske, 1993; Keltner, Gruenfeld, & Anderson, 2003; Magee & Galinsky, 2008), is inherently related to the leader role. Yet, while leaders may typically have more power than subordinates, not all leaders will have the exact same amount of power at their disposal within their position (Rus et al., 2010). Given that power has implications for how people process information, how they feel, and how they behave (Anderson & Berdahl, 2002), differential amounts of power may have an influence on leader behavior, including their (un)ethical behavior. Indeed, it has been argued and shown that power reduces the dependence on others, group norms, and rules, and increases the correspondence between internal traits, states, and behavior (Bargh, Raymond, Pryor, & Strack, 1995; Chen, Lee-Chai, & Bargh, 2001; DeCelles, DeRue, Margolis, & Ceranic, 2012; Galinsky, Magee, Gruenfeld, Whitson, & Liljenquist, 2008; Maner & Mead, 2010; Niemann, Wisse, Rus, Van Yperen, & Sassenberg, 2014; Rus, van Knippenberg, & Wisse, 2010). Hence, power seems to align people's behavior with their preexisting tendencies. Therefore, we argue that those with preexisting tendencies that dampen concern for others (e.g., those with a tendency to experience contempt for others) are more likely to show unethical or self-serving behavior at the expense of others. Specifically, we posit that the negative effects of contempt may particularly come to the foreground when leaders have higher levels of power. Accordingly, across three field studies (Study 4.1, 4.2, and 4.3), we tested the prediction that contempt is negatively associated with leaders' people orientation and ethical leadership when leaders have higher levels of power, whereas contempt is positively associated with powerful leaders' dehumanization and self-serving behavior. The aim of this chapter was to (1) further test the role of contempt in

predicting supervisory behavior, and (2) to shed light on the conditions under which feelings of contempt may guide leaders' behavior vis-à-vis their subordinates astray.

Part Two: Consequences of (Un)Ethical Leadership

In part two, we focus on the consequences of (un)ethical leader behavior and examine the role of anticipated feelings of guilt in the relationship between (un)ethical leadership and employee deviance. So far, we focused on the role of moral emotions in predicting leader behavior. Yet, leadership is a dynamic process that involves both leaders and followers (e.g., Thoroughgood, Padilla, Hunter, & Tate, 2012), and followers are often affected by the manner in which they receive supervision from their leader. Indeed, different theories and perspectives such as social exchange theory (Homans, 1961), social learning theory (Bandura, 1977), and the self-regulation impairment perspective (Thau & Mitchell, 2010), predict that employees' supervisor-directed deviance is a direct consequence of supervisors' treatment (e.g., Mitchell & Ambrose, 2007). Accordingly, empirical findings provide support for the notion that abusive leader behavior is positively associated with supervisor-directed deviance on the part of employees (e.g., Mawritz, Mayer, Hoobler, Wayne, & Marinova, 2012; Mayer, Thau, Workman, Van Dijke, & De Cremer, 2012; Mitchell & Ambrose, 2007). Specifically, employees are more likely to deviate against abusive supervisors than against ethical ones. However, relatively little is known about why this is the case. In the present dissertation, we argue that this consistently happens because employees of abusive supervisors – but not employees of ethical supervisors – fail to anticipate feeling guilty about harming their supervisor. In doing so, this second part zooms in on the effects of (un)ethical leadership on employee behavior, as well as on the role of anticipated feelings of guilt as a predictor of employee reactions to ethical versus unethical leadership.

Chapter 5. In Chapter 5, the focus of our attention moves away from the antecedents of (un)ethical leader behavior towards its consequences for employee behavior. Previous research has demonstrated that in reaction to abusive leadership, but not in reaction to ethical leadership, employees' start to demonstrate deviant behavior in the workplace (e.g., Mayer, Kuenzi, & Greenbaum, 2010; Mitchell & Ambrose, 2007). Yet, these conclusions are largely based on correlational data. Furthermore, little research attention has been devoted to understanding *why* employees deviate against abusive bosses but not against ethical ones. Being a quintessential moral emotion, we put forward the anticipation of guilt as an underlying mechanism explaining why employees only deviate against abusive leaders. Specifically, we tested the prediction that faced with an abusive supervisor as compared with an ethical supervisor, employees experience less anticipated guilt about deviating against their supervisor, which, in turn, leads to higher levels of deviant behavior. We tested our prediction using an experimental-causal-chain design (Study 5.1a and Study 5.1b) as well as a measurement-of-mediation design (Study 5.2 and Study 5.3), and aimed to (1) provide insight in the mechanism explaining the relationship between supervision styles and employee-deviance, and (2) provide first experimental evidence for the causal order of the effects.

General Discussion. This section summarizes the main findings of the empirical chapters, and it discusses how our research – focusing on the determinants, conditions, underlying processes, and effects of (un)ethical leader behavior – adds to a more elaborate theoretical understanding of moral behavior in organizations. It specifically focuses on the role of emotion in understanding why some leaders act (un)ethically, whereas others do not. In addition, this chapter presents a discussion of the strengths and weaknesses of our research, it provides suggestions for future research to follow up on our findings, and it presents the practical implications of our results.