

2010

# When leadership goes unnoticed: The Moderating role of follower self-esteem on the relationship between ethical leadership and follower behavior

James Avey

Michael Palanski

Fred Walumwa

Follow this and additional works at: <http://scholarworks.rit.edu/article>

---

## Recommended Citation

Journal of Business Ethics, 2010

This Article is brought to you for free and open access by RIT Scholar Works. It has been accepted for inclusion in Articles by an authorized administrator of RIT Scholar Works. For more information, please contact [ritscholarworks@rit.edu](mailto:ritscholarworks@rit.edu).

# When Leadership Goes Unnoticed: The Moderating Role of Follower Self-Esteem on the Relationship Between Ethical Leadership and Follower Behavior

James B. Avey  
Michael E. Palanski  
Fred O. Walumbwa

**ABSTRACT.** The authors examined the effects of ethical leadership on follower organizational citizenship behavior (OCB) and deviant behavior. Drawing upon research related to the behavioral plasticity hypothesis, the authors examined a moderating role of follower self-esteem in these relationships. Results from a field study revealed that ethical leadership is positively related to follower OCB and negatively related to deviance. We found that these relationships are moderated by followers' self-esteem, such that the relationships between ethical leadership and OCB as well as between ethical leadership and deviant behavior are weaker when followers' self-esteem is high than low. Implications of these findings for research and practice are discussed.

**KEY WORDS:** behavioral plasticity, ethical leadership, organizational citizenship behavior, self-esteem, workplace deviance

One of the primary questions arising from the seemingly endless parade of ethical lapses is: where have all of the leaders gone? Within organizations, leaders at multiple levels play an important role in developing and sustaining ethical cultures and ethical conduct (Grojean et al., 2004). Thus, it is no surprise that scholarly research concerning ethical leadership is on the rise. Indeed, a great deal has been written about ethical leadership from a prescriptive point of view, often in the form of a philosophical discussion about what leaders ought to do. In addition, virtually all of the so-called "new wave" leadership theories discuss the ethical implications of leader behaviors, often at length. Specifically, transformational leadership (Bass, 1985), charismatic leadership (Conger

and Kanungo, 1998), authentic leadership (Avolio and Gardner, 2005), and spiritual leadership (Fry, 2003) all include aspects of the importance of ethical behavior.

Despite the inclusion of ethical aspects in these and other approaches, the scholarly work about ethical leadership remains largely fragmented and often confusing. For example, Palanski and Yammarino (2007) describe the confusion in meaning about one of the most popular aspects of ethical leadership, integrity. They note that this single concept is used in a variety of ways to mean a variety of things, including consistency, wholeness, courage in adversity, and general moral behavior. In response to this fragmentation and confusion, Brown et al. (2005) developed a normative, social scientific approach construct of ethical leadership, 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 et al., 2005, p. 120). This definition includes both traits and behaviors of the leader, dubbed the *moral person* aspect, and proactive behaviors that encourage follower ethical behavior, dubbed the *moral manager* aspect by Brown and Treviño (2006), and is a more holistic, descriptive approach to studying ethical leadership.

Although the construct and its accompanying scale (Brown et al., 2005) are relatively new, emerging research (e.g., De Hoogh and Den Hartog, 2008; Detert et al., 2007; Mayer et al., 2009; Neubert et al., 2009; Walumbwa and Schaubroeck, 2009) is beginning to demonstrate the usefulness of the ethical leadership construct for research and application.

However, a majority of this research to date has focused mainly on investigating main effects of ethical leadership. A few studies have also examined the mechanisms that link ethical leadership behavior to various outcomes (Piccolo et al., 2010; Walumbwa and Schaubroeck, 2009). Less attention has been given to identifying the conditions under which ethical leadership behavior is more or less effective. As research in other previous leadership areas demonstrates, an exclusive focus on direct leader effects without considering the context under which such leadership behavior occurs may lead to incomplete or inaccurate conclusions. Therefore, it is important to identify factors that enhance or mitigate the influence of ethical leader behavior in organizations.

Accordingly, the primary objective of this study was to examine when the effect of ethical leadership is more or less effective in influencing followers' behavior. Drawing on the behavioral plasticity hypothesis (e.g., Brockner, 1988), in this examination, we consider how a follower's level of self-esteem may impact the effects of ethical leadership on follower organizational citizenship behaviors (OCBs) and deviant workplace behaviors (DWBs). Self-esteem refers to the degree of positive self-worth that an individual ascribes to himself or herself (Brockner, 1988), and thus may be an important determinant on how followers react to ethical leadership behavior. Thus, our study makes an important contribution by identifying a boundary condition for ethical leadership. Detert and colleagues (e.g., Detert et al., 2007) called for future research to consider the role of follower type when examining role of ethical leadership. Other researchers (e.g., Avolio, 2007; Avolio et al., 2009) have also called for more research attention to follower characteristics in leadership research. Thus, our examination addresses these calls for research by incorporating and showing how followers' personality may influence the actions of ethical leaders. In doing so, we not only help to broaden ethical leadership theory, but also provide managers with guidance on enhancing their ethical leadership effectiveness.

Below, we begin by briefly reviewing previous research on ethical leadership. We next consider how a follower's self-esteem might moderate these relationships. We then test our model with a heterogeneous sample of 191 working adults in a structural equation model. Finally, we discuss the

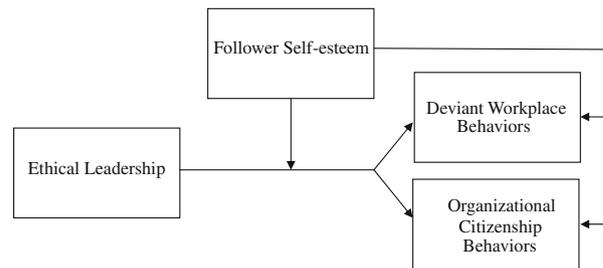


Figure 1. Theoretical model linking ethical leadership, follower self-esteem, and citizenship and deviance behaviors.

results and limitations, and offer directions for future research. Figure 1 depicts our hypothesized relationships.

### Ethical leadership research

Ethical behavior in organizations is a rapidly growing, but fragmented, area of knowledge (see Treviño et al., 2006 for a review). One of the primary foci within this area is ethical leadership, but even this more narrowly focused area still suffers from fragmentation and confusion. Given these and other examples of confusion and disagreement, one might ask, “What exactly is ethical leadership?” Some leadership scholars have attempted to answer this question from a prescriptive, philosophical perspective (e.g., Ciulla, 2004) or a mix of philosophical and empirical perspectives (e.g., Bass and Steidlmeier, 1999), but most research in the management field has been based on a more descriptive approach. Using this approach and building on previous qualitative studies, Brown et al. (2005) proposed a more formal construct of ethical leadership and developed an accompanying 10-item Ethical Leadership Scale (ELS). Brown et al.’s (2005) ethical leadership construct captures both the dimension of leader as a moral person (honest, caring, and principled individuals who make balanced decisions) and as a moral manager (discussing ethical standards with followers and offering appropriate rewards and punishments of ethical/unethical behavior). Brown et al.’s (2005) ethical leadership construct shares several important characteristics with other leadership constructs (e.g., integrity – see Palanski and Yammarino, 2009), but ethical leadership’s moral

manager focus differentiates it from other approaches by making it more transactional in nature (Brown and Treviño, 2006). Given the relative robustness of transactional forms of leadership in previous research (Judge and Piccolo, 2004), we use Brown et al.'s (2005) ethical leadership construct as the basis for our approach.

Initial empirical research about ethical leadership is promising. For example, Brown et al. (2005) found that ethical leadership was correlated with leader consideration, interactional fairness, leader honesty, and idealized influence. Walumbwa et al. (2008) also found evidence that ethical leadership is related to, but distinct from, authentic leadership. Perhaps more importantly, Brown et al. (2005) also found evidence that ethical leadership predicts important follower outcomes including satisfaction with the leader, perceived leader effectiveness, willingness to exert extra effort on the job, and willingness to report problems to management. Further, Neubert et al. (2009) demonstrated that ethical leadership interacts with interactional justice to foster individual perceptions of a more ethical climate.

### **Organizational citizenship behaviors and deviance work behaviors**

Initial research suggests that ethical leadership is positively related to follower prosocial behaviors (i.e., OCBs) and negatively to counterproductive behaviors such as deviance in the workplace (e.g., De Hoogh and Den Hartog, 2008; Mayer et al., 2009). For example, Piccolo et al. (2010) found that ethical leadership positively impacted follower OCBs via mediation through task significance and follower effort.

Although these findings are obviously promising, only equivocal conclusions can be drawn from existing research on the relationship between ethical leadership prosocial behaviors and counterproductive behaviors. For example, Detert et al. (2007) did not find any significant relationship between ethical leadership and counterproductive behavior. This lack of significant finding may be explained by the absence (or presence) of potential moderating variables. Indeed, in explaining their finding, Detert et al. (2007) noted, "Future research across organizational contexts should investigate whether the type of work and workers, the outcome studied, or both

affect the type of managerial influence that is most important" (pp. 1001–1002). In this study, we partially answer/address this research call of examining interaction effects of ethical leadership and on the type of individual difference, and self-esteem in predicting employee prosocial behavior and counterproductive behavior.

### **The role of follower self-esteem**

As already discussed self-esteem is the extent of positive self-worth that an individual ascribes to himself or herself (Brockner, 1988). In consideration of the criterion herein and in addition to ethical leadership, there is evidence to suggest individual-level follower self-esteem is related to both OCBs and DWBs; specifically that those higher in self-esteem engage in more OCBs and those lower in self-esteem engage in more DWBs. For example, Van Dyne et al. (2000) argued self-esteem would be related to citizenship behaviors using cognitive consistency theory which suggests that individuals are motivated to maintain attitudes and perform behaviors that are consistent with their self-concept (Heider, 1958). Thus, those higher in self-esteem would be more likely to engage in such behaviors that are congruent with positive self-worth such as citizenship behaviors and less likely to engage in deviance. They found a relationship between self-esteem and citizenship behavior ( $r = 0.24, p < 0.05$ ), which was later replicated with a positive relationship between self-esteem and both supervisor ( $r = 0.28, p < 0.05$ ) and other rated ( $r = 0.27, p < 0.05$ ) citizenship behaviors (see Van Dyne and Pierce, 2004). Further empirical evidence also suggests self-esteem is negatively related to workplace deviance. For instance, Ferris et al. (2009) found a negative relationship between self-esteem and deviance ( $r = -0.34, p < 0.05$ ). Thus, there is both valid theoretical argument and substantive empirical support for a positive relationship between self-esteem and follower OCBs and a negative relationship between self-esteem and deviant behavior in the workplace. On the basis of theory and extant research, we present the following hypotheses:

*Hypothesis 1:* Follower self-esteem will be positively related to follower organizational citizenship behaviors.

*Hypothesis 2:* Follower self-esteem will be negatively related to follower deviance work behaviors.

### **Behavioral plasticity hypothesis**

While Hypotheses 1 and 2 are primarily replication of previous research, they are the necessary departure point for an interactionist perspective. Saks and Ashforth (2000) noted, "One of the most important findings related to understanding work behavior is that individuals react differently to similar circumstances, and that to understand and predict behavior in organizational settings one needs to consider both person and situational factors as well as their interaction" (p. 43). The behavioral plasticity hypothesis is consistent with such an interactionist perspective with respect to the critical role of individual self-esteem.

A review of extant research reveals the importance of self-esteem in individual-level management research (e.g., see Brockner, 1988). Based on the behavioral plasticity hypothesis, we submit that self-esteem may moderate the relationship between ethical leadership and follower OCBs and DWBs such that these relationships are stronger for those followers lower in self-esteem. Specifically, Brockner (1988) proposed the behavioral plasticity hypothesis, which suggests contextual cues are more salient for individuals lower in self-esteem than those higher in self-esteem. In other words, those lower in self-esteem are seeking contextual cues to validate or invalidate feelings of self-worth more so than those high in self-esteem.

According to behavioral plasticity theory, contextual cues are likely to have a more significant effect on individuals with low self-esteem for at least two reasons (Brockner, 1988). First, given that individuals lower in self-esteem are less certain about the appropriateness of both their attitudes and behaviors, low self-esteem individuals will be more influenced by such cues. For example, if cues were regarding ethical behavior, low self-esteem individuals will be more influenced by them given their greater reliance on role-related information stemming from the leader (Saks and Ashforth, 2000). Second, high self-esteem individuals will be more equipped to deal with environmental cues from a personal security perspective, not needing to constantly adapt attitudes and behaviors to the context (Brockner, 1988; Pierce et al., 1993).

The behavioral plasticity hypothesis has been supported in subsequent field studies (e.g., Eden and Kinnar, 1991; Elengovan and Xie, 1999; Pierce et al., 1993) and overall, this literature provides justification to examine whether participants lower in self-esteem are impacted by ethical leadership differently than those who were higher in self-esteem. Applying these findings to ethical leadership, we argue that followers' self-esteem moderates the relationship between ethical leadership and prosocial behavior as well as deviant behavior in the work place. Therefore, we propose the following hypotheses:

*Hypothesis 3:* Self-esteem moderates the relationship between ethical leadership and follower organizational citizenship behaviors, such that the positive relationship will be stronger for those lower on self-esteem than those higher on self-esteem.

*Hypothesis 4:* Self-esteem moderates the relationship between ethical leadership and follower deviance work behaviors, such that the negative relationship will be stronger for those lower on self-esteem than those higher on self-esteem.

### **Method**

#### *Sample and procedure*

A heterogeneous sample of 191 working adults was used to test the study hypotheses. Participants were directly affiliated with a large university. Specifically, alumni who were business owners, senior managers, or partners in larger firms were recruited for research on leadership and organizational behavior. Given the reliance on validated survey instruments for data collection, those who consented to participate in this study were sampled twice. Specifically, data collection was separated into two time sessions separated by 7–14 days to help reduce common method bias as recommended by Podsakoff et al. (2003). At Time 1, participants completed the predictor and demographical variable instruments (Ethical Leadership, Self-esteem). At Time 2, they completed the criterion portion of this study which included OCBs and DWBs. Overall, the age of the sample ranged from 19 to 80 years of age with a mean of 32.3 (SD 13.2). Tenure with the current job held ranged from

1 to 30 years with a mean of 6.5 (SD 7.1). There were 91 females and 99 males with one user not identifying gender. Individual salaries range from less than \$25,000 ( $N = 27$ ) to over \$250,000 ( $N = 3$ ) annually.

### Measures

Given the focus in this study was more broadly defined ethical leadership behavior and not a specific domain of it (e.g., leader citizenship behavior), perceptions of ethical leadership were measured by Brown et al. (2005) 10-item instrument. Example items are, "My supervisor discusses business ethics or values with employees," "My supervisor sets an example of how to do things the right way in terms of ethics," and "My supervisor determines success not just by results but by the way they are attained." This instrument demonstrated adequate internal reliability ( $\alpha = 0.94$ ). Self-esteem was measured with a 3-item instrument from Judge et al. (2003) core self-evaluations instrument. An example item is "Overall I feel satisfied with myself." This instrument had one reverse item and overall yielded adequate internal reliability ( $\alpha = 0.70$ ).

Follower OCBs were measured using Lee and Allen's (2002) 8-item instrument for assessing OCBs directed toward individuals in the work group. Example items asked participants how often they have helped others who have been absent, willingly given up their time to help others who have work-related problems and adjusted their work schedules to accommodate others employees requests for time off. This instrument yielded adequate internal reliability ( $\alpha = 0.89$ ). The final survey instrument was for follower DWBs which were assessed with seven items from Fox and Spector's (1999) counter productive work behaviors scale, which has demonstrated strong psychometric properties. Example items are, "How often have you purposely ignored your boss and failed to help a co-worker?" This instrument also demonstrated adequate internal reliability ( $\alpha = 0.81$ ). Ratings for OCBs and DWBs were on a 6-point Likert-type scale ranging from *hardly, if ever* to *frequently, if not always*.

### Analysis

Before hypothesis tests, all variables were entered into the Mplus (version 3) structural equation modeling (SEM) software to conduct a confirmatory factor analysis to assess the extent to which the items captured the intended constructs. For this analysis each item was fit to its relative factor (e.g., 10 ethical leadership items were fit to the overall ethical leadership factor). Modification indices recommended no cross-loaded items, and each item fits adequately to the relative factor. Chi-square value and fit indices for the measurement model were as follows:  $\chi^2 = 460.82$  ( $df = 339$ ),  $p < 0.001$ , CFI = 0.96, SRMR = 0.05, RMSEA = 0.04. Overall, given fit index recommendations by Hu and Bentler (1999), the measurement model was considered adequate to proceed with hypothesis tests which were also conducted using Mplus and SEM.

### Results

Means, standard deviations, and bivariate correlations are shown in Table I. As shown, ethical leadership is significantly related to self-esteem ( $r = 0.16$ ,  $p < 0.05$ ), OCB ( $r = 0.32$ ,  $p < 0.01$ ), and deviance ( $r = -0.21$ ,  $p < 0.01$ ). Self-esteem is also related significantly to OCB ( $r = 0.27$ ,  $p < 0.01$ ) and deviance ( $r = -0.39$ ,  $p < 0.01$ ) as is the relationship between OCB and deviance ( $r = -0.35$ ,  $p < 0.01$ ).

Results from the structural equation interaction model tests for testing our hypotheses are presented in Figure 2. This model produced an adequately strong fit ( $\chi^2 = 589.20$ ,  $df (343)$   $p < 0.01$ , CFI = 0.94, SRMR = 0.06, RMSEA = 0.06). Hypotheses 1 and 2 were primarily conducted as a starting point for Hypotheses 3 and 4 and as replication of and convergence with previous research. As shown in Figure 2, Hypotheses 1 and 2 that follower self-esteem would be positively related to OCBs ( $\beta = 0.22$ ,  $p < 0.01$ ) and negatively related to DWBs ( $\beta = -0.37$ ,  $p < 0.01$ ) were fully supported. Overall, as can be seen in Figure 2, the main effects in this study were supported in that ethical leadership and follower self-esteem were both significantly related to OCBs and DWBs laying the foundation for testing Hypotheses 3 and 4.

TABLE I  
Means, standard deviations, and bivariate correlations

	Mean	SD	1.	2.	3.	4.
1. Ethical leadership	4.31	0.98	(0.94)			
2. Self-esteem	4.22	0.75	0.16*	(0.70)		
3. OCB	4.94	1.19	0.32**	0.27**	(0.89)	
4. Deviance	2.18	0.92	-0.21**	-0.39**	-0.35**	(0.81)

$N = 191$ .

\* $p < 0.01$ .

\*\* $p < 0.01$ .

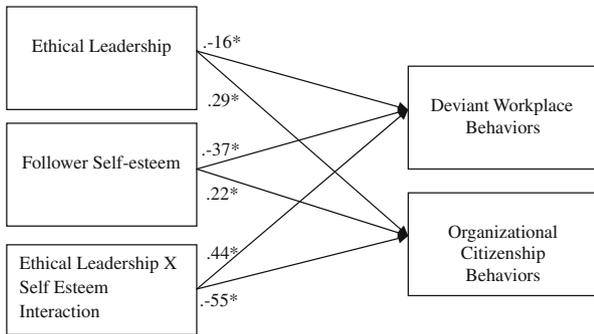


Figure 2. Structural equation model for ethical leadership and self-esteem on OCBs and DWBs.  $N = 191$ , all paths significant at  $p < 0.01$ .  $R^2$  Organizational citizenship behaviors = 0.20,  $p < 0.01$ .  $R^2$  Deviant workplace behaviors = 0.21,  $p < 0.01$ .  $\chi^2 = 589.20$ ,  $df (343)$   $p < 0.01$ , CFI = 0.94, SRMR = 0.06, RMSEA = 0.06.

Hypotheses 3 and 4 were for an interaction model where self-esteem moderated the relationship between ethical leadership and follower OCBs and DWBs. Results of this test are also shown in Figure 2. Acknowledging that there are multiple methods to test interaction in structural equation models, for this analysis a mean centered interaction term was formed with the product of ethical leadership and self-esteem and then used as the interaction term. As seen in Figure 2, when considering both the criterion variables, the interaction term was a significant predictor. Specifically, the interaction term predicted OCBs ( $\beta = -0.55$ ,  $\Delta$  in  $R^2 = 0.04$ ,  $p < 0.01$ ) and DWBs ( $\beta = 0.44$ ,  $\Delta$  in  $R^2 = 0.03$ ,  $p < 0.01$ ) providing full support for the moderation model in the hypothesized direction. Specifically, self-esteem moderated the relationship between ethical leadership and OCBs such that those higher in OCBs were less influenced by ethical leaders and contrarily, those lower in self-

esteem demonstrated a stronger relationship between ethical leadership and OCBs. A similar finding occurred with DWBs such that the relationship between ethical leadership and DWBs was the strongest in those participants reporting lower self-esteem.

To explore the nature and form of interaction, we plotted the significant interactions graphically using values of one standard deviation below the mean and one standard deviation above the mean on self-esteem (Aiken and West, 1991). As shown in Figure 3, these findings are consistent with our Hypotheses 3 and 4 and the behavioral plasticity hypothesis. In addition to plotting the significant interactions, we also performed a simple slope analysis. The results showed that the relationship between ethical leadership and OCBs under conditions of low self-esteem was different from zero (simple slope = 0.31(0.11),  $t = 2.92$ ,  $p < 0.01$ ). Under conditions of high self-esteem, the relationship between ethical leadership and OCB was not significant (simple slope = 0.05(0.10),  $t = 0.49$ , n.s.). Similarly as predicted, with the criterion of deviance under conditions of low self-esteem the simple slope was significantly different from zero (simple slope =  $-0.30(0.11)$ ,  $t = -2.78$ ,  $p < 0.01$ ). Under conditions of high self-esteem, the relationship between ethical leadership and OCB was not significant (simple slope =  $-0.02(0.11)$ ,  $t = -0.14$ , n.s.).

## Discussion

Overall research interest in the domain of ethical leadership has increased recently, and results have suggested ethical leadership may be a positive practice

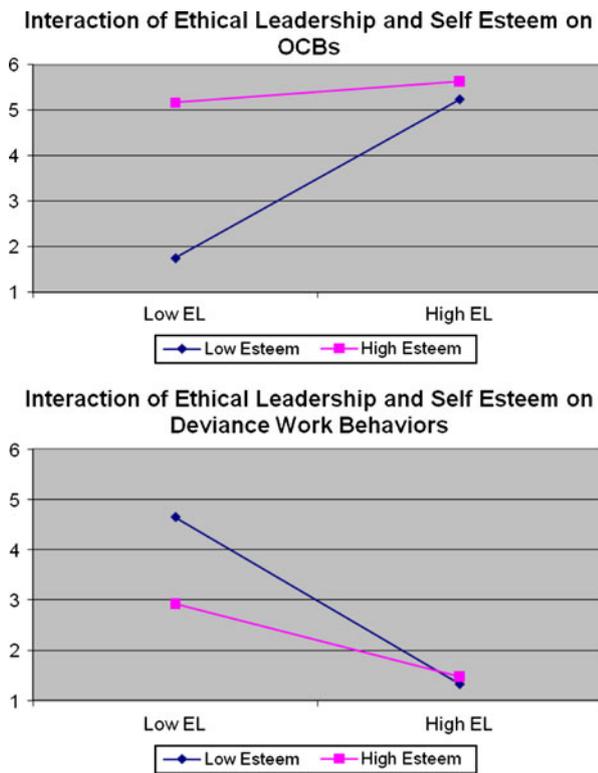


Figure 3. Interaction plot for ethical leadership and self-esteem on OCBs and deviance work behaviors.

in organizations in terms of employee attitudes. In this study we add to previous research in ethical leadership by highlighting the relationship between ethical leadership and employee behaviors. Specifically, we found follower citizenship behaviors, or those behaviors not prescribed by formal job descriptions that enhance the functioning of the firm, were associated with followers' views of ethical leadership behaviors in the firm. Further, we found a negative association between followers' deviance behaviors such as instigating conflict and their perception of ethical leadership behaviors. Overall, these results suggest ethical leadership practices tend to be associated with followers who positively deviate from organization norms more often and negatively deviant from those norms less often.

Beyond the main effects found in Hypotheses 1 and 2, the major contribution of this study was to understand better *under what conditions* ethical leadership may impact follower outcomes to a greater or lesser extent. Specifically, leadership research has often not considered followers despite prior research suggesting that follower characteristics represent a key

contextual variable in influencing leader behavior (Howell and Shamir, 2005; Liden and Antonakis, 2009). Similar to the finding of Detert et al. (2007) who initially found a weak non-significant relationship between ethical leadership and deviance, our initial results showed a weak (statistically significant) relationship. However, our results also suggest that the psychological nature of the followers, their self-esteem specifically, may significantly influence how or even if they are affected by ethical leaders. Following Brockner's (1988) behavioral plasticity hypothesis, we found followers who were lower in self-esteem tended to be more influenced by ethical leaders and those higher in self-esteem were less influenced. In other words, results suggested an interaction between ethical leadership and follower self-esteem such that when ethical leadership was high, followers low in self-esteem engaged in more citizenship behaviors and less deviance behaviors than those higher in self-esteem. It should be noted this research does not address the issue of prescription in terms of whether it is good or bad that follower self-esteem moderates these relationships; it is only a descriptive model with evidence suggesting the interaction.

These initial results suggest a new avenue for research in ethical leadership. Specifically, to fully understand the importance of ethical leadership in organizations future research may need to deal with fundamental unanswered questions such as: in what kinds of organizations, cultures, relationships, teams, and tasks do ethical leadership practices matter more or less? Are there times when ethical leadership is ineffective and to what extent does time consideration matters (e.g., short-term vs. long-term effects)? In sum, this study has demonstrated that at least one aspect of follower individual differences may influence the effectiveness of ethical leadership providing a platform for future investigation beyond simple main effects models.

#### Managerial implications

There are at least two important managerial implications from this study. First, given that ethical leadership can be construed as a behavioral model (e.g., operationalized with items such as "My supervisor discusses business ethics or values with employees," "My supervisor sets an example of how to do things the right way in terms of ethics,"),

ethical leadership is not an exclusive club of leaders, as is the case with traditional trait theories of leadership in which managerial implications were mostly relegated to leader selection models. In the case of ethical leadership, on the surface it appears these behaviors can be accomplished by most managerial leaders (although this is also perhaps a future platform for research). As such, results here suggest leadership development models with an ethical component (e.g., to raise moral awareness) may be desirable as success in doing so may be associated with both an increase in follower citizenship behaviors and a decrease in follower deviance behaviors. While Walumbwa and Schaubroeck (2009) have recently questioned the ability to develop ethical leadership to a great degree, consistent with Brown (2007) they do note that the leader's character is one small component of ethical leadership behaviors and leave open the possibility of developing ethical leaders and contexts. This suggestion is consistent with Anand et al. (2004) who articulate several contextual causes of corruption noting the importance of developing both person and context for a sustainable enhancement of ethical behavior.

#### *Limitations and conclusion*

There are at least four potential limitations in this study that need to be considered; subsequently the conclusions offered here are made with caution. First, common method bias, which occurs when the same method of data collection (e.g., all survey, all observation, and all narrative) is used for all study variables, was present in this study. To account for this possible limitation we temporally separated the data collection procedure with predictors collected at Time 1 and criterion at Time 2 based on the recommendations of Podsakoff et al. (2003). However, given the strength of the relationships in Table I and the lack of evidence for collinearity, it would appear that this procedure was relatively successful. In addition, given the primary contribution of this study was based on an interaction model, it can be argued that participants are less likely to think three-dimensionally when completing instruments, and thus, response bias may have been less of an issue. Nonetheless, common method bias could be inflating the relationships between the variables, leading to erroneous conclu-

sions of significant relationships. Thus, future studies may want to consider using other methodological designs to extend the current findings.

A second limitation is the lack of additional variables in the model and relatively smaller effect sizes. The content model proposed in Figure 1 is unlikely to be fully comprehensive. In particular, there are likely unmeasured variables (e.g., other important predictors, mediating processes, and criterion) that may be acting as causal agents. Replication of this study and convergence with other studies will tease out this phenomenon over time. Further, effects in this study were significant and in the hypothesized direction, but were not extremely large effect sizes suggesting additional variables may further explain observed phenomena. A third limitation is the lack of an experimental research design. In matters of ethical leadership it is difficult to conduct a field experiment where leaders are manipulated to be (or an intervention to be) more or less ethical. As such, we cannot rule out reverse causality where an employee engages in citizenship behaviors and then determines his leader to be more ethical or engages in deviance and subsequently determines his leader to be less ethical. While Weick's (1988) sense-making process theory may provide some explanation as to how people explain behavior after the fact, it does lack face validity. However, it cannot be ruled out as an alternative.

The fourth limitation in this study is related to external validity. Given the innate challenge in field experiments on topic such as ethical leadership, we enhanced generalizability of results by recruiting a heterogeneous population of participants. While overall this enhanced external validity, 191 participants who did not comprise a random sample is limited in the ability to generalize.

In conclusion, the theory and results we show enhance the construct validation work of ethical leadership initiated by Brown et al. (2005) by examining under what conditions (i.e., lower follower self-esteem) ethical leadership matters more on two important follower behavioral outcomes. Together, results here add to the fast accumulating research that ethical leadership has an important role within the leadership literature. The findings suggest that follower self-esteem may be important in determining when ethical behavioral from leaders is related to follower citizenship and deviant behaviors. This insight underscores the importance of considering both

if and how ethical leadership may be enhanced in organizations. Research findings here also suggest that ethical leadership should not be considered as simply a method to reduce deviance but also may be a citizenship enhancing force in organizations by promoting follower citizenship behaviors.

## References

- Aiken, L. S. and S. G. West: 1991, *Multiple Regression: Testing and Interpreting Interactions* (Sage, Newbury Park, CA).
- Anand, V., B. E. Ashforth and M. Joshi: 2004, 'Business as Usual: The Acceptance and Perpetuation of Corruption in Organizations', *Academy of Management Executive* **19**, 9–23.
- Avolio, B. J.: 2007, 'Promoting More Integrative Strategies for Leadership Theory-Building', *American Psychologist* **62**, 25–33.
- Avolio, B. J. and W. L. Gardner: 2005, 'Authentic Leadership Development: Getting to the Root of Positive Forms of Leadership', *Leadership Quarterly* **16**, 315–338.
- Avolio, B. J., F. W. Walumbwa and T. J. Weber: 2009, 'Leadership: Current Theories, Research and Future Directions', *Annual Review Psychology* **60**, 421–490.
- Bass, B. M.: 1985, *Leadership and Performance Beyond Expectations* (Free Press, New York).
- Bass, B. M. and P. Steidlmeier: 1999, 'Ethics, Character, and Authentic Transformational Leadership Behavior', *Leadership Quarterly* **10**, 181–217.
- Brockner, J.: 1988, *Self-Esteem at Work: Research, Theory and Practice* (D. C. Heath, Lexington, MA).
- Brown, M. E.: 2007, 'Misconceptions of Ethical Leadership: How to Avoid Pitfalls', *Organizational Dynamics* **36**, 140–155.
- Brown, M. E. and L. K. Treviño: 2006, 'Ethical Leadership: A Review and Future Directions', *Leadership Quarterly* **17**, 595–616.
- Brown, M. E., L. K. Treviño and D. A. Harrison: 2005, 'Ethical Leadership: A Social Learning Perspective for Construct Development and Testing', *Organizational Behavior and Human Decision Processes* **97**, 117–134.
- Ciulla, J. B.: 2004, *Ethics, The Heart of Leadership* (Praeger Publishers, Santa Barbara, CA).
- Conger, J. A. and R. N. Kanungo: 1998, *Charismatic Leadership in Organizations* (Sage, Thousand Oaks, CA).
- De Hoogh, A. H. B. and D. N. Den Hartog: 2008, 'Ethical and Despotism Leadership, Relationships with Leader's Social Responsibility, Top Management Team Effectiveness and Subordinates' Optimism: A Multi-Method Study', *Leadership Quarterly* **19**, 297–311.
- Detert, J. R., L. K. Treviño, E. R. Burris and M. Andiappan: 2007, 'Managerial Modes of Influence and Counterproductivity in Organizations: A Longitudinal Business-Unit-Level Investigation', *Journal of Applied Psychology* **92**, 993–1005.
- Eden, D. and J. Kinnar: 1991, 'Modeling Galatea: Boosting Self-Efficacy to Increase Volunteering', *Journal of Applied Psychology* **76**, 770–780.
- Elengovan, A. R. and A. J. Xie: 1999, 'Effects of Perceived Power of Supervisor on the Subordinate Stress and Motivation: The Moderating Role of Subordinate Characteristics', *Journal of Organizational Behavior* **20**, 359–373.
- Ferris, D. L., D. J. Brown, H. Lian and L. M. Keeping: 2009, 'When does Self-Esteem Relate to Deviant Behavior? The Role of Contingencies of Self-Worth', *Journal of Applied Psychology* **94**(5), 1345–1353.
- Fox, S. and P. E. Spector: 1999, 'A Model of Work Frustration-Aggression', *Journal of Organizational Behavior* **20**, 915–931.
- Fry, L. W.: 2003, 'Toward a Theory of Spiritual Leadership', *Leadership Quarterly* **14**, 693–727.
- Grojean, M. W., C. J. Resick, M. W. Dickson and D. B. Smith: 2004, 'Leaders, Values, and Organizational Climate: Examining Leadership Strategies for Establishing an Organizational Climate Regarding Ethics', *Journal of Business Ethics* **55**, 223–241.
- Heider, F.: 1958, *The Psychology of Interpersonal Relations* (Wiley, New York).
- Howell, J. M. and B. Shamir: 2005, 'The Role of Followers in the Charismatic Leadership Process: Relationships and Their Consequences', *Academy of Management Review* **30**, 96–112.
- Hu, L. and P. M. Bentler: 1999, 'Cutoff Criteria for Fit Indices in Covariance Structure Analysis: Conventional Criteria Versus New Alternatives', *Structural Equation Modeling* **61**, 1–55.
- Judge, T. A., A. Erez, J. E. Bono and C. J. Thoresen: 2003, 'The Core Self-Evaluations Scale: Development of a Measure', *Personnel Psychology* **56**, 303–331.
- Judge, T. A. and R. F. Piccolo: 2004, 'Transformational and Transactional Leadership: A Meta-Analytic Test of Their Relative Validity', *Journal of Applied Psychology* **89**, 755–767.
- Lee, K. and N. J. Allen: 2002, 'Organizational Citizenship Behavior and Workplace Deviance: The Role of Affect and Cognitions', *Journal of Applied Psychology* **87**, 131–142.
- Liden, R. C. and J. Antonakis: 2009, 'Considering Context in Psychological Leadership Research', *Human Relations* **62**, 1587–1605.
- Mayer, D. M., M. Kuenzi, R. Greenbaum, M. Bardes and R. Salvador: 2009, 'How Low does Ethical

- Leadership flow? Test of a Trickle-Down Model', *Organizational Behavior and Human Decision Processes* **108**, 1–13.
- Neubert, M. J., D. S. Carlson, K. M. Kacmar, J. A. Roberts and L. B. Chonko: 2009, 'The Virtuous Influence of Ethical Leadership Behavior: Evidence from the Field', *Journal of Business Ethics* **90**, 157–170.
- Palanski, M. E. and F. J. Yammarino: 2007, 'Integrity and Leadership: Clearing the Conceptual Confusion', *European Management Journal* **25**, 171–184.
- Palanski, M. E. and F. J. Yammarino: 2009, 'Integrity and Leadership: A Multi-Level Conceptual Framework', *Leadership Quarterly* **20**, 405–420.
- Piccolo, R. F., R. Greenbaum, D. N. Den Hartog and R. Folger: 2010, 'The Relationship Between Ethical Leadership and Core Job Characteristics', *Journal of Organizational Behavior* **31**, 259–278.
- Pierce, J. L., D. G. Gardner, R. B. Dunham and L. L. Cummings: 1993, 'Moderation by Organization-Based Self-Esteem of Role Condition-Employee Response Relationships', *Academy of Management Journal* **36**, 271–288.
- Podsakoff, P. M., S. C. MacKenzie, J. Lee and N. P. Podsakoff: 2003, 'Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies', *Journal of Applied Psychology* **88**, 879–903.
- Saks, A. M. and B. E. Ashforth: 2000, 'The Role of Dispositions, Entry Stressors, and Behavioral Plasticity Theory in Predicting Newcomers' Adjustment to Work', *Journal of Organizational Behavior* **21**, 43–62.
- Treviño, L. K., G. R. Weaver and S. J. Reynolds: 2006, 'Behavioral Ethics in Organizations: A Review', *Journal of Management* **32**, 951–990.
- Van Dyne, L. and J. L. Pierce: 2004, 'Psychological Ownership and Feelings of Possession: Three Field Studies Predicting Employee Attitudes and Organizational Citizenship Behaviors', *Journal of Organizational Behavior* **25**, 439–459.
- Van Dyne, L., D. VandeWalle, T. Kostova and L. L. Cummings: 2000, 'Collectivism, Propensity to Trust and Self-Esteem as Predictors of Organizational Citizenship in a Non-Work Setting', *Journal of Organizational Behavior* **21**, 3–23.
- Walumbwa, F. O., B. J. Avolio, W. L. Gardner, T. S. Wernsing and S. J. Peterson: 2008, 'Authentic Leadership: Development and Validation of a Theory-Based Measure', *Journal of Management* **34**(1), 89–126.
- Walumbwa, F. O. and J. Schaubroeck: 2009, 'Leader Personality Traits and Employee Voice Behavior: Mediating Roles of Ethical Leadership and Work Group Psychological Safety', *Journal of Applied Psychology* **94**, 1275–1286.
- Weick, K. E.: 1988, 'Enacted Sensemaking in Crisis Situations', *Journal of Management Studies* **25**, 305–317.

James B. Avey

Director, Northwest Center for Organizational Research,  
Department of Management, College of Business,  
Central Washington University,  
400 E. University Way, Ellensburg,  
WA 98926-7485, U.S.A.  
E-mail: avej@cwu.edu

Michael E. Palanski

E. Philip Saunders College of Business,  
Rochester Institute of Technology,  
108 Lomb Memorial Drive, Rochester,  
NY 14623, U.S.A.  
E-mail: mpalanski@saunders.rit.edu

Fred O. Walumbwa

W.P. Carey School of Business,  
Arizona State University,  
Phoenix, AZ, U.S.A.  
E-mail: Fred.Walumbwa@asu.edu