Ethical and Unethical Leadership: Exploring New Avenues for Future Research

Michael E. Brown and Marie S. Mitchell

ABSTRACT: The purpose of this article is to review literature that is relevant to the social scientific study of ethics and leadership, as well as outline areas for future study. We first discuss ethical leadership and then draw from emerging research on "dark side" organizational behavior to widen the boundaries of the review to include unethical leadership. Next, three emerging trends within the organizational behavior literature are proposed for a leadership and ethics research agenda: 1) emotions, 2) fit/congruence, and 3) identity/identification. We believe each shows promise in extending current thinking. The review closes with discussion of important issues that are relevant to the advancement of research on leadership and ethics.

THE IMPORTANCE OF LEADERSHIP in promoting ethical conduct in organizations has long been understood. Within a work environment, leaders set the tone for organizational goals and behavior. Indeed, leaders are often in a position to control many outcomes that affect employees (e.g., strategies, goal-setting, promotions, appraisals, resources). What leaders incentivize communicates what they value and motivates employees to act in ways to achieve such rewards. It is not surprising, then, that employees rely on their leaders for guidance when faced with ethical questions or problems (Treviño, 1986). Research supports this contention, and shows that employees conform to the ethical values of their leaders (Schminke, Wells, Peyrefitte, & Sabora, 2002). Furthermore, leaders who are perceived as ethically positive influence productive employee work behavior (Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009) and negatively influence counterproductive work behavior (Brown & Treviño, 2006b; Mayer et al., 2009).

Recently, there has been a surge of empirical research seeking to understand the influence of leaders on building ethical work practices and employee behaviors (see Brown & Treviño, 2006a for a review). Initial theory and research (Bass & Steidlemeier, 1999; Brown, Treviño, & Harrison, 2005; Ciulla, 2004; Treviño, Brown, & Hartman, 2003; Treviño, Hartman, & Brown, 2000) sought to define ethical leadership from both normative and social scientific (descriptive) approaches to business ethics. The normative perspective is rooted in philosophy and is concerned with prescribing how individuals "ought" or "should" behave in the workplace. For example, normative scholarship on ethical leadership (Bass & Steidlemeier, 1999; Ciulla, 2004) examines ethical decision making from particular philosophical frameworks, evaluates the ethicality of particular leaders, and considers the degree to which certain styles of leadership or influence tactics are ethical.
In contrast, our article emphasizes a social scientific approach to ethical leadership (e.g., Brown et al., 2005; Treviño et al., 2000; Treviño et al., 2003). This approach is rooted in disciplines such as psychology, sociology, and organization science, and it attempts to understand how people perceive ethical leadership and investigates the antecedents, outcomes, and potential boundary conditions of those perceptions. This research has focused on investigating research questions such as: What is ethical leadership (Brown et al., 2005; Treviño et al., 2003)? What traits are associated with perceived ethical leadership (Walumbwa & Schaubroeck, 2009)? How does ethical leadership flow through various levels of management within organizations (Mayer et al., 2009)? And, does ethical leadership help or hurt a leader's promotability within organizations (Rubin, Dierdorff, & Brown, 2010)?

The purpose of our article is to review literature that is relevant to the descriptive study of ethics and leadership, as well as outline areas for future empirical study. We first discuss ethical leadership and then draw from emerging research on what is called “dark” (destructive) organizational behavior, so as to widen the boundaries of our review to also include unethical leadership. Next, we discuss three emerging trends within the organizational behavior literature—1) emotions, 2) fit/congruence, and 3) identity/identification—that we believe show promise in extending current thinking on the influence of leadership (both positive and negative) on organizational ethics. We conclude with a discussion of important issues that are relevant to the advancement of research in this domain.

A REVIEW OF SOCIAL SCIENTIFIC ETHICAL LEADERSHIP RESEARCH

The Concept of Ethical Leadership

Although the topic of ethical leadership has long been considered by scholars, descriptive research on ethical leadership is relatively new. Some of the first formal investigations focused on defining ethical leadership from a descriptive perspective and were conducted by Treviño and colleagues (Treviño et al., 2000, 2003). Their qualitative research revealed that ethical leaders were best described along two related dimensions: moral person and moral manager.

The moral person dimension refers to the qualities of the ethical leader as a person. Strong moral persons are honest and trustworthy. They demonstrate a concern for other people and are also seen as approachable. Employees can come to these individuals with problems and concerns, knowing that they will be heard. Moral persons have a reputation for being fair and principled. Lastly, moral persons are seen as consistently moral in both their personal and professional lives.

The moral manager dimension refers to how the leader uses the tools of the position of leadership to promote ethical conduct at work. Strong moral managers see themselves as role models in the workplace. They make ethics salient by modeling ethical conduct to their employees. Moral managers set and communicate ethical standards and use rewards and punishments to ensure those standards are followed. In sum, leaders who are moral managers “walk the talk” and “talk the walk,” pattern their behavior and organizational processes to meet moral standards.
Treviño and colleagues (Treviño et al., 2000, 2003) argued that individuals in power must be both strong moral persons and moral managers in order to be seen as ethical leaders by those around them. Strong moral managers who are weak moral persons are likely to be seen as hypocrites, failing to practice what they preach. Hypocritical leaders talk about the importance of ethics, but their actions show them to be dishonest and unprincipled. Conversely, a strong moral person who is a weak moral manager runs the risk of being seen as an ethically "neutral" leader. That is, the leader is perceived as being silent on ethical issues, suggesting to employees that the leader does not really care about ethics.

Subsequent research by Brown, Treviño, and Harrison (2005: 120) further clarified the construct and provided a formal definition of ethical leadership 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." They noted that "the term normatively appropriate is 'deliberately vague'" (Brown et al., 2005: 120) because norms vary across organizations, industries, and cultures.

Brown et al. (2005) ground their conceptualization of ethical leadership in social learning theory (Bandura, 1977, 1986). This theory suggests individuals can learn standards of appropriate behavior by observing how role models (like teachers, parents, and leaders) behave. Accordingly, ethical leaders "teach" ethical conduct to employees through their own behavior. Ethical leaders are relevant role models because they occupy powerful and visible positions in organizational hierarchies that allow them to capture their follower's attention. They communicate ethical expectations through formal processes (e.g., rewards, policies) and personal example (e.g., interpersonal treatment of others).

Effective "ethical" modeling, however, requires more than power and visibility. For social learning of ethical behavior to take place, role models must be credible in terms of moral behavior. By treating others fairly, honestly, and considerately, leaders become worthy of emulation by others. Otherwise, followers might ignore a leader whose behavior is inconsistent with his/her ethical pronouncements or who fails to interact with followers in a caring, nurturing style (Yussen & Levy, 1975).

Outcomes of Ethical Leadership

Researchers have used both social learning theory (Bandura, 1977, 1986) and social exchange theory (Blau, 1964) to explain the effects of ethical leadership on important outcomes (Brown et al., 2005; Brown & Treviño, 2006b; Mayer et al., 2009; Walumbwa & Schaubroeck, 2009). According to principles of reciprocity in social exchange theory (Blau, 1964; Gouldner, 1960), individuals feel obligated to return beneficial behaviors when they believe another has been good and fair to them. In line with this reasoning, researchers argue and find that employees feel indebted to ethical leaders because of their trustworthy and fair nature; consequently, they reciprocate with beneficial work behavior (e.g., higher levels of ethical behavior and citizenship behaviors) and refrain from engaging in destructive behavior (e.g., lower levels of workplace deviance).
Emerging research has found that ethical leadership is related to important follower outcomes, such as employees’ job satisfaction, organizational commitment, willingness to report problems to supervisors, willingness to put in extra effort on the job, voice behavior (i.e., expression of constructive suggestions intended to improve standard procedures), and perceptions of organizational culture and ethical climate (Brown et al., 2005; Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009; Toor & Ofori, 2009; Walumbwa & Schaubroeck, 2009). At the group level, supervisory ethical leadership is positively related to organizational citizenship behavior and psychological safety, and negatively related to workplace deviance (Mayer et al., 2009; Walumbwa & Schaubroeck, 2009). Ethical leadership enhances followers’ perceptions of important job characteristics such as autonomy and task significance (Piccolo, Greenbaum, Den Hartog, & Folger, 2010), the later mediating the relationship between ethical leadership and follower effort. At the highest levels of management, executive ethical leadership is positively related to perceived top management team (TMT) effectiveness as well as optimism among TMT members (De Hoogh & Den Hartog, 2008).

Ethical leaders are seen as having greater potential for promotion to senior management positions, especially in contexts in which there is a high pressure to perform (Rubin et al., 2010). Previous research has shown that high pressure contexts are related to unethical behavior (Robertson & Rymon, 2001). According to Rubin et al. (2010), ethical leadership sends a strong signal that an individual is potentially suitable for the pressures of senior management because of his or her ability to maintain strong ethical performance in the face of such pressure.

In addition, scholars have investigated the ethical dimensions of various styles of leadership. Most notably, transformational (Bass, 1985; Bass & Avolio, 1993) and charismatic leaders (Conger, 1999; Conger & Kanungo, 1998) are thought to be ethical leaders who model ethical conduct (Avolio, 1999), engage in ethically positive modes of influence (Kanungo & Mendonca, 1996), operate at higher levels of moral reasoning (Turner, Barling, Epitropaki, Butcher, & Milner, 2002), and transform their followers into moral leaders (Burns, 1978). Transformational and charismatic leadership have been studied extensively (see Avolio, Walumbwa, & Weber, 2009; Judge & Piccolo, 2004 for reviews), and the cumulative findings suggest that transformational and charismatic leadership are positively associated with important ethics-related outcomes such as follower’s perceptions of trust in fairness of their leader (Pillai, Schriesheim, & Williams, 1999) and organizational citizenship behaviors (Podsakoff, MacKenzie, Moorman, & Fetter, 1990). These styles of leadership are also negatively related to outcomes such as employee aggression (Hepworth & Towler, 2004) and workplace deviance (Brown & Treviño, 2006b). A new construct, authentic leadership, also is related to transformational leadership (Luthans & Avolio, 2003; Walumbwa, Avolio, Gardner, Wemsing, & Peterson, 2008) and shares its strong emphasis on the ethical dimension of leadership. With the recent development of the Authentic Leadership Questionnaire (ALQ; Walumbwa et al., 2008), future research linking authentic leadership to important ethics-related outcomes is promising.
Antecedents of Ethical Leadership

Researchers very recently have begun to explore the influences on ethical leadership. Both situational (e.g., role modeling) and individual (e.g., personality traits) predictors of ethical leadership have been proposed (Brown & Treviño, 2006a) but there is little published research testing these and other potential antecedents. In one of the few empirical studies, Walumbwa and Schaubroeck (2009) found that the personality dimensions of agreeableness and conscientiousness were positively related to ethical leadership. Obviously, there are many opportunities for investigating the influences on ethical leadership in future research.

Summary

Although research on ethical leadership is growing, clearly there is much still to learn about ethical leadership, its antecedents and outcomes. We will discuss some of the unanswered questions and suggest new directions for future research throughout the remainder of this article. Some of the most important questions concern the relationship between and relative influence of ethical and unethical leadership. Detert, Treviño, Burris, and Andiappan (2007) theorized that both ethical and unethical leadership (via abusive supervision perceptions) would influence employees’ counterproductive work behavior (for better and for worse, respectively). However, they found that only abusive supervision, not ethical leadership, was related to counterproductive work behavior. These results emphasize the need to understand negative aspects of leadership and their influence on employee behavior. Detert et al. (2007) speculated that perhaps the context in the types of jobs studied in their research influenced the importance of abusive supervision over ethical leadership on employees’ deviant behaviors. Fundamentally then, there is a need to understand when and why unethical aspects of leadership influence employees more so than ethical leadership. We believe more research that explores the “dark side” of organizational behavior (and more specifically destructive leader behavior), which we turn to next, is necessary.

UNETHICAL LEADERSHIP: INTEGRATION FROM “DARK” ORGANIZATIONAL BEHAVIOR RESEARCH

“Dark side” research has attempted to understand why organizational members engage in destructive or “deviant” work behavior. Workplace deviance is defined as behavior that violates significant organizational norms and harms organizations and its members (Robinson & Bennett, 1995). A number of deviance constructs have emerged in the literature, such as workplace deviance (Robinson & Bennett, 1995), aggression (Neuman & Baron, 1998; O’Leary-Kelly, Griffin, & Glew, 1996), counterproductive work behavior (Fox & Spector, 1999), social undermining (Duffy, Ganster, & Pagon, 2002), and retaliation (Skarlicki & Folger, 1997). While the majority of this research focuses on employees’ behavior, more recent research draws attention to supervisors and leaders as perpetrators of deviant acts (see Tep-
Our review considers theory and research on destructive leader behavior.

The Concept of Unethical Leadership

The standing literature has not described destructive leader behavior as "unethical"; however, the implication is clear. Unethical behavior involves acts that are illegal and/or are morally inappropriate to larger society (Jones 1991). Dark side research has uncovered a variety of unethical leader acts. Various terms have evolved in the literature, such as abusive supervision (Tepper, 2000), supervisor undermining (Duffy et al., 2002), toxic leadership (Frost, 2004), and tyrannical leadership (Ashforth, 1994). Research shows these leaders are oppressive, abusive, manipulative, and calculatingly undermining (Tepper, 2007). Their actions are perceived as intentional and harmful, and may be the source of legal action against employers (Tepper, 2007). Therefore, destructive leader behavior is unethical.

Unethical leadership, however, transcends beyond the leaders' own behavior. In seeking to accomplish organizational goals, leaders can encourage corrupt and unethical acts within their organizations. For instance, Clement's (2006) review of corporate scandals in Fortune 100 corporations concluded that actions perpetrated by executives, boards of directors, and government officials were the primary cause of such transgressions. Leaders foster unethical behavior among followers without engaging in the behavior themselves and do so by way of rewards, condoning non-conformers, and ignoring unethical acts (Ashforth & Anand, 2003; Brief, Buttram, & Dukerich, 2001). For instance, qualitative research shows leaders who reward short-term results, model aggressive and Machiavellian behavior, do not punish followers' wrongdoing, and promote like-minded individuals heighten unethical behavior within organizations (Sims & Brinkmann, 2002). Indeed, research shows employees engage in unethical acts to boost organizational performance or help the organization in some other way (Finney & Lesieur, 1982; Umphress, Bingham, & Mitchell, 2010; Yeager, 1986). Such embedded practices can insulate leaders from primary blame, essentially providing them "plausible deniability" (Baker & Faulkner, 1993; Braithwaite, 1989). Leaders who engage in, enable, or foster unethical acts within their organizations do not display ethical leadership (Brown et al., 2005). Instead, leaders who harness and embed unethical behavior of their followers display unethical leadership (Pinto, Leana, & Pil, 2008). In sum, we define unethical leadership as behaviors conducted and decisions made by organizational leaders that are illegal and/or violate moral standards, and those that impose processes and structures that promote unethical conduct by followers. We now review the consequences and influences of unethical leadership.

Outcomes of Unethical Leadership

A review of the literature suggests unethical leadership impedes the effective functioning and viability of organizations. For example, scholars estimate unethical leader behavior costs U.S. corporations billions of dollars a year due to increased absenteeism, health care costs, lost productivity, and expended costs associated with
defending actionable claims (Detert et al., 2007; Tepper, Duffy, Henle, & Lambert, 2006). To be sure, some examples of unethical leadership within the popular press have resulted in the end of the organization altogether (e.g., Enron, WorldCom).

The effects of unethical leadership on employees are also considerable. Research shows unethical leadership negatively influences employees’ attitudes (e.g., Pelletier & Bligh, 2008; Tepper, 2000; Tepper, Henle, Lambert, Giacalone, & Duffy, 2008), task and extra-role performance (Harris, Kacmar, & Zivnuska, 2007; Zellers, Tepper, & Duffy, 2002), resistance behaviors (Tepper, Duffy, & Shaw, 2001), psychological well-being (e.g., Tepper, 2000; Tepper, Moss, Lockhart, & Carr, 2007), and personal lives (Ferguson, Carlson, & Whitten, 2009; Hoobler & Brass, 2006). Moreover, unethical leadership positively influences deviant and unethical work behavior among employees (e.g., Mitchell & Ambrose, 2007; Tepper et al., 2008; Tepper, Carr, Breaux, Geider, Hu, & Hua, 2009; Thau, Bennett, Mitchell, & Marrs, 2009).

Like research on ethical leadership, theorists draw from learning theories to explain how unethical leadership promotes unethical employee conduct (e.g., social learning theory, Bandura, 1977, 1986; social information processing theory, Salancik & Pfeffer, 1978; script theory, Gioia, 1992). Accordingly, employees learn accepted behavior (even if it is unethical) by watching relevant social role models. Leaders are particularly influential because they authorize unethical behavior through their own acts, sanctioning abilities, and legitimate power (Brief et al., 2001; Kelman, 1973). Research supports these arguments and shows unethical leadership provides a baseline of behaviors that influence followers’ decisions (Baumhart, 1961; Brenner & Molander, 1977) and actions (Detert et al., 2007; Mitchell, 2008).

Social exchange theory (Blau, 1964; Gouldner, 1960) has also been used to explain consequences of unethical leadership. Like research on ethical leadership, this research focuses on *quid pro quo* reciprocity patterns between leaders and followers (see Cropanzano & Mitchell, 2005 for a review). When leaders treat employees abusively (or unethically), employees see the exchange relationship as imbalanced or exploited, which affects their work attitudes (e.g., Tepper, 2000; Tepper et al., 2008) and enhances retaliatory behavior (e.g., deviance, Mitchell & Ambrose, 2007; Tepper et al., 2006; Tepper et al., 2008; Tepper et al., 2009; Thau et al., 2009; reduced work effort, Harris et al., 2007; Tepper et al., 2001; Zellers et al., 2002).

Lastly, researchers have used principles about self-resources to explain consequences of unethical leadership. In particular, theorists contend unethical leadership drains employees of self-resources (e.g., attention, will-power, esteem) that are needed to maintain appropriate behavior (e.g., Ferguson et al., 2009; Thau & Mitchell, in press). Indeed, ethical decision making theorists often refer to this phenomenon as ego strength and/or depletion (see Treviño, Weaver, & Reynolds, 2006 for a review). Some researchers have drawn from self-regulation principles to explain the effects. Accordingly, the act of being victimized or threatened by an unethical leader impairs or marginalizes employees’ self-resources (Bandura, 1991; Baumeister, 2001; Thau, Aquino, & Poortvliet, 2007; Thau & Mitchell, in press). When self-regulatory resources are impaired, victims are unable to maintain appropriate behavior and instead engage in deviant behavior. Moreover, unethical leadership combined with inconsistent information about employees’ organiza-
tional value (e.g., abused by the leader but being paid fairly) more strongly affects self-resources and makes unethical employee behavior even more likely (Thau & Mitchell, in press).

Similarly, conservation of resources theory (Hobfoll, 1989) suggests individuals strive to obtain and maintain resources that help them accomplish goals. Experienced stress (via unethical leader treatment) drains these resources and causes a spill-over effect (e.g., frustration-aggression predictions by Dollard, Doob, Miller, Mowrer, & Sears, 1939) to employees’ work and family lives. They are less able to maintain positive work attitudes (Ferguson et al., 2009; Hoobler & Brass, 2006) and engage in productive work behavior (e.g., deviance, Mitchell & Ambrose, 2007), and engage in more work-family conflict (Ferguson et al., 2009; Hoobler & Brass, 2006).

**Antecedents of Unethical Leadership**

Some research suggests unethical leader behavior is a reaction to organizational mistreatment (cf. social exchange theory, Blau, 1964; Gouldner, 1960) (Aryee, Chen, Sun, & Debrah, 2007; Tepper et al., 2006). Tepper, Duffy, Henle, and Lambert (2006) found this exchange effect also heightens strain reactions, which increase leaders’ feelings of powerlessness and depression and causes leaders to behave more aggressively toward employees.

Self-regulation principles have also been used to explain why unethical leadership occurs. In particular, this approach draws from the social cognitive theory of moral thought and action (Bandura, 1991), which suggests that leaders may behave unethically because they disconnect themselves from moral standards and rationalize unethical treatment toward their employees (cf. Bandura, 1991). For example, Mitchell, Vogel, Tepper, and Palmer (2010) found leaders engaged in abusive behaviors and thought doing so was justified against employees who were poor performers. However, these effects were mitigated if leaders also held a strong need for achievement orientation. They surmised need for achievement assists in maintaining self-regulatory abilities and appropriate behavior.

Last, research has focused on individual qualities of leaders and subordinates to explain unethical leadership. For example, Hing, Bobocel, Zanna, and McBride (2007) found leaders with a strong social dominance orientation were more likely to engage in unethical behavior, particularly when followers were more agreeable and/or high in right wing authoritarianism. Tepper, Moss, and Duffy (in press) explain unethical leadership can result from moral exclusion (Opotow, 1990); when leaders do not believe a subordinate is one for whom moral rules apply. Leaders who are dissimilar from subordinates believe abusive treatment is appropriate. Tepper et al. found that deep-level similarity (likeness in values, attitudes, and personality) influenced leader-subordinate relational conflict and associated leader abuse.

**Summary**

Much of behavioral ethics’ descriptive empirical research focuses on ethical aspects of leadership, with less focus on unethical aspects. Our review included organizational behavior research conducted on unethical leader behavior. This review
highlights the need to consider unethical leadership as well as ethical leadership. To be sure, much has been learned about the positive aspects of ethical leadership; however, much more understanding is to be gained by also considering the “dark” or unethical side of leadership. To gain a good grasp of the leadership and ethics phenomenon, more research is needed to understand implications of both ethical and unethical leadership, particularly in terms of uncovering when one is more influential to employees and organizations.

For example, decision research suggests that individuals have a proclivity to focus on negatives as opposed to positives (Jordan, 1965; Kahneman & Tversky, 1979; Kanouse & Hanson, 1972; Rozin & Royzman, 2001; Tversky & Kahneman, 1991). An age-old Russian adage highlights this: “A spoonful of tar can spoil a barrel of honey, but a spoonful of honey does nothing for a barrel of tar” (restated from Rozin & Royzman, 2001: 296). The results from Detert et al. (2007) show abusive supervision and not ethical leadership influenced employees’ behavior. These results may suggest a negative bias; however, other factors may be at play (e.g., hierarchical and physical distance from ethical leaders to employees who engaged in unethical acts; subcultural influences within departments and divisions that proved to be more influential than the overall organization’s culture).

We believe much more research is needed to uncover the dynamics of leadership and ethics—from both a positive and negative angle. To this end, we now turn to three trends in the organizational behavior literature that we believe hold promise for advancing research on ethical and unethical leadership.

**INTEGRATIVE IDEAS FROM THE ORGANIZATIONAL BEHAVIOR LITERATURE**

There are many emerging topics in the organizational behavior and management literatures. We selected three such topics that have great potential to take research on ethical and unethical leadership into new and exciting directions. Specifically, we discuss emerging research on: 1) emotions, 2) fit/congruence, and 3) identity/identification, and make suggestions for incorporating them into the research agenda on ethical and unethical leadership.

**Emotions, Leadership, and Business Ethics**

The important influence of emotions on ethical judgments can be traced as far back as Aristotle. Feelings inform us when things are not right—they act as ethical alarms. Salvador and Folger (2009) highlight this point and discuss the role of emotions on ethical judgments with the human brain. Their review suggests emotions consciously and unconsciously influence ethical decision making and behavior. Understanding the role of emotions then is essential for furthering research on leadership and business ethics.

Leaders are in a unique position to influence employees’ emotions at work (Bass, 1985; House, 1977; Weber, 1920) and do so through their communications and behavior (Ashkanasy & Tse, 2000; Bass, 1985; Gardner & Avolio, 1998). They can harness an “emotional contagion” that filters throughout organizations (Frijda,
Emotional contagion is defined as an unconscious transfer of emotion, which fosters mimicry of another’s emotional state (e.g., facial expressions, vocalizations, postures; Chartrand & Bargh, 1999). Research shows individuals who perceive their leaders displaying more positive than negative emotions experience more positive and less negative moods themselves. Groups with leaders who display positive emotions exhibit more coordination and expend less effort than groups with negatively affective leaders (Sy, Côté, & Saavedra, 2005). Additionally, positive emotional displays from leaders influence followers’ perceptions of their leader (e.g., effectiveness, motivational ability) and important outcomes, such as citizenship behavior and performance (Bono & Ilies, 2006; Johnson, 2008, 2009; Lewis, 2000; Madera & Smith, 2009).

Leaders are also capable of inciting negative emotions among their followers and when they do these negative emotions are more vivid than positive emotions (Dasborough, 2006). In particular, employees recall more negative than positive events of their leaders, and the feelings associated with the negative memories are more intense than those experienced with positive memories (Dasborough, 2006). Negative emotional reactions to leaders can spread throughout an organization as emotional contagion, ultimately hurting the group’s climate and heightening cynicism about the leader (e.g., Dasborough, Ashkansy, Tee, & Tse, 2009).

Emotional, attitudinal, and behavioral reactions to leaders’ emotions have been generally explained by affective events theory (Weiss & Cropanzano, 1996) and emotional transference principles (Hatfield et al., 1994). Leaders shape affective events within organizations and these events “transfer” the emotional state of followers. Events trigger emotional as well as impulsive behavioral reactions among employees. Over time, long-term attitudes can be affected. The influence of negative emotions can be even more impactful because negative emotions are felt with greater intensity compared to positive emotions (Peters, 2002).

New Avenues for Future Research
Research on leadership and business ethics has not fully considered the role that emotions play in employees’ perceptions of and reactions to ethical and unethical leadership. There are, however, many potential avenues for integration. For example, Madera and Smith (2009) found that leaders who display certain negative emotions differentially influenced employees’ assessments about their leader’s effectiveness. Leaders who displayed anger as opposed to sadness during a crisis were seen as less effective. This finding suggests specific leader-displayed emotions may influence whether leaders are seen as ethical or unethical, and poses interesting potential research questions. For example, are there emotions that can enhance a leader’s salience and effectiveness as a model of (un)ethical conduct? Which emotions might enhance employee internalization of organizational ethical principles and codes of conduct? Conversely, which emotions evoked by leaders influence unethical conduct and impede the effective functioning of organizations?

Another promising area for future research involves moral emotions (or affective responses linked to the interests or welfare of society as a whole; Haidt, 2003). Three categories of moral emotions have been emphasized in the literature: (1) other-
condemning emotions such as anger and disgust; (2) self-focused emotions such as shame and guilt, and (3) other-suffering or praising emotions, such as compassion, empathy, and gratitude. Research shows moral emotions differentially influence behavior (see Haidt, 2003; Tangney, 1991, for reviews). For example, empathy is related positively to prosocial behavior and negatively to destructive and unethical behavior. Anger motivates behavior to attack, humiliate, or otherwise get back at an offender. Disgust motivates avoidance behavior. Shame elicits self-condoning appraisals and, as such, motivates withdrawal behavior. Guilt, a related cousin to shame, also emphasizes self-condemnation but focuses on the harm or suffering others experience as a consequence of the actor's immoral act and, consequently, invokes reconciliation behavior.

Organizational behavior researchers have recently integrated these ideas. Barclay, Skarlicki, and Pugh (2005) examined negative inward-emotions (affective reactions associated with an individual's self-attributions, such as shame or guilt; Fisher & Tangney, 1995) and negative outward-emotions (affective evaluations of others, such as anger and hostility; Tangney & Dearing, 2002), and found employees experienced less negative inward- and more negative outward-emotions when they were treated unfairly. In contrast, employees experienced more negative inward- and less negative outward-emotions when they were treated fairly. Further, employee retaliatory behaviors were greater with experienced negative outward-emotions.

Summary
We believe there is merit to adding moral emotions into the leadership and ethics research agenda. Leaders' expressed moral emotions may not only influence how followers react, but also how the leader behaves. Uncovering these dynamics may shed light on why some leaders are perceived as ethical versus unethical, and how leaders influence (un)ethical in organizations. Our review suggests (1) leaders display a range of emotions in their organizations; (2) leaders' affective experiences influence their own behavior; (3) the emotions leaders display arouse employees' emotions and create an emotional contagion effect among followers (whether positive or negative), and (4) followers' emotions, evoked by leaders, influence their (un)ethical conduct.

Additionally, research on emotions may build an understanding of the consequences of ethical and unethical leadership. For instance, we expect ethical leadership will trigger more positive follower emotions (e.g., gratitude, awe, enthusiasm, empathy), whereas unethical leadership should affect more negative emotions (e.g., anger, disgust, shame). We also surmise that the relationship between (un)ethical leadership and follower (un)ethical behavior, would be moderated by the level of emotional contagion experienced and harnessed by the leader. Further, our review suggests the type and strength of the emotions evoked by followers will differentially influence their behavior. For instance, experienced anger or disgust (likely reactions to unethical leadership) may lead to employee unethical acts (e.g., retaliation, deviance), whereas experienced compassion or gratitude (likely reactions to ethical leadership) may influence employees to engage in ethical behavior (e.g., volunteerism, prosocial behavior).
Examining emotions may also explain why some leaders are considered ethical and others unethical. For instance, certain situations may invoke followers’ emotions that are seemingly out of the leader’s control. To this end, future research should investigate how leaders yield or manage followers’ emotions and whether the techniques used influence how they are perceived by others. This may be particularly relevant in the current economic climate, the consequence of which may force leaders to make tough decisions that affect employees’ livelihoods (e.g., layoffs, pay freezes and cuts). Leaders might also have to manage employees’ emotional reactions to uncertainty (e.g., declining sales, unfavorable media attention, increased industry competition, inhospitable macro-economic conditions). These ideas also suggest that the way leaders interact with their employees (ethically versus unethically) may invoke emotions that might adversely affect their reactions to “good news” (e.g., promotions, pay raises, successful financial performance). We leave these ideas for future research to consider.

Organizational Fit, Leadership, and Business Ethics
Research on fit within the organizational behavior literature focuses on the compatibility, similarity, or congruence between two entities (Kristof, 1996). Researchers have predominately studied congruence between persons and jobs, persons and organizations, persons and groups, and persons and supervisors (see Edwards, 2008; Kristof, 1996; Kristof-Brown, Zimmerman, & Johnson, 2005, for reviews). Despite the growing literature, there has been little published fit research explicitly related to ethics and even less so related to ethics and leadership (see Schminke, Ambrose, & Neubaum, 2005, for an exception).

Fit researchers study how fit between an individual and another entity (job, organization, group or supervisor) affects outcomes. Some research examples include assessing fit between individual and organizational values (Cable & Judge, 1997; Chatman, 1991), group goal congruence (Colbert, Kristof-Brown, Bradley, & Barrick, 2008), and leader and employee personality (Schaubroeck & Lam, 2002). Research suggests that employees who fit well with their organization, leader, and job experience more positive attitudes (e.g., job satisfaction, organizational commitment), are less likely to leave the organization, experience less work-related stress, and engage in positive task and citizenship behaviors (see Kristof, 1996; Kristof-Brown et al., 2005, for reviews). We believe that there are many opportunities to integrate fit ideas into a leadership and business ethics research agenda, and explore some possibilities below.

New Avenues for Future Research
We believe three areas of fit research can inform a leadership and ethics research agenda: understanding the role fit with moral values, with moral reasoning, and in self-other ratings of leadership. Research within the behavioral ethics literature suggests the importance of ethical/moral values on ethical decision making and conduct in organizations (see Treviño et al., 2006 for a review). For example, corporate ethics programs that are aspirational in nature (i.e., appealing to employees’ ethical aspirations) are seen as more effective compared to programs that are oriented toward
Values congruence is thought to play an important role in explaining why fit between two entities is related to outcomes (see Edwards & Cable, 2009 for a review). Values congruence has explained the relationship between leader-follower cognitive moral development and follower attitudes (Schminke et al., 2005). And, values congruence was found to mediate the relationship between charismatic leadership and workplace deviance (Brown & Treviño, 2006b). Work group values diversity (incongruence) is associated with decreased member satisfaction, intention to remain, and commitment to the work group (Jehn, Northcraft, & Neale, 1999).

Leaders’ values have been shown to uniquely shape the organization’s environment (Giberson, Resick, & Dickson, 2005). Based on Schneider’s (1987) and Schein’s (1992) contentions about leader-follower value congruence and organizational homogeneity, Giberson et al. (2005) found that leaders embed their values into the framework of organizations by surrounding themselves with individuals who are similar to them. Indeed, research suggests the more followers align with their leaders, the more career success they experience (Erdogan, Kraimer, & Liden, 2004).

There are many ways in which future research can explore the congruence of ethical values among leaders and followers. In particular, research might consider which factors bring leaders and followers together on shared values. Previous theory and research suggests that a transformational/charismatic style of leadership plays with values congruence (Bass, 1985; House, 1996). However, there is some evidence that congruence effects are likely to vary depending on the content of the values in question (Brown & Treviño, 2009). So what brings about congruence in leader-follower moral values? Does leadership play a role because leaders communicate, model, and reinforce (un)ethical standards and values? Theory and research suggest that leaders and followers should come to develop similar values and norms through organizational attraction-selection-attrition (Schneider, 1987) and socialization (Chatman, 1991) processes, but these and other antecedents of (un)ethical values fit will require empirical testing. Unfortunately, one of the impediments to research in this area is the lack of an established measure of ethical values that has been rigorously developed and thoroughly tested. And, a measure of what constitutes unethical values has yet to be developed.

Future research should also consider values misfit. It is likely that incongruence will promote turnover among employees who do not “fit” the leader’s ethical values, but whether or not this is a good thing has yet to be determined. For instance, employees who align with unethical leaders might promote very destructive and unbeneﬁcial work practices, which can transfer to the larger community via costs associated with government oversight and regulation (Thomas, Schermerhorn, & Dienhart, 2004). Fit researchers have grappled with the issue of homogeneity in terms of organizational performance for some time (Kristof, 1996). The downside to fit is that homogeneity within organizations can breed complacency and stiﬂe creativity which would hurt the organization’s competitive advantage. We wonder if the same arguments hold for ethical values fit.
On the other hand, diversity in moral values is different than other kinds of diversity in that individuals are less tolerant of moral diversity compared to demographic diversity (Haidt, Rosenberg, & Hom, 2003). Heterogeneity in ethical values within an organization could work against attempts to foster an effective ethics and compliance program based on shared values (Weaver et al., 1999). However, more research is needed to determine the relationship between ethical values fit/mist, leadership, and important ethical outcomes in organizations.

Moral reasoning is another construct that should be considered from a fit perspective. In one of the few ethics-related fit studies, Schminke et al. (2005) hypothesized and found that leader and follower moral reasoning congruence was positively related to follower satisfaction and commitment and negatively related to follower turnover. Individuals who share similar ethical thought processes and values are likely to enjoy higher levels of mutual trust and communication (Edwards & Cable, 2009; Schminke et al., 2005). Thus, it is likely that cognitive moral development fit will be positively related to many other important outcomes as well as follower perceptions of ethical leadership (Jordan, Brown, & Treviño, 2010).

However, could there be a dark side to such congruence? For example, consider the case of a leader who reasons at a preconventional level of moral development. At the preconventional level, obedience to authority and self-interest (i.e., “what’s right is what provides me with benefit and avoids causing me harm”) drive the moral reasoning process (Kohlberg, 1969). Generally speaking, research has found that higher levels of moral reasoning are associated with positive ethical behavior and decision making (Treviño, 1986). Thus, we might ask whether convergence at the preconventional level would be associated with positive outcomes.

Future research might also consider the consequences of leader-follower moral reasoning misfit. Does a lack of congruence bring about conflict and distrust? If so, how does this influence behavior and the organizational environment? Theory (Chatman, 1991; Schneider, 1987) and research (see Kristof, 1996; Kristof-Brown et al., 2005) suggest that employees who do not fit leave their organizations. Misfit might cause leaders to build stronger infrastructures for the purpose of bringing followers into alignment, even when the misfit is driven by unethical leadership (Ashforth & Anand, 2003). If employees chose to stay in a misfit situation, how do they cope? If their leader operates at comparatively lower levels of moral reasoning might they endeavor to raise their leader’s moral reasoning? Conversely, do employees who operate at lower levels of moral reasoning undergo moral growth when paired with a leader who operates at a higher level of reasoning? Or would these employees remain stuck at a lower level and perhaps seek out ways to undermine their leader’s authority?

Finally, there are also opportunities beyond the conventional Kohlbergian approach to moral reasoning to consider the impact of leader-follower fit/misfit. Recent theory and research suggest moral reasoning does not always involve careful reflection, as assumed by Kohlberg and others. Rather, moral judgments are often the result of intuitive processes (Haidt, 2001). Deliberate moral reasoning in this case is likely to represent post hoc justifications that support moral intuitions. From this perspective, a leader and follower might operate at the same level of principled
moral reasoning, but they might use the same principled reasoning to justify a very different set of moral intuitions. For example, two very principled individuals could make strongly diverging arguments about the fairness of a particular corporate action (e.g., slashing corporate philanthropy during an economic downturn) to employees (e.g., we ought to be loyal to our employees by saving as much money as we can so as to minimize layoffs) versus the recipients of such charity (e.g., we ought to maintain such spending because to do otherwise would cause great harm to those charities that need our support). Thus, congruence in moral reasoning (especially at the postconventional or principled level), might actually cause more friction and problems between individuals if diverging moral intuitions are involved.

Future research might examine how leader-follower moral intuitions fit/misfit is related to ethical and unethical leadership and related workplace outcomes. In order to do this, scholars will need to move beyond the traditional ways of defining ethics in terms of harm and fairness to consider other types of moral intuitions that people have, such as those based on purity/sanctity, obedience to authority, and loyalty to one's in-group (see Haidt & Graham 2007; Weaver & Brown, in press).

A final way to incorporate fit into leadership research is to examine self-other agreement between leader and follower ratings of ethical or unethical leadership. Self-enhancement bias (Greenwald, 1980) might cause a leader to see him/her as more moral than they are actually seen by others. Leaders who suffer from such bias see themselves as strong moral persons and presume that those around them easily recognize their goodness. These leaders might suffer from moral complacency, which would result in less active moral management (Brown, 2007; Mayer et al., 2009). In such cases, leader self-ratings of (un)ethical leadership can be divorced from follower-ratings of (un)ethical leadership. This discrepancy is but one type of the broader phenomenon of self-other disagreement that has been observed in leadership and management research (Ashford, 1989; Atwater & Yammarino, 1992; Harris & Shaubroeck, 1988). Previous research suggests that over-estimators (i.e., leaders who rate themselves more favorably compared to follower ratings) are seen as less effective by their superiors (Atwater, Ostroff, Yammarino, & Fleenor, 1998). We expect divergence between leader and follower ratings of (un)ethical leadership will be associated with key ethics-related outcomes.

Summary
Overall, there is much to learn about the antecedents and consequences of leader-follower agreement and its relationship to ethical and unethical leadership. Examining the fit between leaders and followers on key aspects such as moral values, moral reasoning, and ratings of leadership are just some of the potential avenues for future research. Researchers might also consider convergence/divergence on other relevant dimensions, such as ethical frameworks (e.g., consequentialism and formalism) and moral identity (Aquino & Reed, 2002), which we will discuss next.

Identity and Identification, Leadership, and Business Ethics
Research on the concepts of identity and identification has proliferated within the organizational behavior literature (see Ashforth, Harrison, & Corley, 2008 for a
review). Broadly speaking, individuals have both personal and social identities. Personal identity refers to an individual’s sense of self (Postmes & Jetten, 2006), while social identity derives from the value and emotional significance of membership associated with a specific social group (Tajfel, 1978, 1982; Tajfel & Turner, 1979, 1986). Within the organizational behavior literature, much of the research on social identity focuses on an employees’ organizational identity. We believe both personal and organizational identity research has relevance to understanding leadership and business ethics and elaborate on these ideas below.

New Avenues for Future Research

Theory and empirical evidence in behavioral ethics highlights the importance of individuals’ personal identity based on their ethical values, called moral identity (see Shao, Aquino, & Freeman, 2008, for a review). Moral identity research investigates individuals’ sense of self in relation to their personal moral beliefs. Most empirical research integrates Aquino and Reed’s (2002) conceptualization, which considers the degree to which moral traits are embedded in one’s self-concept and behavior. Their research highlights two dimensions of moral identity: internalization (the degree moral traits are central to the self-concept) and symbolization (the degree moral traits are expressed publicly). Aquino and Reed contend these dimensions serve as an individual’s benchmark and guide of moral behavior. Research supports these arguments and shows that moral identity neutralizes moral disengagement tendencies and associated unethical decision making (Detert, Treviño, & Sweitzer, 2008). Further, moral identity positively influences volunteerism (Aquino & Reed, 2002) and moral conduct (Reynolds & Ceramic, 2007), and negatively influences inappropriate, hostile, and destructive behavior (Reed & Aquino, 2003; Verona, Reed, & Aquino, 2003).

Recent research suggests, however, behavioral differences occur depending on the strength one holds in the different dimensions of moral identity. Specifically, Skarlicki, van Jaarsveld, and Walker (2008) found a three-way interaction among customer mistreatment (a form of injustice) and the two moral identity dimensions (symbolization and internalization) on sabotage such that the relationship between injustice and sabotage was strengthened for employees with high (rather than low) symbolization. However, the effect was weaker for employees with high (rather than low) internalization. They argued that the effects demonstrate internalization as more of an internal qualifier of moral standards; those who held high internalization resisted sabotage most likely because they felt such behavior was unethical. In contrast, symbolization was predicted (and found) to strengthen destructive reactions to injustice because such an orientation reflects a reactive, active behavioral state in ethically significant situations. Because customer mistreatment (injustice) threatened individuals’ moral self-standards, those high in symbolization felt sabotage an appropriate, behavioral reaction.

Moral identity is relevant to the study of leadership and particularly business ethics. Yet, research has not explored whether moral identity influences whether leaders are perceived as more or less ethical. Given the tendency for symbolization to invoke strong reactive behaviors, it would be interesting to see whether such tendencies
negatively influence employees’ perceptions of their leaders’ ethicality. For example, is it possible for leaders to consider themselves to hold a strong moral identity, but still be considered unethical by their followers? Skarlicki et al.’s (2008) findings suggest this might be possible because high symbolization individuals can react unethically to “unethical” situations. If leaders display unethical behaviors—even if reacting to an unethical situation—employees might perceive them as unethical rather than ethical. Worse, employees might believe that such reactions are appropriate and then engage in these behaviors as well in a kind of “monkey see, monkey do” effect (cf. Robinson & O’Leary-Kelly, 1998).

Furthermore, research is needed to see if moral identity, particularly the internalization dimension, can serve to benefit ethics in organizations generally. Research suggests internalization mitigates learning effects of unethical leaders. For example, Mitchell (2008) theorized and found the relationship between perceived unethical leader behavior (employees’ perceptions of their organizational leaders in general) and employee deviance was weakened when followers were high in internalization. Her research did not examine the effects of symbolization, but based on the findings of Skarlicki et al. (2008), it is possible that followers who hold strong symbolization identities might react quite destructively to unethical leaders, making deviant reactions more likely. We suspect that moral identity will impact follower reactions to their leaders, as well as the leader’s engaged behavior.

Part of an individual’s self-concept derives from their membership with salient and meaningful social groups (Tajfel, 1982). Organizational identification is one type of identity from which individuals derive meaning. It is their sense of connection with the membership of their employing organization. Individuals who hold a strong organizational identification internalize their organization’s successes and failures (Mael & Ashforth, 1992). The more employees identify with their organization, the more they adopt their behavior to the organization’s norms and values (Ashforth & Mael, 1989). Individuals who hold a strong organizational identification want to help the viability of their organization. Social identity theory suggests people generally want to be associated with positive and prestigious identities and do what they can to maintain that prestige (Ashforth & Mael, 1989). Research supports these arguments and shows organizational identification promotes beneficial work attitudes (e.g., job satisfaction, work adjustment; Carmeli, Gilat, & Waldman, 2007; Efraty & Wolfe, 1988) and behaviors (e.g., in-role and extra-role performance, Riketta, 2005).

There are “dark” side implications to organizational identification. In particular, researchers have found that employees who hold a strong organizational identity may fall prey to over-escalation of commitment to failed projects (Haslam, Ryan, Postmes, Spears, Jetten, & Webley, 2006) and resist change (Bouchikhi & Kimberly, 2003). Over-identification with the organization may also promote questionable behavior from employees, such as tolerating the unethical acts from others and losing the ability to challenge the ethicality of organizational decisions and practices (Ashforth & Anand, 2003; Brief, Dukerich, & Doran, 1991; Dukerich, Kramer, & Parks, 1998; Vardi & Weitz, 2005). Recent research supports these ideas. Umphress et al. (2010) theorized and found that employees who held a strong organizational identification and positive reciprocity beliefs were more likely to engage in unethical behavior
that is intended to benefit the organization in some way (which they term unethical pro-organizational behavior; e.g., misrepresenting the truth to make the organization look good, lying to customers about company information or its products, or concealing damaging information about the company from the public).

As much as too much identification can be problematic, too little or under-identification is likely related to negative outcomes as well (Elsbach, 1999; Dukerich et al., 1998). Under-identification occurs when employees do not align in any way with the organization’s values or see their self-concept as being defined by the organization’s membership. Dukerich et al. (1998) argue there are psychological and behavioral ramifications of individuals who are disconnected from organizational values and goals. Hewlin (2003: 634) argues that employees who do not embrace organizational values put on a facade of conformity, which involves “false representations created by employees to appear as if they embrace organizational values.” These facades contribute to emotional exhaustion and increased turnover (Hewlin, 2009). Hewlin’s research implies employees who dis- or under-identify with their leaders and organizations may engage in behaviors that are potentially detrimental to their organizations.

Overall, our review suggests the relationship between ethical and unethical leadership, organizational identification, and employee conduct is likely to be strong. However, the nature of these relationships (positive or negative) is less certain. We believe investigating the role of ethical and unethical leadership is critical to organizational identification research. Leaders communicate what is valued and provide the connection that builds followers’ identification with their organizations (Lord & Brown, 2004; van Knippenberg & Hogg, 2003). Employees who strongly identify with their organizations want to do what they can to make them succeed. Strong organizational identification increases employees’ desires to emulate their leaders’ behavior. Employees who engage in prototypical behaviors are more likely to emerge and be effective as leaders (van Knippenberg & Hogg, 2003). Thus, strong organizational identification might facilitate the effectiveness of an ethical leader in promoting ethical conduct to employees. On the other hand, strong organizational identification might influence employees to engage in behaviors that attempt to protect the organization at whatever the cost (Umphress et al., 2010). Weak identification might be positive, especially for employees with strong moral identities who work with unethical leaders. Such under-identification might serve as a buffer against pressure to perform in ways that are unethical. Conversely, under-identification might encourage unethical employees to disengage from organizations with strong ethical leadership and work climates, causing them to behave in non-prototypical and perhaps unethical ways.

Summary

Overall, there are ample opportunities to integrate identity and identification into research on ethical and unethical leadership. Such work should examine identity at the individual (e.g., moral identity), group (e.g., group identification), and organizational levels (e.g., organizational identification). Research suggests moral identity can inform us on a potential individual orientation that influences leaders’
behavior, which then influences whether leaders are perceived as ethical or unethical. Furthermore, research suggests leaders play an intricate role in building followers' identification—whether within a group or with the organization as a whole. Identification with the leader and organization can present beneficial and detrimental outcomes to organizations. More research is needed to determine how exactly ethical versus unethical leaders yield influence to build employees' identification and how their identification influences outcomes. The relationships between ethical leadership, unethical leadership, identity/identification as well as their impact on organizational decisions, structures, and employee behaviors represent fertile ground for future research.

**ADDITIONAL CONSIDERATIONS FOR FUTURE RESEARCH**

We believe (un)ethical leadership research can be furthered by addressing various issues that have arisen in other areas of the leadership and organizational behavior literatures. In particular, we believe scholars should consider issues involving the variability of leadership ratings, multi-source and longitudinal data, levels of management, and cross-cultural sampling. Doing so will strengthen inferences made and advance the field further in understanding of the dynamics of leadership and business ethics.

*How Much Do Followers Agree?*

Researchers have studied the variability in the quality of relationships between a leader and his/her followers. Some have observed that followers' ratings of leadership are likely to vary greatly across individual followers (Dansereau, Graen, & Haga, 1975). According to this perspective, leaders have favorites. They form high-quality relationships with a select group of their subordinates that are characterized by mutual trust, liking, and respect (see Erdogan, & Liden, 2002; Graen & Uhl-Bien, 1995 for reviews). Other subordinates do not enjoy similar high quality relationships with their leaders. As a result, follower perceptions of their leaders' qualities, behaviors, and performance are likely to vary depending on whether they are in the leader's in-group or out group. However, much leadership research is based on an assumption of average leadership effects across followers. From this perspective, as long as there is some level of similarity in follower perceptions (which is usually assessed by statistical measures of consistency or agreement; Bliese, 2000), variations can safely be ignored and the leader's style of leadership is measured as the average of all follower ratings.

There is nothing problematic with taking an average approach when measuring styles of leadership (such as charisma). Some employees might consider a leader to be charismatic, while others might not. We contend, however, that researchers need to think more carefully when interpreting variance in ratings of ethical and unethical leadership. For example, what does it mean if some followers perceive their leader to be abusive or otherwise unethical while others do not? What does it mean if some followers perceive leaders to be highly ethical while others do not? Can a leader abuse one or more of their followers (even if the majority of the group
is treated positively) and still be considered an ethical leader? Or, do leaders need to be seen as consistently ethical by all their employees to be considered ethical?

Furthermore, what causes variability in follower perceptions? Are these variations due to follower characteristics such as moral identity or different standards of what constitutes normatively appropriate behavior? Can it be explained by personality or other individual differences? Does follower variability in ratings contribute to negative outcomes? These questions suggest that researchers might want to consider variability in follower ratings of (un)ethical leadership as focus for future research. It is important to note that these issues reflect more than methodological concerns. Rather they raise important questions about the very nature of what it means to be an ethical (or unethical) leader, which is the very basis of the descriptive social scientific approach.

*Whom Should We Be Asking?*

As we mentioned earlier, we believe that empirical research on ethical and unethical leadership could benefit from including multiple types of rating sources. Within organizations, multiple sources are often used in 360-degree performance assessments which solicit feedback from leaders, peers, subordinates, customers, and the individual being rated to assess the focal individual’s performance. At higher organizational levels, researchers could consider collecting data from multiple external sources (e.g., stockholders, media, other stakeholders) to evaluate an organization’s executive leadership. Research suggests that different raters might employ different evaluative criteria for assessing leader performance (Harris & Schaubroeck, 1988; Hogan, Curphy, & Hogan, 1994), so including other rating sources in future research might provide insight on missing antecedents, processes, and consequences of (un)ethical leadership from the current literature.

*Leaders versus Managers?*

According to upper echelons theory, executives think and act differently compared to lower level leaders (Hambrick & Mason, 1984; Katz & Kahn, 1978). Do those differences extend to ethical leadership as well? How does level in the organization affect a leader’s values, perceptions, and beliefs regarding organizational ethics? For example Treviño, Weaver, & Brown (2008) found that executives have more positive assessments of the ethical well-being of their organizations compared to lower-level employees. Do executives and lower level leaders experience different ethical realities in other ways as well? If so, what are the consequences of these differing perceptions?

Levels of management also raise questions about the impact of distance (physical distance, social distance and frequency of interaction; Antonakis & Atwater, 2002) on the leader-follower relationship and outcomes. Compared to lower level managers for whom most if not all of their followers are direct reports, senior managers are also responsible for leading more distant employees who fall within their chain of command. How does distance affect ethical leadership? If ethical and unethical leadership is, in part, based on learning processes, how does such learn-
ing take place when followers have few opportunities to observe senior managers in action? Similarly, how does distance affect the relationship between (un)ethical leadership and outcomes? Overall, there is much to be gained by studying ethical and unethical leadership at different levels of management and varying degrees of leader-follower distance.

Researchers should also look for similarities and differences in as well as interrelationships between multiple levels of management (e.g., supervisory, middle management, executive-level leadership) in ethical and unethical leadership. An example of this type of research was published by Mayer et al. (2009) who found that the influence of top management ethical leadership on group-level deviance and citizenship behaviors was mediated by supervisory ethical leadership. Future research should investigate to see if this mediation effect holds for other outcomes.

**How Much Time Does It Take?**

One of the greatest challenges for future research is to consider the temporal nature of ethical and unethical leadership. There are many unanswered questions that can only be answered with longitudinal research designs. How does (un)ethical leadership develop over time? Although research points to the importance of personality (Walumbwa & Schaubroeck, 2009), how does upbringing, education, and work experience shape the ethicality of leaders? Can ethical leadership be developed and if so, how? Can unethical leaders be trained to be ethical and if so, how? Indeed, scholars suggest both are a possibility. Specifically, Mitchell and Palmer (2010) argue that sustained ethical behavior and confidence to engage in ethical behavior can be strengthened, similar to a “muscle” in the body. Based on self-regulation theory and research (e.g., Baumeister, Gailliot, DeWall, & Oaten, 2006; Muraven & Baumeister, 2000), they contend ethical exercise can strengthen leaders’ moral core, which then can ensure behavior holds integrity to moral values. The key, however, is time and practice.

Much more research is needed, based on patterned events over time to fully understand the dynamics of how followers’ perceptions of leaders’ ethics are formed. For example, in terms of followers, how long does it take perceptions of a leader’s ethics to form? Do (un)ethical leadership perceptions form quickly? Or does it require repeated interactions for followers to see their leader as an (un)ethical leader? Can one salient event (negative or positive) change how the leader is perceived in terms of ethics? How long do the effects of (un)ethical leadership last? Can leaders recover from ethical lapses and if so, how long does it take to regain the confidence of followers?

**Are Ethical and Unethical Leadership Universal?**

Cultural differences play an important role in organizational behavior research (Hofstede, 1980; Trompenaars & Hampden-Turner, 1998). Therefore, national cultures and subcultures are likely to impact how people think about and react to (un)ethical leadership. Research suggests the general content of ethical leadership is universal, but specific facets of ethical leadership are emphasized differently across
cultures (Resick, Hanges, Dickson, & Mitchelson, 2006). However, there is much that we do not know about the relationship between culture and leadership. Previous research has investigated how definitions of effective leadership vary across national cultures (House, Hanges, Javidan, Dorman, & Gupta, 2004; Javidan, Dorfman, Sully de Luque, & House, 2006). However, research has not adequately explored how cultural differences between leaders and followers might impact employees’ perceptions of leaders. For example, if a leader and follower come from different cultures, how might this influence the leader’s effectiveness as an ethical leader? This seems highly relevant for global organizations. Further, would such differences hinder a leader’s ability to set a strong ethical tone or can they be overcome? What about unethical leadership—much like ethical leadership (Resick et al., 2006), are there similarities in how cultures perceive unethical leadership? Are the antecedents, correlates, and outcomes of (un)ethical leadership universal as well? Or, are there likely to be important cultural differences?

We also expect culture affects the influence of (un)ethical leadership on outcomes. For instance, differences in cultural values such as power distance (Hofstede, 1980) may influence the impact that (un)ethical leadership has on important follower outcomes. For example, reporting problems to a manager is likely to be easier in low compared to high power distance cultures. Furthermore, followers in high power distance cultures might be more willing to tolerate abusive and other unethical styles of leadership compared to those in low power distance cultures. Future research is needed to investigate these questions further.

CONCLUSION

The social scientific study of ethical and unethical leadership has grown tremendously. Although researchers have made many discoveries, we suggest that there are many opportunities for future research. Integrating three emerging trends in the organizational behavior literature—emotions, fit/misfit, and identity/identification—into a leadership and ethics research agenda will provide countless opportunities to expand what we know about the domain. Additionally, we outlined additional considerations (variability of ratings, multi-source and longitudinal data, levels of management, and cross-cultural sampling) that we believe have merit in extending the literature. We concede to have only scratched the surface of identifying research questions and proposing new directions. There are, of course, many other possibilities that we have not set forth in this review. We hope our review inspires others to build on the foundation we have presented here and extend the advances that have already been made in these areas.

NOTE

1. Consistent with previous descriptive behavioral ethics theorizing (e.g., Reynolds & Ceranic, 2007; Treviño et al., 2006), we adopt this general definition as it captures both lay expectations of what is unethical (such as lying, cheating, stealing) and social scientific precedent (e.g., Jones, 1991).
REFERENCES


ETHICAL AND UNETHICAL LEADERSHIP


