1.1 Ethical Leadership Research: A Leader-Centered Domain

In her report of Adolf Eichmann’s trial in 1961, Hannah Arendt coined the phrase “the banality of evil” to describe how 20th century bureaucracies gave rise to a new type of criminal - the normal employee who merely does his job, slavishly obeying law, procedures, and rules, yet unable independently to think, understand, and act upon the moral consequences of his actions. Now, over 50 years later and in the wake of notorious scandals in private and public institutions around the world, increasingly organizations are starting to recognize both the moral and economic need to raise employees’ moral awareness and to proactively foster ethical decision-making and behavior. Ethics has become an important strategic asset (Jose & Thibodeaux, 1999; Petrick & Quinn, 2001) that some even consider a prerequisite for long-term organizational survival (Cooper, 2001; Kanungo, 2001; Thomas, Schermerhorn, & Dienhart, 2004; Worden, 2003). Organizations therefore spend substantial portions of their budgets on developing and implementing values statements, codes of conduct, ethics training, audits, and even specialized ethics officers and integrity bureaus (Huberts, Anechiarico, & Six, 2008; Kaptein, 2004; OECD, 1996; Weaver, Treviño, & Cochrane, 1999). Nevertheless, codes, audits, and training can only do so much. As the infamous Enron case illustrates (Sims & Brinkmann, 2003), ethics codes and training may very well be in vain if the organization’s leaders do not support and reinforce it with the right kind of leadership, that is, ethical leadership.

Ethical leadership refers to the character, decision-making, and behavior that a leader demonstrates to motivate others to make decisions and behave in accordance with relevant moral values and norms (see Chapter 2). As organizational ethics gained momentum over the last decade, scholarly research into ethical leadership also proliferated. Research, for instance, shows that ethical leaders play a key role in raising awareness of the moral nature of decisions and actions, and improving followers’ moral judgment (Lasthuizen, 2008; Treviño, Weaver, Gibson, & Toffler,
leadership (Brown & Mitchell, 2010; Hannah & Jennings, 2013). The leader-centered focus of research thereby limits our understanding of how leaders can effectively build a reputation for ethical leadership.

1.2 Follower Expectations of Ethical Leadership: One Style Fits All?

To understand how and why followers vary in their perceptions of ethical leadership it is important to know which frameworks they use to recognize and make sense of the behaviors they observe in their leaders. Scholarly definitions based on qualitative research provide some insight into how followers differentiate between ‘ethical leaders’ and ‘non-ethical leaders’ or ‘ethically neutral leaders’ (cf. Treviño, Brown, & Hartman, 2003). However, most scholars define ethical leadership as a concept that means more or less the same to everybody (Brown et al., 2005; Kalshoven, Den Hartog, & De Hoogh, 2011; Yukl, Mahsud, Hassan, & Prussia, 2013). The question is whether such a ‘one style fits all’ conceptualization of ethical leadership is tenable, especially in light of the diversity of work environments in which they operate. To what extent do followers across different work environments maintain the same standards and expectations for ethical leadership? Is there one best way to be an ethical leader, regardless of the type of organization or actual work involved? Is there one meaning of the concept on which followers agree and accept as the ‘best practice’, even though they might be faced with different challenges and dilemmas in their work?

Empirical research on follower expectations of ethical leadership is scant, but the few studies available reveal significant differences across contexts and suggest that groups of followers indeed systematically differ in their beliefs and standards for ethical leadership. For instance, research shows consistent cross-cultural variation in the extent to which people expect ethical leaders to be altruistic or empowering (Keating, Martin, Resick, & Dickson, 2007; Martin, Resick, Keating, & Dickson, 2009; Resick, Hanges, Dickson, & Mitchelson, 2006; Resick et al., 2011; Resick, Mitchelson, Dickson, & Hanges, 2009). Other studies indicate variation in definitions and expectations of ethical leadership at the individual level (e.g., Koning & Waistell, 2012; Van den Akker, Heres, Lasthuizen, & Six, 2009). Meanwhile, studies on systematic, within-culture variation in follower expectations of ethical leadership and their relation to the follower’s immediate work environment are virtually non-existent. Yet it is in relation to the work environment, and to the structural characteristics of the work environment in particular, that research on follower expectations of ethical leadership seems especially promising and relevant.

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1 For a more general discussion of the use and value in applying a more follower-centered perspective in leadership research, see Riggio, Chaleff en Lipman-Blumen (2008).
First, research on the relation between structural work characteristics and followers’ expectations of ethical leadership holds the most practical promise for managers and organizations (cf. Offermann, Kennedy, & Wirtz, 1994). Followers’ own a priori assumptions, beliefs, and expectations of leadership are likely to bias their subsequent perceptions of the characteristics and behaviors they observe in a leader and their acceptance of that leader’s influence (e.g., Bresnen, 1995; Den Hartog, House, Hanges, & Ruiz-Quintanilla, 1999; Engle & Lord, 1997; Hunt, Boal, & Sorenson, 1990; Kenney, Blascovich, & Shaver, 1994; Lord, Brown, Harvey, & Hall, 2001). As such, ethical leadership is presumably most effective when the demonstrated leadership is in accord with each follower’s own conceptualization of ethical leadership. In practice, however, managers deal with many employees and have limited time, capacities, and (cognitive) resources. Under such conditions, investigating and taking into account each employee’s individual expectation of ethical leadership may be neither realistic nor efficient. It is thus important to know the extent to which employees in work groups are likely to hold similar expectations of ethical leadership, and the extent to which these expectations are amenable to change. To the extent that structural work characteristics indeed explain a significant portion of the variation in employees’ expectations, they can serve as specific and easily accessible proxies for a quick assessment of employees’ expectations of ethical leadership. In other words, understanding how expectations of ethical leadership relate to structural features of followers’ work can help managers determine the approach to ethical leadership that is most likely to fit their employees’ needs.

Second, examining systematic, work-related variation in follower expectations of ethical leadership can contribute to our understanding of the relation between ethical leadership and the work environment. Research shows that structural characteristics of the work environment create conditions under which ethical leadership tends to be more or less effective. For instance, ethical leadership is more influential when followers have more job autonomy (Kalshoven, 2010; Mayer et al., 2009), or operate in highly competitive, political settings (Kacmar, Bachrach, Harris, & Zivnuska, 2011). In contrast, where followers’ work is more straightforward and involves less difficult decisions, textbook ethical leadership has no effect on follower behavior (Detert, Treviño, Burris, & Andiappan, 2007). To the extent that followers’ own expectations of leadership affect their subsequent perception and acceptance of the characteristics and behaviors they observe in their leaders (e.g., Bresnen, 1995; Den Hartog et al., 1999; Engle & Lord, 1997; Hunt et al., 1990; Kenney et al., 1994; Lord et al., 2001), such expectations may be a key mechanism that helps explain why the effectiveness of ethical leadership varies across work contexts: perhaps followers who operate in different work environments merely hold different beliefs about what such ethical leadership should look like and hence are either more or less responsive to textbook approaches to ethical leadership. As a starting point for more extensive research on the antecedents of follower expectations of ethical leadership, the present dissertation therefore focuses on structural characteristics of the work environment.

1.3 Research Questions and Design

In sum, while important progress has been made in recent years, extant research on ethical leadership is predominantly leader-centered and typically applies a universalistic, ‘one style fits all’ conceptualization of ethical leadership. This dissertation questions whether such a ‘one style fits all’ conceptualization of ethical leadership is tenable from a follower perspective. In the words of Porter and McLaughlin: “leadership in organizations does not take place in a vacuum” (2006: 559) and both followers’ own beliefs about what ‘good’ ethical leadership entails and the work environment in which they operate are likely to play an integral role in an individual’s ability to build a reputation for ethical leadership.

The aim of this study is to gain a better understanding of the role of followers in the constitution and development of ethical leadership. To do so, it examines: (1) the within-culture similarities and differences in working adults’ expectations of ethical leadership; (2) the extent to which followers’ expectations of ethical leadership match the behaviors they observe in their leaders and affect their perception of observed ethical leadership, and (3) the extent to which followers’ expectations of ethical leadership are systematically related to structural characteristics of their work environment. Unraveling the interrelation between follower expectations of ethical leadership, their perceptions of observed ethical leadership behaviors, and their work environment will enhance and enrich our knowledge of how and under which conditions managers are able to build a reputation for ethical leadership. Additionally, insight into the contents, origins, and effects of follower expectations of ethical leadership can have important implications for managers who seek to optimize their ethical leadership and understand potential resistance to or a lack of recognition of their efforts in this area. Given the above, the main research question of this dissertation is:

What do followers expect of ethical leadership, how are these expectations related to the structural characteristics of their work environment and to what extent do they affect followers’ subsequent perception of the ethical leadership behaviors they observe?
Part I. The first part of the research explores the range of expectations that working adults have of ethical leadership and identifies the structural characteristics of the work environment that may be relevant in shaping these expectations. The exploratory phase of the research will answer the following four sub-questions:

- What constitutes ethical leadership according to prevailing academic theories and empirical research? (Chapter 2)
- What can we anticipate about the expectations that individuals have of ethical leadership and their relation to structural characteristics of the work environment based on prevailing academic theories and empirical research? (Chapter 2)
- What expectations do working adults in the Netherlands have of the ethical leadership of their managers? (Chapter 3 and 4)
- Which structural characteristics of the work environment may be relevant factors in shaping expectations of ethical leadership? (Chapters 3 and 4)

Part II. The second part of the dissertation serves as both a validation and an extension of the exploratory research. This second, deductive research phase answers the following sub-questions:

- Which expectations of ethical leadership identified in the exploratory research are most prevalent among working adults in the Netherlands? (Chapter 6)
- To what extent do employees’ expectations of ethical leadership match the attributes and behaviors they observe in their manager, and how does this affect their subsequent perception of the characteristics and behaviors they observe in their manager? (Chapter 7)
- How and to what extent employees’ expectations of ethical leadership are related systematically to the structural characteristics of their work environment? (Chapter 8)

To answer these various questions I employ a mixed-methods research design. Part I of the research starts with a review of the theoretical and empirical literature on ethical leadership. This literature review answers sub-questions 1 and 2 by delineating the key concepts used throughout the dissertation and providing a conceptual framework to aid the design and analyses of the empirical studies. Since little theory and research exists on the within-culture differences in follower expectations of ethical leadership, I then conduct two exploratory empirical studies that together answer sub-question 3 and 4.

The first exploratory study is a report of qualitative, semi-structured interviews I held earlier with managers across a wide range of organizations and sectors (see Heres, 2010c). The data from these interviews will provide some initial insights into working adults’ expectations of ethical leadership and how these IELT may differ across various work environments. As the focus of these interviews is limited in scope and interviews were held only with respondents who hold a formal leadership position in their organization, this study is followed-up with a second, more extensive exploratory study. The second exploratory study concerns a quasi-qualitative Q-method study2 (Chapter 4). Because of its operant, inductive character, Q-methodology is particularly suited to the systematic study of subjective views and opinions. Furthermore Q-studies are very suitable for uncovering views that are less mainstream or not apparent in the literature, and hence may not have emerged otherwise (Brown, 1993; De Graaf & Van Exel, 2008). I use Q-methodology to: (1) establish empirically and cluster the expectations that working adults have of ethical leadership; (2) systematically examine both the distinguishing characteristics and core commonalities of these expectations; (3) identify structural characteristics of the work environment that could shape expectations of ethical leadership, and; (4) develop associated measurement instruments for use in subsequent survey research.

Part II of the study concerns survey research that aims to answer sub-questions 5 through 7. Both the sheer scale of the three samples involved and analytical possibilities of survey research will allow for more robust conclusions about the relationship expectations of ethical leadership on the one hand, and perceptions of observed ethical leadership behavior and characteristics of the work environment on the other. Furthermore, the survey research enables triangulation of different types of data, thereby facilitating further examination of the external validity of the exploratory studies (see Creswell & Plano Clark, 2007). The surveys thus enable me to assess the extent to which the results of the qualitative interviews and the Q-study can be generalized to a wider set of organizations and employees.

1.4 Contribution to Academic Research

This dissertation makes both theoretical and methodological contributions to the academic literature on ethical leadership. First, the combined studies of the dissertation answer recent calls for more follower-centered research on ethical leadership in general, and research on (implicit) follower expectations and perceptions of ethical leadership in particular. Such research is needed to further improve and modify...
of the applications and contributions that the relatively unknown Q-methodology has to offer. Q-methodology is an interesting path for social research and this dissertation can function as an exemplar that highlights the strengths and weaknesses of the method. More importantly, the mixed-method research design allows me to examine the extent to which the quasi-qualitative Q-methodology and quantitative survey research can be used as complementary approaches to the study of social scientific phenomena in general (cf. Baker, van Exel, Mason, & Stricklin, 2010) and of the more implicit assumptions, beliefs, and expectations of leadership in particular.

1.5 Contribution to Practice

In addition to its academic contribution, this dissertation makes several important practical contributions. First and foremost, the studies in this book may raise managers’ awareness that the success of their leadership could depend as much on their own behavior as it does on their employees’ expectations of that leadership - in other words, that employees have an active and constituting role in the development of effective ethical leadership. The research provides insights that can help managers to evaluate their own ethical leadership practices in light of employee expectations of such leadership and to gain a better understanding of why employees may not respond or even resist the manager’s ethical leadership efforts. Additionally, the results may be used to evaluate and develop more effective ethics programs and training sessions that take account of the a priori assumptions, beliefs, and expectations of ethical leadership held by practitioners themselves. Specifically, this study informs managers as well as consultants, leadership trainers, and integrity bureaus about (1) the different expectations of ethical leadership that people may have; (2) how employees’ own expectations of ethical leadership affect their manager’s ability to establish a reputation for ethical leadership, and; (3) how managers might optimize their ethical leadership efforts by better aligning the expectations of their employees and their own approach to ethical leadership (cf. Engle & Lord, 1997; Hunt et al., 1990; Kenney et al., 1994; Lord et al., 2001). Finally, as noted earlier, in relating followers’ expectations of ethical leadership to structural characteristics of their work environment the research can help managers to gauge more efficiently the expectations of their own team and adjust their approach to ethical leadership accordingly.

1.6 Structure of the Book

The dissertation research was originally set up as a series of four empirical studies (see Chapters 3, 4, 7, and 8) that have either been published as articles in academic journals (Chapter 3), submitted for publication (Chapter 4), and/or presented as papers at conferences (Chapters 3, 4 and 7). To allow for selective and targeted reading, this paper structure is maintained in the empirical sections of the book: each empirical chapter includes its own introduction, theoretical background, methodology, results, and discussion and conclusions, and can be read independently of the other chapters. Consequently, while an attempt has been made to limit redundancy, some overlap between the respective chapters occurs. At the same time, the book is more than the mere sum of the four studies: it includes additional chapters that...
address more explicitly the interconnectedness between the studies and their role in the broader project (Chapter 1), present a more in-depth overview of their shared theoretical framework (see Chapter 2), and provide a more extensive reflection on both the methodological background of the research (Chapters 5 and 6) and the broader implications of the combined studies for both research and practice (Chapter 9).

The research in this book is organized in two parts. Part I concerns the inductive, exploratory phase of the research and examines both the explicit (academic conceptualizations) and implicit theories (follower expectations) that exist on ethical leadership. Chapter 2 starts by providing a conceptual framework that outlines the basic concepts, definitions, and academic theories used throughout this book. This chapter also provides a brief introduction to the two exploratory studies reported in Chapter 3 and 4, highlighting how these relate to one another and how each contributes to the overall research project. The rest of Part II consists of the two empirical studies.

Chapter 3 contains a secondary analysis and reworked report of a qualitative study previously conducted on conceptualizations of ethical leadership among the Dutch public, hybrid and private sector managers (see Heres, 2010c). The study uncovers many similarities in managers’ conceptualizations of ethical leadership but also points out notable differences. Furthermore, the results warrant additional research on expectations of ethical leadership and their contingency on the work environment. I use the results of this first exploratory study to design the sample and materials of a more extensive Q-study, which is reported in Chapter 4. While based on previously conducted empirical research, the study reported in Chapter 3 provides an important backstory to the dissertation and is therefore included in the book.

Chapter 4 summarizes the background and results of a Q-methodological study on the expectations that working adults in the Netherlands have of ethical leadership. Drawing on data from 59 Q-method interviews with working adults from a wide range of Dutch public and private sector organizations, this chapter identifies and describes five views on the ideal ethical leader: (1) the Safe Haven Creator; (2) the Practicing Preacher; (3) the Moral Motivator; (4) the Social Builder; and (5) the Boundaries Setter. The findings of the study indicate that different beliefs about what an ethical leader should be and do, and thus that one style of ethical leadership need not fit all. Additionally, the data reveals that job autonomy, task significance, and the moral complexity of tasks (i.e., the severity of and frequency with which individuals experience moral dilemmas in the execution of their jobs) may be key factors in shaping one’s expectations of ethical leadership. Unlike in the qualitative interviews, however, the Q-study results reveal no particular differences between respondents working in public, hybrid, and private sector organizations.

Part II deduces specific hypotheses from the aforementioned exploratory studies and tests these in Chapters 6, 7, and 8, using data from multiple large-sample surveys. Chapter 5, the introduction to Part II, first elaborates on the survey design, including the rationale behind the survey research, the sampling methods, and procedures used to collect the data. It also includes a discussion of the overall validity and reliability of the quantitative studies. The chapter continues with an overview of the survey development, discussing the operationalization of the various concepts and results of the reliability and validity analyses of instruments of measurement used in Chapters 6, 7 and 8.

Chapter 6 presents the descriptive results of the survey studies. This chapter serves two purposes. First, it provides background information relevant to the studies reported in Chapters 7 and 8. Second, it extends and validates the findings of the exploratory research in Part I of the dissertation by examining the extent to which working adults in the Netherlands endorse each of the five ideal-typical views on ethical leadership identified in the Q-study. The results indicate that most expect their leader to be a Safe Haven Creator or a Practicing Preacher; the Boundaries Setter, on the other hand, describes a much less popular (though not insignificant) perspective on what ethical leadership entails. Chapter 6 further describes which of the ideal-typical views on ethical leadership best fit the leadership provided by their direct supervisors, namely the Safe Haven Creator. Finally, the chapter includes an overview of the key characteristics of respondents’ work environments, including the moral complexity of their tasks.

Chapter 7 examines the extent to which followers’ perceptions of the attributes and behaviors they observe in their leader match their expectations of ethical leadership. The results indicate that most followers experience a discrepancy between their own expectations and the specific characteristics and behaviors they observe in their managers, although the discrepancy is generally small to moderate. Nevertheless, the analyses show that this discrepancy does have a negative effect on employees’ overall perceptions of their manager’s ethical leadership. These results suggest that understanding, meeting, and aligning followers’ expectations of ethical leadership is an important part of building a solid reputation for ethical leadership, and hence can contribute to a leader’s ability to foster ethical decision-making and behavior within the organization.

Chapter 8 tests specific hypotheses on the extent to which employees’ expectations of ethical leadership are contingent upon structural characteristics of their work environment. Drawing on the results of the exploratory research, it examines (1) the extent to which task significance, task ‘publicness’, job autonomy, and managerial position raise the moral task complexity in followers’ work, and (2)
whether this moral task complexity, in turn, affects followers’ assumptions, beliefs, and expectations of ethical leadership. The findings show that followers’ expectations are indeed systematically related to the moral complexity of followers’ work and indirectly shaped by structural characteristics of the work environment. The results thereby provide new insights into the mechanisms by which work context can influence ethical leadership processes. By showing how the nature of the work that they do can affect followers’ expectations of ethical leadership, the study can help leaders to better anticipate these expectations and thereby help them improve the effectiveness of their ethical leadership.

Chapter 9, finally, brings together Chapters 2 through 8 by synthesizing their results and drawing final conclusions on what they mean for both theory and practice. The chapter begins with a reiteration of the dissertation’s aims and research question. It then proceeds with a summary of the main findings of the empirical research and concludes that followers’ a priori expectations of ethical leadership have a moderate effect on followers’ perceptions of ethical leadership and that these expectations are indeed significantly related to structural characteristics of the work environment, and on the moral complexity of followers’ work in particular. This is followed a discussion of these outcomes in light of existing academic theory and research on ethical leadership: how can the findings best be explained and understood, and how do they contribute to previous research on ethical leadership? The chapter then reviews the main limitations of the research design. It concludes with a discussion of the theoretical, methodological, and practical implications of the dissertation.