

Organizational Studies on the Complementarity of Power and Ethical Leadership:

A Power Perspective on the Development and Impact Processes of Ethical Leadership

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Synopsis

Introduction

“The fundamental concept in social science is power, in the same sense that energy is the fundamental concept in physics (...) The laws of social dynamics are laws which can only be stated in terms of power” (Russell, 1938, p. 10).

As this statement indicates, power is generally fundamental to the understanding of social interactions. Especially in organizational contexts, power plays a central role (Magee & Galinsky, 2008), as organizations are hierarchical systems and involve power differences (Bleiklie, Enders, & Lepori, 2015). The divergent allocation of power creates dependence asymmetries in which the powerless depend more on the powerful for resources than vice versa (Magee & Galinsky, 2008). Power is accordingly defined as “asymmetric control over valued resources in social relations” (Magee & Galinsky, 2008, p. 361), and it is perceived by the power holder as the ability to influence others (Anderson, John, & Keltner, 2012). Leadership is the prevailing form of power relationship in organizations (French & Snyder, 1959; Magee, Gruenfeld, Keltner, & Galinsky, 2005). Leadership can be defined as the process of influencing followers to achieve specific goals (e.g., Hollander, 1985). Power plays a fundamental role in leadership process in two ways. First, a leader experiences a personal sense of power in the context of his or her leadership role (Magee et al., 2005). This subjective experience of power affects a leader’s psychological state due to its altering influence on social perception, cognition, and emotion (Galinsky, Rucker, & Magee, 2015), which, in turn, influences leadership behavior (Magee et al., 2005). At the same time, leadership implies the exercise of power through specific behaviors to attain certain goals (Sousa & van Dierendonck, 2015). As leaders can use a variety of leadership behaviors to exercise power, they differ in the form of power use, as perceived by the followers, thus resulting in distinct follower outcomes (e.g.,

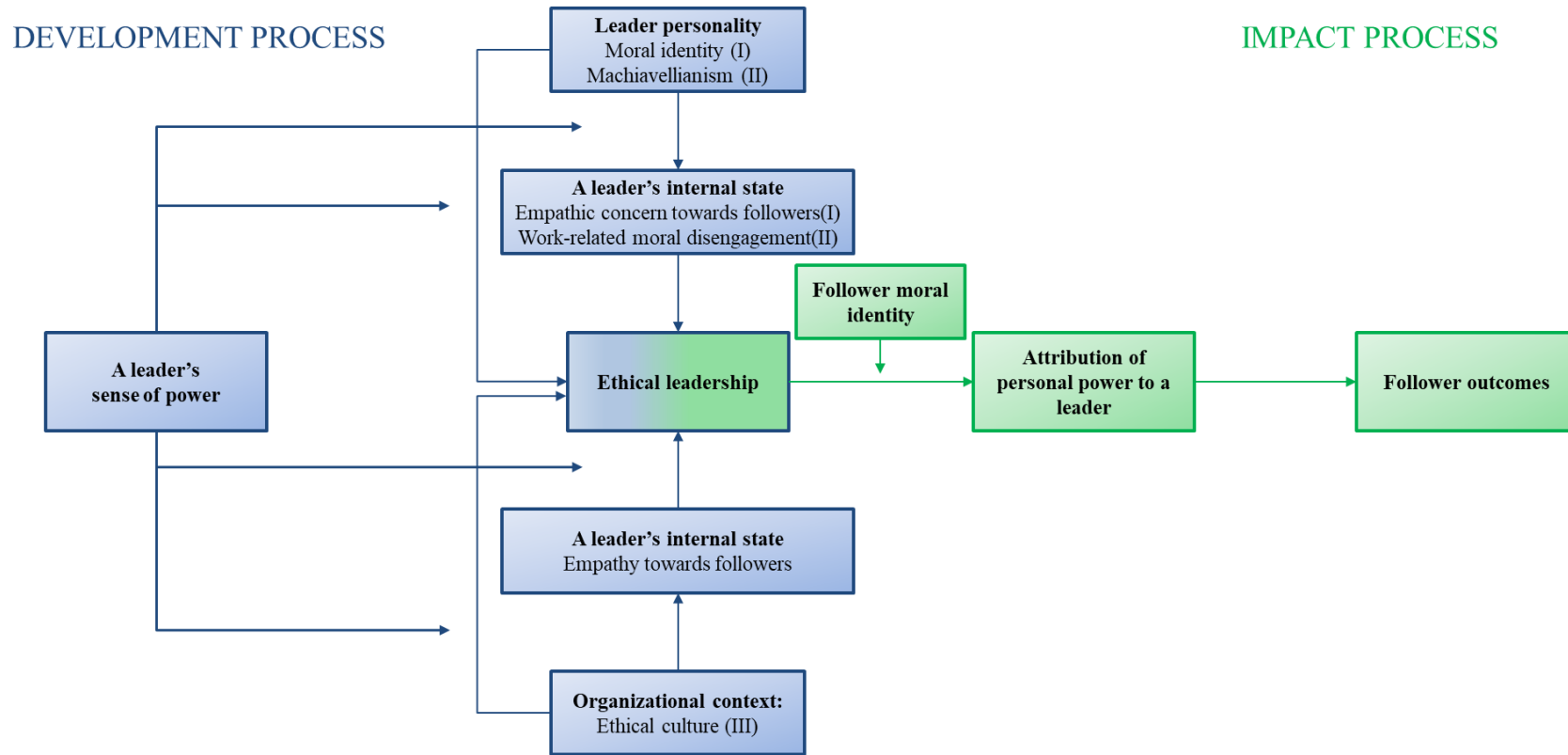
Gioia & Sims, 1983). Thus, a leader's experience of power influences leadership behavior, which, in turn, affects the perception followers have of their leader's power use.

Capturing leadership as power use (e.g., Washbush & Clements, 1999), the fundamental question arises whether leaders as power holders use their power in ways that serve the greater good or abuse it. In recent years, frequent business-ethics scandals have highlighted the decisive role of managers' ethical behavior for economic success, thereby resulting in increasing scholarly interest in the ethical dimension of leadership (Brown, Treviño, & Harrison, 2005). Ethical leadership is defined as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown et al., 2005, p. 120). Thus, ethical leaders are both a "moral person" and a "moral manager." The "moral person" aspect refers to distinct personality characteristics, such as trustworthiness, honesty, and integrity; the "moral manager" part requires that an ethical leader explicitly focus on ethics in his or her work behavior and thus proactively influence followers' ethical conduct (Brown & Treviño, 2006).

Whereas traditional views on power and moral behavior emphasize the corrupting effects of power (Kipnis, 1972), current research on power and its effects on a power holder's psychological state and resulting behavior offers a more differentiated view on the role of power in moral behavior (Lammers, Galinsky, Dubois, & Rucker, 2015). However, up to now, scientific knowledge on power effects is based mainly on laboratory studies, whereas field research on the role of power experience for actual leaders is underrepresented (e.g., Anderson & Brion, 2014). Though ethical leadership represents an important dimension of moral behavior in organizational contexts—one which is critical to economic success (Treviño & Brown, 2014)—and though scientific knowledge regarding the relationship between power and

morality in organizational contexts is limited (Anderson & Brion, 2014), the link between power and ethical leadership has gone virtually unexplored to date.

Following diverse calls to examine leadership as a process by exploring its underlying mechanisms and conditional factors (Fischer, Dietz, & Antonakis, 2017; Van Knippenberg & Sitkin, 2013), the present dissertation focuses on the research gap regarding the relationship between power and ethical leadership and examines via five empirical studies, the role of power in the development and impact processes of ethical leadership (see Figure 1 for an overview). Referring to links described between power and the leadership process, I have examined the moderating influence of a leader's sense of power on the personality- and context-dependent development process of ethical leadership and the mediating role of an ethical leader's specific power use—as perceived by followers—in the impact process (i.e., the ethical leadership follower outcomes link).



A leader's sense of power as an influence on the personality- and context-dependent development processes of ethical leadership

A leader's socially responsible power use as a base of the impact process of ethical leadership

Figure 1. Hypothesized model on the role of power in the development and impact processes of ethical leadership.

A leader's sense of power as an influence on the development process of ethical leadership

In general, the antecedents of ethical leadership have received little research attention to date; scientific knowledge is at present primarily limited to relationships between few leader traits and ethical leadership (Treviño & Brown, 2014). As behavior is a function of both person and situation (Lewin, 1951), the present dissertation examined leader personality (study I and II) and organizational context (study III) as antecedents to the development process of ethical leadership. Elucidating the underlying mechanisms, I investigated different internal states of a leader—such as specific cognition and affect in their function as behavioral mediators—while exploring how a leader's sense of power shapes these specific development processes.

Drawing on a social-cognitive perspective (Bandura, 1986) and the approach-inhibition theory of power (Keltner, Gruenfeld, & Anderson, 2003), two multi-source field studies—surveying teams of leader and followers (study I) or leader-follower dyads (study II)—have examined a leader's sense of power as an influence on the personality-dependent development process of ethical leadership, considering both the bright and the dark sides of leader personality.

Focusing on the bright side of leader personality, study I explored a first-stage moderated mediation model of the relationship between leader moral identity and ethical leadership, which assumes affective empathy as an intervening, morally relevant affective state and incorporates the moderating role of a leader's sense of power. Results confirmed the model, indicating that, first, leader moral identity was positively related with ethical leadership; second, that empathic concern towards followers mediated the relationship between leader moral identity and ethical leadership; and third, that a leader's sense of power moderated both the direct and the mediated relationship between leader moral identity and ethical leadership in the

sense of enhancing the positive impact of moral identity on the particular affective and behavioral outcome as the power level increased.

Exploring the dark side of leader personality in the personality-dependent development process of ethical leadership, study II tested a first-stage moderated mediation model, which depicts the relationship between leader Machiavellianism and ethical leadership by an intervening moral cognition-based mechanism while incorporating the moderating role of a leader's sense of power. Results have primarily supported the model. First, leader Machiavellianism and ethical leadership were negatively related. Second, work-related moral disengagement mediated the negative relationship between leader Machiavellianism and ethical leadership. Third, a leader's sense of power moderated both the direct relationship between leader Machiavellianism and ethical leadership and the first stage of the mediation model.

Regarding the direct relationship between leader Machiavellianism and ethical leadership, leader Machiavellianism had an opposite effect on ethical leadership depending on a leader's level of power. Thus, in the case of low power, leader Machiavellianism and ethical leadership were positively related, whereas in the case of high levels of power, leader Machiavellianism and ethical leadership were strongly negatively associated. Whereas the discovery of a negative relationship between leader Machiavellianism and ethical leadership in the case of high power corresponds with the hypothesis of a personality-revealing effect of power, the positive relationship between leader Machiavellianism and ethical leadership in the case of low power indicates that leaders with high Machiavellianism and low power instrumentalize ethical leadership behavior in favor of their self-interest. With regard to the first-stage moderated mediation model, a leader's sense of power moderated the relationships in the sense of amplifying the inherent tendencies of leader Machiavellianism with respect to the particular cognitive and behavioral outcome. Thus, increasing levels of a leader's sense of

power strengthened the positive relationship between leader Machiavellianism and work-related moral disengagement, thereby ultimately reducing ethical leadership behavior.

In summary, the results of studies I and II indicate that a leader's sense of power influences the personality-dependent development process of ethical leadership, such that a leader's sense of power directly and indirectly enhances the relationship between a leader's stable dispositions (moral identity or Machiavellianism) and ethical leadership. The indirect influence of a leader's sense of power results from also strengthening the relationship between leader personality and a leader's psychological states, which represent behavioral mediators — i.e., empathic concern towards followers (study I) and work-related moral disengagement (study II) — and thus ultimately affect ethical leadership behavior. Thus, power affects the personality-dependent development process of ethical leadership by revealing a leader's personality.

However, behavior is a function of both person and situation (Lewin, 1951). Drawing on a social-cognitive perspective (Bandura, 1986) and the social distance theory of power (Magee & Smith, 2013), study III accordingly explored the influence of a leader's sense of power on the context-dependent development process of ethical leadership. Thus, I tested a second-stage moderated mediation model which depicts the relationship between ethical culture and ethical leadership by treating context-specific empathy as an intervening mechanism while integrating the moderating role of a leader's power. Results confirmed the model as follows: First, ethical culture and ethical leadership were positively related; second, a leader's empathy towards followers mediated the positive relationship between ethical culture and ethical leadership; third, a leader's sense of power moderated both the direct relationship between ethical culture and ethical leadership and the second stage of the mediation model, such that power attenuated the positive impact of both ethical culture and empathy towards followers on ethical leadership. Thus, the results of study III suggest that a leader's sense of power influences

the context-dependent development process of ethical leadership, such that a leader's sense of power diminishes the impact of the organizational context —ethical culture— on ethical leadership, thereby indicating that power experience involves an immunity against social influence.

In summary, the findings in the context of studies I to III show that a leader's sense of power represents a significant influence on the personality- and context-dependent development processes of ethical leadership, as it directly and indirectly shapes the relationship between contextual or dispositional antecedents and ethical leadership by moderating both the direct relationships and the first or second stages of the mediated relationships. The series of studies I-III on the personality- and context-dependent development processes of ethical leadership indicates in sum that a leader's sense of power enhances the effect of leader dispositions on ethical leadership behavior, while reducing the impact of a leader's organizational environment on ethical leadership. These findings offer valuable practical implications for the development of both leaders and organizations.

A leader's socially responsible power use as a base of the impact process of ethical leadership

Empirical research has extensively demonstrated that ethical leadership is related to beneficial follower outcomes such as high employee job satisfaction and organizational commitment (Treviño & Brown, 2014). Although a growing number of studies have begun to elucidate the empirically confirmed relationship between ethical leadership and follower outcomes by examining diverse explanatory mechanisms (e.g., Piccolo, Greenbaum, Den Hartog, & Folger, 2010), the role of power in the ethical leadership-outcome link has not been explored to date.

Thus, the goal of studies IV and V was to test socially responsible power use in the context of ethical leadership as an explanatory mechanism of the ethical leadership-follower

outcomes link. Drawing on attachment theory (Bowlby, 1969/1982), a first-stage moderated mediation model has explored a leader's personal power as an intervening variable in the relationship between ethical leadership and various follower outcomes while incorporating the moderating role of followers' moral identity in the transformation process. The results of a two-wave field study (study IV), which surveyed employees, and a scenario experiment (study V) fully supported the proposed (moderated) mediation models, as personal power mediated the positive relationship between ethical leadership and a broad range of tested follower outcomes (i.e., leader effectiveness, follower extra effort, organizational commitment, job satisfaction, and work engagement). Since personal power is considered the most positive power source (e.g., Carson, Carson, & Roe, 1993), this finding indicates that socially responsible power use is a key mechanism in the relationship between ethical leadership and follower outcomes. Moreover, follower moral identity shaped the mediated relationship by enhancing the relationship between ethical leadership and personal power. Accordingly, employees with a high moral identity attributed more personal power to an ethical leader than employees with a low moral identity, which resulted in comparatively higher follower outcomes. Thus, follower moral identity seems to influence the evaluation of ethical leadership behavior by affecting followers' perceptions of power messages transferred by ethical leadership behavior. This finding further emphasizes the fact that the effects of ethical leadership on follower outcomes depend on follower personality (see also, e.g., Eisenbeiss & van Knippenberg, 2015).

Conclusion

In a series of five studies, the present dissertation examined a differentiated model regarding the relationship between power and ethical leadership by studying the role of power in the development and impact processes of ethical leadership.

A leader's sense of power determines ethical leadership as an outcome by specifically shaping leader personality-dependent and organizational-context-dependent development

processes, which are based on intervening affect- and cognition-based mechanisms. Ethical leadership, in turn, is related to the perception of socially responsible power use on the part of the followers, representing a key mechanism in the link between ethical leadership and follower outcomes. Thus, a power perspective on the development and impact processes of ethical leadership provides a comprehensive understanding of related significant conditions and mechanisms, thus supporting Russell's statement that social processes can be captured only in terms of power.

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**A leader's sense of power as an influence on the development
process of ethical leadership (studies I-III)**

Study I:

The power of the moral self: a multi-level moderated mediation model of moral identity and ethical leadership¹

Abstract

The study's goal is to clarify the nature of relationship between leader moral identity and ethical leadership. We draw on the social-cognitive perspective on moral identity (Aquino, Freeman, Reed, Lim, & Felp, 2009) and the approach-inhibition theory of power (Keltner, Gruenfeld, & Anderson, 2003) to test a multi-level first-stage moderated mediation model, which depicts the relationship between leader moral identity and ethical leadership by affective empathy as an intervening morally relevant affective state, while incorporating the moderating role of a leader's power. Results of a multi-level field study that surveyed teams of 61 leaders and 225 employees supported the proposed model: a leader's empathic concern towards followers mediated the positive relationship between leader moral identity and ethical leadership. Moreover, a leader's sense of power moderated both the direct relationship between leader moral identity and ethical leadership and the first stage of the mediation model. Theoretical and practical implications are discussed.

Keywords: ethical leadership; moral identity; empathy; power; social-cognitive theory

¹ The used data of this paper were collected and already used in the context of the Master Thesis (D.Haller (2015). The good of power or the power of good: a two-dimensional analysis of power and ethical leadership). For this paper, a part of the data was newly analyzed with another statistical tool (Mplus). In accordance with the doctoral Supervisors, a few text passages were used from the master thesis.

Introduction

“Ethics is the activity of man directed to secure the inner perfection of his own personality.”

(Albert Schweitzer)

As this statement indicates, moral identity – the centrality of morality for one’s self-concept – is fundamental for the understanding of moral functioning (Aquino & Reed, 2002; Hardy & Carlo, 2005). Growing business research strongly suggests that moral identity is also highly significant for moral agency in organizations, as findings suggest relationships between moral identity and moral behavior in organizational contexts (Shao, Aquino, & Freeman, 2008; Weaver, 2006).

Ethical leadership is an important domain of moral behavior in the business context, as frequent ethical scandals have raised awareness of the significance of ethical leadership for organizational outcomes (Brown, Treviño, & Harrison, 2005). The resulting enhanced scientific research on ethical leadership has substantiated its positive effects on various follower outcomes, such as follower performance, job satisfaction, and organizational commitment (see Treviño & Brown, 2014 for a review). Although research on ethical leadership is predominantly focused on outcomes and mainly neglects antecedents (Treviño & Brown, 2014), few earlier studies examined the role of leader moral identity, indicating a positive relationship between leader moral identity and ethical leadership (Mayer, Aquino, Greenbaum, & Kuenzi, 2012; Zhu, Treviño, & Zheng, 2016). Although Shao and colleagues (2008) have sought a profound understanding of moral identity in organizational contexts and thus called for comprehensive models that depict mechanisms and situational conditions of moral identity, the underlying mechanism of the relationship between leader moral identity and ethical leadership has not yet been examined. We, thus, consider this issue and examine a theory-based moderated mediation model that explains why and when leader moral identity and ethical leadership are related.

We draw mainly on the social-cognitive perspective on moral identity, which refers to cognitive mechanisms for elucidating the role of moral identity in moral functioning and provides an appropriate framework for capturing the interplay between person-specific and situational factors in the emergence of moral behavior (Aquino et al., 2009; Shao et al., 2008). Social-cognitive perspectives on personality assume that the integration of dispositions and processing dynamics predicts behavior and illustrate these relations with mediating process models that underlie distinct behavior (Mischel & Shoda, 1995). Research accordingly shows that moral identity affects mediators of behavior, for example, moral evaluations, emotions, and judgments (Shao et al., 2008). The experience of empathy as a morally relevant emotional process is considered as an inevitable precondition of moral behavior (e.g., Batson, 2010; Eisenberg, 2000; Tangney, Stuewig, & Mashek, 2007), while behavior-activating potential is specifically attributed to moral emotions (e.g., Hoffman, 2000). Thus, we focus on the affective component of empathy (Davis, 1983) and assume a leader's empathic concern towards followers to be a key mechanism in the link between leader moral identity and ethical leadership.

Organizational contexts are characterized by hierarchical systems, resulting in power differences (Magee & Galinsky, 2008). Leader roles in particular involve power experience (Magee, Gruenfeld, Keltner, & Galinsky, 2005), and therefore, power is an important conditional situational factor in the organizational context in order to influence the relationship between leader moral identity and leader behavior. The social-cognitive perspective on moral identity assumes that situational factors influence the current accessibility of moral identity within the working self-concept (Aquino et al., 2009), while the approach-inhibition theory of power (Keltner et al., 2003) and related research has indicated a personality-revealing effect of power experience (Galinsky, Rucker, & Magee, 2015). Hence, we hypothesize that a leader's sense of power (SoP; Anderson, John, & Keltner, 2012) moderates the direct relationship between leader moral identity and ethical leadership, and moderates the mediation process, such

that a leader's SoP enhances the impact of moral identity on the particular affective and behavioral outcomes.

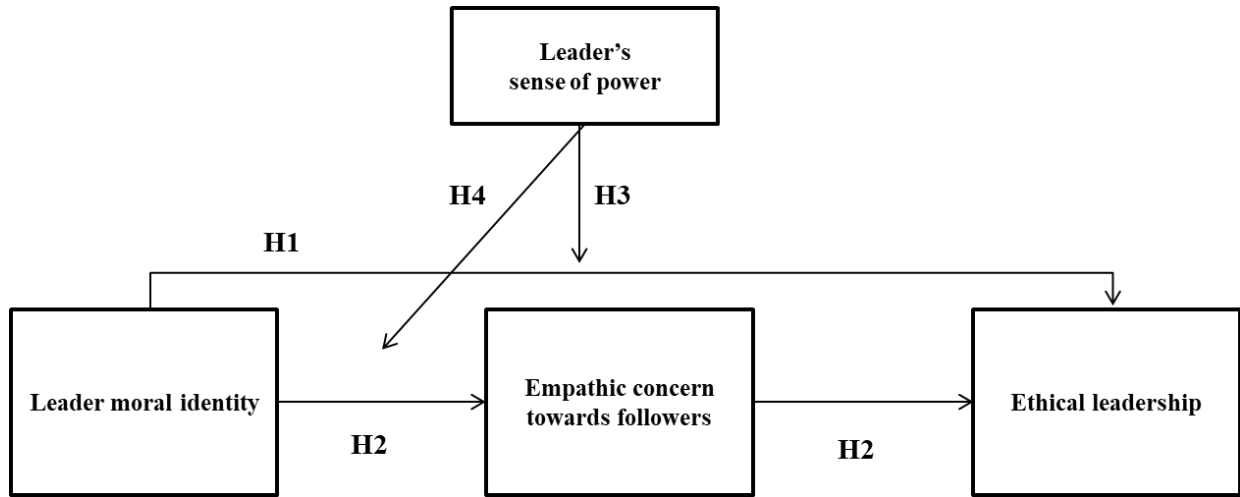


Figure 1. Hypothesized model of processes linking leader moral identity and ethical leadership, moderated by a leader's SoP and mediated by empathic concern towards followers.

The integrated model of the relationship between leader moral identity and ethical leadership, which is illustrated in figure 1, purposes to extend current organizational research in three ways:

First, research is scarce on both antecedents of ethical leadership and mechanisms linking moral identity to behavior (Shao et al., 2008; Treviño & Brown, 2014). Building on these notable gaps in the research, we examine the development process of ethical leadership behavior depending on leader moral identity from a social-cognitive angle, while considering power experience as a situational condition.

Second, because there is still uncertainty about the role of moral emotion-related phenomena, such as empathy, in linking moral identity to action (Hardy & Carlo, 2005), we first examine empathic concern as a behavioral mediator to further elucidate the function of moral emotion in the emergence of ethical leadership behavior.

Third, we respond to the call for more field research on the function of power for actual leaders (e.g., Anderson & Brion, 2014). Hence, this multi-level field study extends few studies

on leader power as a conditional factor in relation to leader behavior (e.g., Wisse & Rus, 2012) by examining interaction-effects between power and leader moral identity in relation to empathy towards followers and ethical leadership.

Theoretical background and hypothesis development

The relationship between leader moral identity and ethical leadership

Moral identity reflects the degree to which morality is central to one's self-concept, which is also referred to as moral identity's self-importance (Aquino & Freeman, 2009; Aquino & Reed, 2002; Blasi, 2004). Aquino and Reed (2002) have proposed two dimensions of moral identity: "internalization," which describes the degree to which moral traits are integrated in the self-concept, and "symbolization," which defines the degree to which persons are motivated to publicly express parts of their moral identity to others (Aquino & Reed, 2002; Reed & Aquino, 2003).

The concept of moral identity can be considered theoretically from a character or social-cognitive perspective (for a review, see Shao et al., 2008). As the social-cognitive perspective explicitly includes the impact of situational factors, we focus on that perspective on moral identity. This theoretical approach is grounded in Bandura's (1986) social-cognitive theory and refers to cognitive mechanisms in order to explain the role of moral identity in moral functioning; the approach also offers an appropriate framework for describing the interplay between person-specific and situational factors in the emergence of moral behavior (Aquino et al., 2009; Shao et al., 2008).

From a social-cognitive perspective, moral identity is conceptualized as a mental representation (schema) that a person holds about his or her moral character and that consists of an organized cognitive network of moral traits, values, goals, and behavioral scripts (Aquino et al., 2009; Shao et al., 2008). Within this cognitive schema, the strength of these moral associations reflects the degree to which morality defines one's self-concept and, coincidentally,

determines the extent to which morally relevant schemas are chronically accessible on a cognitive level (Aquino & Reed, 2002; Reed & Aquino, 2003). The cognitive accessibility of moral schemas, in turn, significantly influences how social information is processed and, thereby, an individual's cognition, emotions, and behavior (Aquino et al., 2009; Hardy & Carlo, 2011). Moral identity is externally manifested through one's own actions, as it regulates moral behavior based on the human desire to maintain self-consistency; therefore, persons with a stronger moral identity prefer to act in ways that correspond to that moral identity (Aquino et al., 2009; Aquino & Reed, 2002; Blasi, 2004). Thus, empirical and meta-analytic findings robustly support the link between moral identity and moral behavior in terms of enhancing prosocial and ethical behavior and in reducing antisocial behavior (e.g., Aquino, Reed, Thau, & Freeman, 2007; DeCelles, DeRue, Margolis, & Ceranic, 2012; Hardy, 2006; Hardy & Carlo, 2011; Hertz & Krettenauer, 2016; Reed & Aquino, 2003; Reed, Aquino, & Levy, 2007; Reynolds & Ceranic, 2007; Shao et al., 2008; Winterich, Aquino, Mittal, & Schwartz, 2013).

The important role of moral identity in ethical conduct is also reflected in organizational contexts (Aquino et al., 2009; Giesser, van Quaquebeke, van Gils, van Knippenberg, & Kollée, 2015; McFerran, Aquino, & Duffy, 2010; Shao et al., 2008). For example, Aquino and colleagues (2008) have reported a negative relationship between moral identity and lying in business negotiations, and Matherne, Ring, and Farmer (2018) have confirmed a link between moral identity and organizational citizenship behavior.

Ethical leadership represents a significant dimension of moral behavior in organizational contexts, as this leadership style is related to various beneficial organizational outcomes, such as performance and followers' positive job-related affective states, for example, job satisfaction (Treviño & Brown, 2014). Ethical leadership is defined as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication,

reinforcement, and decision-making” (Brown et al., 2005, p. 120). This definition implies two dimensions of ethical leadership, namely, the “moral person” and “moral manager.” The “moral person” component refers to distinct personality characteristics, such as trustworthiness, honesty, and integrity; the “moral manager” part requires an ethical leader to explicitly focus on ethics in his or her work behavior and proactively influence followers’ ethical conduct (Brown & Treviño, 2006). The resulting behavioral range of an ethical leader can be described by seven dimensions (Kalshoven, Den Hartog, & De Hoogh, 2011): fairness (fair treatment of employees and fair decision-making), integrity (trustworthy and honest leader behavior), power sharing (follower participation in decisions and the leader’s consideration of their ideas), a people orientation (sincerely interest, support, and individual treatment of follower needs), ethical guidance (communication of ethics, codes of conduct, and promotion of employee ethical conduct), role clarification (elucidation of responsibilities, expectations, and performance goals), and concern for sustainability (broad ethical awareness regarding sustainability issues and the welfare of the society). Previous findings have already indicated the important role of leader moral identity in ethical leadership (Mayer et al., 2012; Skubinn & Herzog, 2016; Zhu et al., 2016). Following the human desire for self-consistency (Blasi, 2004), leaders with a high moral identity are motivated to act in ways that are congruent with their self-concept of being a highly moral person. That includes typical ethical leadership behaviors, such as making fair decisions, behaving in a trustworthy and honest manner as a leader, and supporting and considering follower needs (Kalshoven et al., 2011). Thus, aiming to replicate existing findings, we propose:

Hypothesis 1: Leader moral identity is positively related to ethical leadership.

The mediating role of empathic concern towards followers

Social-cognitive perspectives on personality state that the link between dispositions and processing dynamics defines behavior and thus depict these relationships with process models that underlie specific behavior (Mischel & Shoda, 1995). In line with this, findings support the

influence of moral identity on behavior through behavioral mediators, such as moral evaluations, emotions, and judgments (Shao et al., 2008). In this respect, moral disengagement in particular has been studied as a mediator in the relationship between moral identity and behavior (e.g., Aquino et al., 2007; Detert, Treviño, & Schweitzer, 2008).

Previous studies on leader moral identity and ethical leadership, which have done more than explore the direct relationship, have predominantly focused on the role of interactions between leader and follower moral identity (Giesser et al., 2015; Qin, Huang, Hu, Schminke, & Ju, 2018). The underlying mechanism that accounts for the relationship between leader moral identity and ethical leadership has not been examined yet.

As empathy is a decisive antecedent of moral behavior, we aim to examine the intervening role of a leader's empathy towards his or her followers in the link between moral identity and ethical leadership. Empathy as a human capacity describes the degree to which an individual notices and is concerned with the needs or concerns of others (e.g., Davis, 1983; Eisenberg & Miller, 1987). Thus, empathy generally represents a significant human ability for successful social interactions and is additionally considered as a decisive factor in successful leadership (Ford, 1982; Judge, Piccolo, & Ilies, 2004). More precisely, empathy represents a "morally relevant emotional process (...) with substantial implications for moral behavior" (Tangney et al., 2007, p. 18). Hence, empathy is regarded as a basic component of moral behavior, as the perception of the needs and feelings of others is a necessary precondition for moral behavior (e.g., Batson, 2010; Eisenberg, 2000; Tangney et al., 2007). Robust empirical evidence accordingly portrays empathy as closely related to moral and prosocial behavior (e.g., Davis et al., 1999; Eisenberg et al., 2002), such as ethical decision-making (Brown, Sautter, Littvay, Sautter, & Bearnese, 2010), the pursuit of communal goals (Findley & Ojanen, 2013), and helping behavior (e.g., Coke, Batson, & McDavis, 1978; Eisenberg & Miller, 1987).

Empathy implies both cognitive and affective aspects (e.g., Davis, 1983). The cognitive aspects of empathy take the form of recognizing and understanding another's thoughts and feelings and can be summarized as the ability to engage in perspective-taking (Davis, 1983). The affective component of empathy – that is, empathic concern – focuses on an observer's experience of the target's emotions by capturing the capacity to feel compassion and concern for others (Davis, 1983). Findings on the relationship between cognitive and affective elements of empathy assume that empathic concern results from perspective-taking so that empathic concern represents the direct antecedent of prosocial behavior (e.g., Coke et al., 1978). Other theorists have also argued that emotional processes play a far greater role in moral behavior than cognitive aspects (e.g., Eisenberg, 1986; Hoffman, 2000). Hoffmann (2000, p. 239) has stated that “empathy's contribution to moral principles is to transform them into prosocial hot cognitions – cognitive representations charged with empathic affect, thus giving them motive force.” Thus, although cognitive capacity, such as perspective-taking, supports focusing and guiding moral emotion, the emotional part of empathy elicits the motivation that triggers behavior (e.g., Hardy & Carlo, 2005). Because of the significance of empathy's emotional aspects for actual behavior, we focus on the affective component of leader empathy towards followers – that is, empathic concern – as a mediator of the relationship between leader moral identity and ethical leadership. Previous findings have already indicated the significant intervening role of moral emotions in the relationship between moral identity and behavior; for example, a study has shown that the negative relationship between moral identity and antisocial behavior in sports is mediated by anticipated feelings of guilt (Kavussanu, Stanger, & Ring, 2015). Another finding indicates that moral elevation – a distinctive feeling of warmth and expansion – mediates the relationship between moral identity and prosocial behavior (Aquino, McFerran, & Laven, 2011).

Apart from these findings on the mediating role of self-oriented moral emotions in the moral identity-behavior link, there is also empirical evidence suggesting the intervening role of

empathy. Some studies have pointed to specific relationships between distinct personality variables and levels of empathy experienced towards others, and support positive links between moral identity and empathy (e.g., Barriga, Sullivan-Cosetti, & Gibbs, 2009; Melchers et al., 2016). In the same vein, another study has confirmed that empathy mediates the link between identity styles, such as information-oriented or diffuse-avoidant styles, and interpersonal behaviors (Smits, Doumen, Luyckx, Duriez & Goossens, 2011). With regard to the role of moral identity, an experimental study has suggested that empathy mediates the relationship between moral identity and donating to charitable causes (Lee, Winterich, & Ross, 2014).

On this empirical basis, and drawing on the social-cognitive theoretical perspective on moral identity, we hypothesize that leaders with a highly developed moral identity should feel more empathic concern towards their followers, as the psychological state of feeling concern for others corresponds with one's sense of being a moral person. From a social-cognitive angle, the moral trait association "feeling concern for others," which is embedded in the organized cognitive network of moral virtues, feelings, and behavior (Aquino & Reed, 2002), is cognitively more accessible for leaders with high moral identity than for those with low moral identity, and results in enhanced empathic concern for followers.

Empathic concern towards followers, in turn, should be positively related to ethical leadership. As mentioned above, the link between empathy and moral behavior has been widely confirmed (e.g., Davis et al., 1999; Eisenberg et al., 2002). Especially empathic concern, which is marked by feeling deep concern for other individuals (e.g., Batson, 2010), instills a sense of connectedness with others (Pavlovich & Krahnk, 2012) and promotes altruistic motivation and prosocial action (e.g., Batson, 2010; Davis, et al., 1999; Eisenberg & Miller, 1987). Thus, feelings of empathy alert an individual to the moral relevance of a situation (Pizarro, 2000) and are positively related to moral reasoning (e.g., Eisenberg, 2000; Eisenberg, Zhou, & Koller, 2001).

The experience of empathic concern towards followers helps one to fulfill the essential requirements of ethical leadership behavior. Accordingly, the essentially enhanced focus on morality and fairness – accompanied by increased moral reasoning and resulting in ethical decision-making – corresponds with ethical leadership facets such as a leader's integrity, the fair treatment of employees, the promotion of ethical conduct among followers, and concern for moral behavior in a broader context (Kalshoven et al., 2011). Empathic concern-related prosocial behavior – for example, sharing, helping, protecting, cooperating, recognizing the needs of others, giving aid, and relieving distress (Duquin & Schroeder-Braun, 1996; see also, e.g., Eisenberg, 1992) – mainly covers requirements represented in both ethical leadership dimensions ‘power sharing’ and ‘people orientation,’ that is, genuinely caring about, respecting, and supporting followers (Kalshoven et al., 2011). Thus, empathic concern towards followers should be positively linked to ethical leadership.

Building on the social-cognitive perspective on moral identity, while incorporating relevant empirical evidence on empathy, we propose empathic concern towards followers as a key mechanism in the relationship between leader moral identity and ethical leadership:

Hypothesis 2: Empathic concern towards followers mediates the positive relationship between leader moral identity and ethical leadership.

The moderating role of leader power

Aquino and colleagues' (2009) social-cognitive model describes the joint influence of situational factors and the centrality of moral identity as a stable individual disposition on moral behavior. Drawing on a social-cognitive perspective, this model states that moral identity represents a relatively stable personality trait, as the schema of the moral self is more chronically accessible for some persons than others, explaining the intra-individual stability of moral behavior (Shao et al., 2008). However, the social-cognitive perspective on moral identity

also assumes that specific situations can increase the cognitive accessibility of one's moral identity in the working self-concept, thereby explaining situational variability in moral behavior (Aquino et al., 2009; Shao et al., 2008). This temporary activation of moral identity in an individual's awareness by situational factors is labeled "salience of moral identity" (Aquino & Freeman, 2009). Empirical findings support the variability of moral identity's salience (e.g., Aquino et al., 2009; Reed et al., 2007).

One decisive situational factor in organizational contexts is power. Organizations are inherently hierarchical systems, involving power differences. This unequal allocation of power creates dependence asymmetries, in which the powerless depend more on the powerful for resources than vice versa (Magee & Galinsky, 2008). Power is consistently defined as "asymmetric control over valued resources in social relations" (Magee & Galinsky, 2008, p. 361), involving "an individual's relative capacity to modify others' states by providing or withholding resources, or administering punishments" (Keltner et al., 2003, p. 265). Leader roles, in particular, involve a personal SoP (Magee et al., 2005), which is defined as the perception of one's ability to influence others (Anderson et al., 2012).

Research on power effects indicates that the experience of power significantly affects a leader's psychological state since it alters the perception, cognition, and behavior of power-holders (e.g., Galinsky et al., 2015). The approach-inhibition theory of power explains these effects by a power-induced activation of the behavioral approach system (Gray, 1994) since powerful individuals perceive fewer social constraints and more resource-rich environments (Keltner et al., 2003). Behaviors that result from the power-induced approach are characterized by a focus on rewards and opportunities in the environment (Inesi, 2010), a tendency to experience more positive affect (Anderson & Galinsky, 2006), an enhanced action orientation (e.g., Galinsky, Gruenfeld, & Magee, 2003), increased automatic cognition, and generally disinhibited and more state- and trait-driven behavior (e.g., Chen, Lee-Chai, & Bargh, 2001).

The last aspect (state- and trait-driven behavior) follows a “person x situation” approach: that is, power experience as a situative variable interacts with person-specific dispositions to create distinct cognitive or behavioral outcomes (Chen et al., 2001; Lee-Chai, Chen, & Chartrand, 2001). One main finding in the context of research on power suggests that a power-holder’s personality and internal states represent better predictors of cognition, emotions, and behavior than the dispositions of powerless persons (e.g., Chen et al., 2001; Côté et al., 2011; DeCelles et al., 2012; Kraus, Chen, & Keltner, 2011). Findings on the moderating role of power related to leader behavior consistently indicate interaction effects between power and both leader self-construal, leadership beliefs, and leader accountability on self-serving behavior (Rus, van Knippenberg, & Wisse, 2010, 2012; Wisse & Rus 2012). Studies on power interaction effects with regard to a distinct leadership style have indicated that a leader’s SoP enhances the effects of leader personality on leadership behavior, such as abusive supervision or ethical leadership; for example, a leader’s power intensifies the negative effect of leader contempt – an emotion of superiority over or disdain for others – on ethical leadership (Sanders, Wisse, & Van Yperen, 2015; Wisse & Sleebos, 2016). Regarding the role of interaction effects between power and moral identity, two studies have shown that their interplay is related to self-interested behavior and prosocial behavior, such as organizational citizenship behavior (DeCelles et al., 2012; Joosten, van Dijke, Van Hiel, & De Cremer, 2015).

We draw on the social-cognitive model of moral identity, which claims a situative dependence of moral identity’s salience (Aquino et al., 2009), and on the approach-inhibition theory of power and related research (Keltner et al., 2003) to examine the role of a leader’s SoP in the described mediation process between leader moral identity and ethical leadership. On the foundation of current findings, which show that the SoP interacts with dispositions to enhance their effects on cognitive and behavioral outcomes (e.g., DeCelles et al., 2012), we predict that the magnitude of both (1) the direct relationship between leader moral identity and ethical

leadership and (2) the indirect effect via empathic concern towards followers represents a function of a leader's individual SoP. Thus, we propose:

Hypothesis 3: A leader's SoP moderates the relationship between leader moral identity and ethical leadership such that leader moral identity has a stronger positive impact on ethical leadership when a leader's SoP is high than when the SoP is low.

Hypothesis 4: A leader's SoP moderates the strength of the mediated relationship between leader moral identity and ethical leadership via empathic concern towards followers such that leader moral identity has a stronger positive impact on empathic concern, and ultimately on ethical leadership, when a leader's SoP is high than when the SoP is low.

Methods

Sample and procedure

In a cross-sectional multi-level field study, we surveyed teams consisting of leaders and their followers from various organizations in Germany. Leaders rated their dispositional moral identity, their SoP, and their empathic concern towards their followers. Employees reported their leaders' ethical leadership behavior. Both parties provided demographic data. Numeric identification codes enabled the correct matching of leaders' and followers' ratings, while ensuring participants' anonymity and confidentiality.

The sample comprised two sub-samples that differed in procedures. The first sub-sample consisted of matched sets of leader-followers from small and medium-sized German companies recruited by an independent market research institute. The size of the participating firms ranged from 5 to 1,000 employees ($M = 199.7$; $SD = 188.69$). 40 Leaders and 100

employees participated in the paper-and-pencil-based study, representing a supervisor-subordinate ratio of 1:2.5.

The second sub-sample comprised matched sets of supervisor-subordinates from a major German corporation with over 100,000 employees worldwide. The inquiry was conducted within the context of a leadership development program for upper management, and the participating leaders received a feedback report on their results. 21 leaders and 125 followers participated in an online-study, leading to a supervisor-subordinate ratio of 1:6. A dummy code was introduced to control for possible effects resulting from the different data collection processes of the sub-samples (1 = sub-sample 1, 2 = sub-sample 2).

The final sample included 61 leaders and 225 followers. Of the leaders, 62.3% were male, and half (50.8%) were between 36 and 45 years old (26–35 years: 1.6%; 46–55 years: 32.8%; over 55 years: 14.8%). Most leaders held a university degree (65.6%), 14.8% had a secondary school leaving certificate, and 19.7% had a higher education entrance qualification. The sample reflected a wide range of branches: industry (44.3%); the service sector (21.3%); the education, health, and social sectors (9.8%); public services (8.9%); science and research (6.6%); and trade (9.8%). The number of followers per leader ranged between 2 and 120 ($M = 16.5$; $SD = 15.6$); 63.1% of the followers were male. The followers were predominantly between 26 and 45 years old (76.0%), with 3.1% under 25, 19.1% between 46–55 years, and 1.8% over 55 years. The followers demonstrated a balanced range of education level: 8.0% held a secondary modern school qualification, 32.0% a secondary school leaving certificate, 22.7% a higher education entrance qualification, and 37.3% a university degree.

Measures

As the survey was conducted in Germany, for every measure that was not available in a German version, independent qualified translators completed a back-translation process according to the procedure described by Brislin (1980). Participants rated all measures on seven-point Likert-scales ranging from 1 (strongly disagree) to 7 (strongly agree).

Ethical leadership

Ethical leadership was measured using the validated 37-item German version (Block, Bormann, & Rowold, 2015) of the Ethical Leadership at Work questionnaire (ELW), developed by Kalshoven and colleagues (2011). Sample items include “My leader clearly explains integrity-related codes of conduct” and “My leader allows subordinates to influence critical decisions.” The ethical leadership scale had a Cronbach’s alpha of $\alpha = 0.97$.

Sense of power (SoP)

The leaders’ role-specific SoP was measured using the eight-item Personal Sense of Power Scale developed by Anderson and colleagues (2012), with the items introduced by the statement, “In the interactions with my employees...” The measure includes items such as “I think I have a great deal of power” and “My ideas and opinions are often ignored” (inverted). The Cronbach’s alpha was $\alpha = 0.81$.

Empathic concern

The seven-item empathic concern sub-scale from Davis’ Interpersonal Reactivity Index (1983) was selected to assess leaders’ affective empathy towards their employees, thus mirroring the degree to which the leader experienced feelings of warmth, compassion, and concern for his or her followers. The scale was introduced by politely asking the leaders to think of their own attitude towards and their interactions with their employees while rating the questions. An example of an item is “When I see someone [one of my employees] being taken advantage of, I feel kind of protective toward them.” The scale had a Cronbach’s alpha of $\alpha = 0.87$.

Moral identity

Moral identity was assessed with Aquino and Reed’s (2002) internalization sub-scale from the Moral Identity Measurement; it captures the degree to which a person’s moral identity is core to his or her sense of self. The internalization dimension is the most robust predictor of

moral behavior (Aquino & Reed, 2002; Reed & Aquino, 2003; Shao et al., 2008) and thus has been used in many studies to measure the centrality of moral identity (e.g., Aquino et al., 2009; DeCelles et al., 2012; Winterich et al., 2013). The introduction followed the recommendations of Aquino and Reed (2002), listing nine validated traits of a prototypic moral person. One example is “It would make me feel good to be a person who has these characteristics.” The Cronbach’s alpha was $\alpha = 0.75$.

Control variables

In addition to controlling for sub-sample, we controlled for the leader’s age (1 = < 25 years to 5 = > 55 years), education (1 = secondary modern school qualification to 4 = university degree), and gender (1 = male and 2 = female).

Age and education were controlled because of their correlations with socially appropriate and ethical behavior (e.g., Armantier & Boly, 2011; Lind, 1993). The control for leader gender was based on findings on gender differences in empathy and ethical behavior and the influence of a leader’s gender on followers’ perceptions of his or her ethics (e.g., Davis, 1983; Schminke, Ambrose, & Miles, 2003; Swamy, Knack, Lee, & Azfar, 2000).

Construct validity

We conducted a series of confirmatory factor analyses with the aid of Mplus 8.1 to test the discriminant validity of study variables that stemmed from the same source, that is, the leaders, referring to chi-square statistics and the RMSEA, CFI, and SRMR fit indices (Muthén & Muthén, 1998-2018). To adhere to the sample size guidelines for parameter estimation (e.g., Landis, Beal, & Tesluk, 2000) and to enhance the indicator stability (e.g., West, Finch, & Curran, 1995), we parceled the items of empathic concern and SoP (two parcels for each factor), following the recommendations of Kishton and Widaman (1994) for multi-dimensional item sets. The hypothesized 3-factor model of moral identity, SoP, and empathic concern, $\chi^2 (24, N = 61) = 34.83, p > .05$; RMSEA = .09; CFI = .97, and SRMR = .06, yielded a better fit to the data than a one-factor model (all indicators set to load on a single factor), $\chi^2 (27, N = 61) = 73.90$,

$p < .001$; RMSEA = .17; CFI = .86, and SRMR = .10, thus supporting the distinctiveness of the three study variables for subsequent analyses.

Results

Table 1 provides descriptive statistics and bivariate correlations. We first tested a null model for the level 1 variable ethical leadership. The results revealed that 48% of the variance in ethical leadership significantly referred to group characteristics, $\chi^2 (60, n = 225) = 234.20, p < .001$. Taking the nested data structure into account, we employed Mplus 8.1 (Muthén & Muthén, 1998-2018) to test the hypotheses via multi-level path analyses with a maximum likelihood estimator and robust standard errors. All predictors, which were solely on level 2, were grand-mean centered, as recommended by Singer (1998). We tested the moderation and multi-level (moderated) mediation models based on established path analytic procedures (Edwards & Lambert, 2007; Preacher, Rucker, & Hayes, 2007), referring to Mplus codes specified by Stride, Gardner, Catley, and Thomas (2015) and Preacher, Zyphur, and Zhang (2010).

Table 1*Descriptive statistics and correlations*

	Variable	<i>M</i>	<i>SD</i>	1	2	3	5	6	7	8	9
1	Moral identity	5.23	1.03	1							
2	SoP	5.74	0.75	0.43**	1						
3	Empathic concern	4.71	1.03	0.77***	0.28*	1					
5	Ethical leadership	5.26	0.96	0.80***	0.55***	0.76***	1				
6	Leader gender	1.38	0.49	0.10	-0.10	0.03	0.24	1			
7	Leader age	3.61	0.76	0.11	0.18	0.09	-0.05	-0.36**	1		
8	Leader education	3.51	0.74	-0.03	0.01	-0.01	-0.13	-0.03	0.15	1	
9	Sub-sample	1.34	0.48	-0.13	-0.20	-0.06	0.07	0.36**	-0.54**	0.30*	1

Note. Team level: $n = 61$; individual level: $n = 225$. For leader gender, 1 = male, 2 = female. * $p < .05$; ** $p < .01$; *** $p < .001$.

Table 2*Path analyses, predicting the direct (moderated) relationship*

Variable	<i>Ethical leadership</i>			<i>Ethical leadership</i>		
	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Moral identity	.56***	.83***	.07	.37***	.55***	.11
SoP				.51***	.55***	.14
SoP x moral identity				.28*	.32*	.14
Leader gender	.13	.09	.11	.27	.19	.11
Leader age	.01	.02	.12	-.01	-.01	.11
Leader education	-.16	-.17	.10	-.14	-.14	.09
Sub-sample	.31	.21	.12	.45*	.30*	.12
<i>R</i> ²		.74			.86	

Note. Team level: $n = 61$; individual level: $n = 225$. For leader gender, 1 = male, 2 = female. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests. * $p < .05$; ** $p < .01$; *** $p < .001$.

Validating Hypothesis 1, the path analysis showed a positive direct relationship between leader moral identity and ethical leadership ($b = .56$, $\beta = .83$, $SE = .07$, $p < .001$), as illustrated in Table 2.

Hypothesis 2 proposed that a leader's empathic concern mediates the positive relationship between leader moral identity and ethical leadership. Results from the mediation model confirmed that leader moral identity was positively related to empathic concern ($b = .79$, $\beta = .79$, $SE = .05$, $p < .001$), which was, in turn, positively related to ethical leadership ($b = .26$, $\beta = .37$, $SE = .15$, $p < .05$; see Table 3). The indirect effect of leader moral identity via empathic concern ($\beta = .20$, $SE = .09$, $p < .05$, CI [0.03, 0.38]) on ethical leadership was significant: the total effect amounted to $\beta = .58$, $SE = .06$, $p < .001$, CI [0.46, 0.70]. Thus, empathic concern mediated the positive relationship between leader moral identity and ethical leadership, supporting Hypothesis 2.

Table 3*Path analyses of the (moderated) mediation models*

Models	Mediation						Moderated mediation					
Outcome	<i>Empathic concern</i>			<i>Ethical leadership</i>			<i>Empathic concern</i>			<i>Ethical leadership</i>		
Variable	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Moral identity	.79***	.79***	.05	.37***	.53***	.15	.65***	.65***	.09	.22*	.31*	.15
SoP							.26	.19	.13	.47***	.49***	.15
SoP x moral identity							.45***	.35***	.10	.18	.20	.14
Empathic concern				.26*	.37*	.15				.23*	.34*	.14
Leader gender	-.16	-.07	.11	.17	.11	.11	-.01	-.01	.09	.28	.19	.11
Leader age	.05	.04	.10	.01	.01	.11	-.00	-.00	.08	.00	.00	.10
Leader education	-.04	-.03	.10	-.16	-.17	.09	.03	.02	.09	-.15*	-.16*	.08
Sub-sample	.20	.09	.10	.27	.18	.11	.28	.13	.09	.39*	.26*	.12
<i>R</i> ²		.60			.78			.66			.87	

Note. Team level: $n = 61$; individual level: $n = 225$. For leader gender, 1 = male, 2 = female. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests. * $p < .05$; ** $p < .01$; *** $p < .001$.

Table 4*Tests of direct and indirect conditional effects*

Model	<i>Moral identity x SoP → ethical leadership</i>		<i>Moral identity x SoP → empathic concern</i>		<i>Moral identity x SoP → empathic concern → ethical leadership</i>	
	Conditional direct effect	CI	Conditional direct effect	CI	Conditional indirect effect	CI
SoP _{low}	0.16 (0.15)	[-0.12, 0.45]	0.32 (0.17)	[-0.02, 0.66]	.07 (0.05)	[-0.02, 0.17]
SoP _{mean}	0.37*** (0.08)	[0.21, 0.54]	0.65*** (0.10)	[0.47, 0.84]	.15* (0.07)	[0.01, 0.29]
SoP _{high}	0.58*** (0.08)	[0.43, 0.74]	0.99*** (0.07)	[0.86, 1.12]	.23* (0.11)	[0.02, 0.44]

Note. SoP was -0.75 (i.e., 1 *SD* below the mean) and 0.75 (i.e., 1 *SD* above the mean) for low and high levels of SoP, respectively. Confidence level of confidence interval (CI) = 95%, standard errors are in parentheses. * $p < .05$; ** $p < .01$; *** $p < .001$.

Hypothesis 3 predicted that SoP moderates the relationship between leader moral identity and ethical leadership such that leader moral identity has a stronger positive impact on ethical leadership when a leader's SoP is high than when it is low. A simple moderation model (see Table 2) indicated that the interaction term between leader moral identity and SoP is positively related to ethical leadership ($b = .28$, $\beta = .32$, $SE = .14$, $p < .05$).

To examine the nature of the moderation further, we plotted the interaction effect between leader moral identity and SoP on ethical leadership, as illustrated in Figure 2, and tested the conditional effect of leader moral identity on ethical leadership on three values of SoP (see Table 4). Confirming Hypothesis 3, simple slope analyses showed that the positive impact of leader moral identity increased with ascending power levels ($\beta = 0.16$ – 0.58). Thus, Hypothesis 3 is supported.

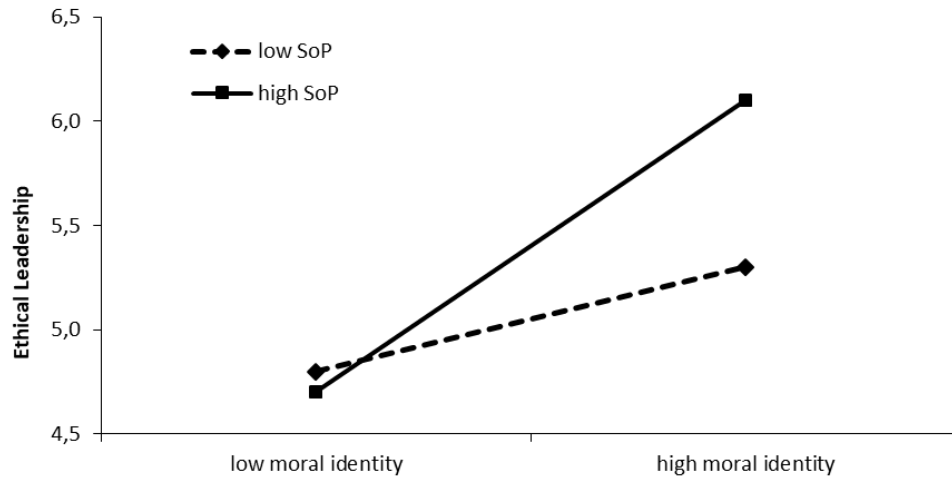


Figure 2. Moderating effect of a leader's SoP on the relationship between leader moral identity and ethical leadership.

Hypothesis 4 predicted that a leader's SoP moderates the strength of the mediated relationship between leader moral identity and ethical leadership via empathic concern such that leader moral identity has a stronger positive impact on empathic concern, and ultimately on ethical leadership, when a leader's SoP is high than when it is low. Table 3 reveals that the interaction term between leader moral identity and SoP is positively related to empathic concern ($b = .45, \beta = .35, SE = .10, p < .001$). The results of plotting the interaction effects (see Figure 3) and testing the respective conditional effect (see Table 4) show that increasing SoP levels enhance the positive relationship between leader moral identity and empathic concern ($\beta = 0.32\text{--}0.99$). Thus, SoP moderated the first stage of the model.

Finally, we tested the conditional indirect effect via empathic concern for the first-stage moderated mediation model. The conditional indirect effect reflects the dependence of the indirect effect via empathic concern on the SoP level, which affects the first stage of the mediated effect. As illustrated in Table 4, empathic concern ($\beta = 0.15\text{--}0.23$) mediated the positive relationship between leader moral identity and ethical leadership in cases of medium and high levels of SoP; the positive impact of leader moral identity on ethical leadership via empathic concern increased with growing levels of SoP. The total conditional effect of SoP, mirroring the dependence of both the indirect effect via empathic concern, and the direct path between moral identity and ethical leadership, on the degree of SoP consistently indicated the

increasing impact of moral identity on ethical leadership with rising power levels (1 *SD* below the mean: slope: $\beta = .15$, $SE = .15$, $p > .05$; the mean: slope: $\beta = .37$, $SE = .09$, $p < .001$; 1 *SD* above the mean: slope: $\beta = .58$, $SE = .08$, $p < .001$). Thus, Hypothesis 4 is supported.

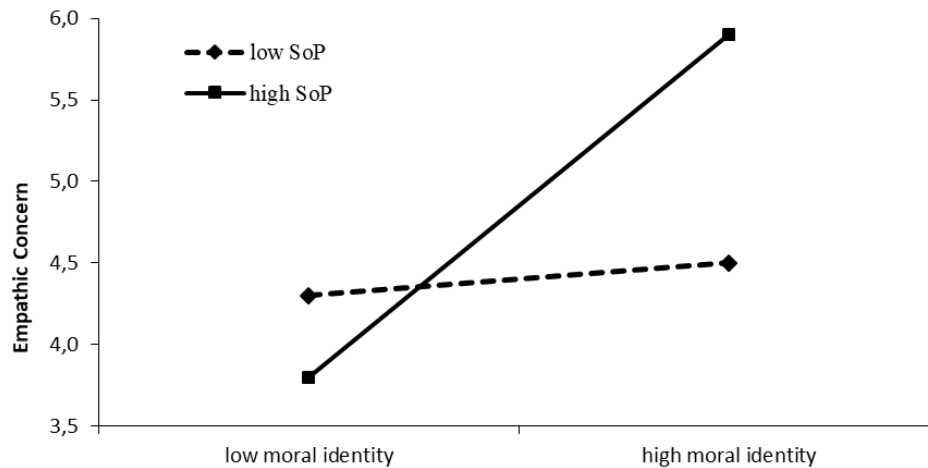


Figure 3. Moderating effect of a leader's SoP on the relationship between leader moral identity and empathic concern.

Discussion

Elucidating the underlying mechanism of the relationship between leader moral identity and ethical leadership from a social-cognitive perspective, the proposed moderated mediation model was empirically substantiated. Results indicated, first, that leader moral identity and ethical leadership were positively associated. Second, empathic concern towards followers mediated the positive relationship between leader moral identity and ethical leadership. Third, a leader's SoP moderated both the direct relationship between leader moral identity and ethical leadership and also the mediated relationship, in the sense of enhancing the positive impact of moral identity on the particular affective and behavioral outcome as the power level increased. Thus, the proposed first-stage moderated mediation model is fully supported.

Theoretical implications

The present study extends organizational research in several respects. One contribution of the study consists of replicating, with the aid of a methodological variant, the finding that leader moral identity is positively related to ethical leadership (Mayer et al., 2012; Zhu et al.,

2016). We used a different measure for ethical leadership than the two former studies – that is, the ELW (Kalshoven et al., 2011) – instead of the commonly used one-dimensional and far shorter measure developed by Brown and colleagues (2005). Thus, our finding further emphasizes the role of leader moral identity in ethical leadership.

One main contribution refers to the examination of the mechanism that underlies the link between leader moral identity and ethical leadership from a social-cognitive perspective, as more complex theoretical considerations are necessary for understanding moral identity and its relation to behavior in organizational contexts (see Shao et al., 2008). We found that a leader's empathic concern towards followers, which represents a morally relevant affective state, mediates the relationship between moral identity and ethical leadership. In general, the examination of moral emotions as mediating mechanisms with regard to the impact of moral identity on behavior is limited, as previous studies have focused on cognitive mechanisms, such as moral disengagement (e.g., Aquino et al., 2007; Detert et al., 2008). Few previous studies on moral emotions as a behavioral mediator of moral identity's impact are predominantly limited to self-oriented discrete moral emotions, such as guilt (e.g., Kavussanu et al., 2015); only one experimental finding indicates empathy is a mediator in the link between moral identity and donating (Lee et al., 2014). However, to our knowledge, our research is the first to show that, in the context of an organizational multi-level and multi-source field study, a complex affective state – a leader's empathic concern towards followers – mediates the relationship between moral identity and leadership behavior. Our study hence highlights the relevance of moral emotions in translating moral identity into action. From a social-cognitive perspective, the in the cognitive network embedded affective script of empathic concern towards relevant others, such as followers, is for leaders with a high moral identity chronically more accessible on a cognitive level than is the case for those with a low moral identity. This increased other-oriented affective state, in turn, facilitates ethical leadership behavior. Our finding that a leader's empathic concern towards followers significantly predicts ethical leadership corresponds with

the very robust empirical picture of the relationship between empathy and moral behavior (e.g., Davis et al., 1999; Eisenberg et al., 2002).

Furthermore, our study first examined leader power as a situational conditional factor in the relationship between leader moral identity and leadership behavior. Two previous findings on interaction effects between power and moral identity refer to outcomes, such as self-reported deviant behavior and organizational citizenship behavior (DeCelles et al., 2012; Joosten et al., 2015). Based on our survey of leaders and their teams, our multi-level data indicated that a leader's SoP intensifies the link between moral identity and both the affective state of empathic concern and ethical leadership; the latter was affected by the interaction effect between leader moral identity and power, directly and indirectly, via empathic concern. Scientific knowledge of situational factors that can influence the salience of moral identity in organizational contexts is scarce (Shao et al., 2008), and so our finding first indicates that a leader's power can shape specific leader behavior, such as ethical leadership, by increasing the salience of a leader's moral identity. From a social-cognitive angle, power experience represents a valid situational factor in the organizational context that can increase the temporary cognitive accessibility of a leader's moral identity in the working self-concept. This finding corresponds with the approach-inhibition theory of power (Keltner et al., 2003) and its related research, which shows that power reveals the person's true nature by enhancing the impact of dispositions on affective and behavioral outcomes (Galinsky et al., 2015).

At the same time, the present study extends research on ethical leadership, as scientific knowledge of the antecedents of ethical leadership is limited, and hardly any studies have examined any explanatory mechanisms in the development process (Treviño & Brown, 2014). Thus, one significant theoretical contribution of our finding is the examination of a moral self-concept-dependent development process of ethical leadership, which is considered from a power-processing perspective. Even though leader moral identity has been related to ethical

leadership in former studies (e.g., Mayer et al., 2012), our study is the first to indicate that a leader's affective empathy towards his or her followers is not only an important direct antecedent of ethical leadership behavior but also a behavioral mediator. Additionally, the present study is one of the first (see Sanders et al., 2015, for one exception) to explore the function of leader power in the context of ethical leadership behavior. The interaction effect between leader power and moral identity as a disposition suggests that personality directs the processing of power experience, ultimately defining those specific effects on a leader's affective state and leader behavior. This result contradicts traditional theses, which regard power as an immoral force (Keltner, Langner, & Allison, 2006).

One final contribution relates to the research on power. Field research on the role of power in organizational contexts is scarce, and scientific knowledge of power effects predominantly originates from experimental laboratory studies (e.g., Anderson & Brion, 2014). The present study addressed this substantial research gap and demonstrated the moderating effect of power in an organizational setting and in relation to leader behavior. Consistent with our hypotheses and previous studies on power interaction effects on leadership behavior (e.g., Sanders et al., 2015; Wisse & Sleebos, 2016), a leader's SoP enhanced the link between leader moral identity and a leader's morally relevant affective state, that is, empathic concern towards his or her followers. The exploration of the influence of power interaction effects on affective outcomes is limited; one study has indicated an interaction effect of power and prosocial orientation on empathic accuracy (Côté et al., 2011). Our study, then, is one of the first to demonstrate that power moderates the relationship between personality and affective states.

At the same time, our results on the moderating role of power contradict experimental research on power effects, which states that power experience itself affects empathic patterns of perception and behavior, such as by enhancing empathic accuracy (e.g., Schmid Mast, Jonas, & Hall, 2009) or by representing a diminishing influence on perspective-taking (Galinsky, Magee, Inesi, & Gruenfeld, 2006) and compassion (Van Kleef et al., 2008). The present study

did not find any direct connection between leaders' SoP and reported empathy towards their followers. Our result corresponds with the finding of another field study, which reports no link between a student's SoP and empathy in the context of medical school (Toto, Man, Blatt, Simmens, & Greenberg, 2015). Thus, our study may further indicate that experimental designs are limited in their capacity to capture the cognitive and behavioral complexities of power experience in real-life settings (see Anderson & Brion, 2014) and substantiates the conceptualization of power as a neutral energetic capacity that reveals underlying dispositions and internal states (see Galinsky et al., 2015).

Practical implications

The present study has fruitful implications for management practice. The finding of a positive relationship between leader moral identity and ethical leadership could be incorporated into leader assessments with the purpose of leader development. In this context, the responsible persons should consider the high significance of test validity and avoid using insufficiently validated test methods for managerial selection (e.g., Judge, Bono, Ilies, & Gerhardt, 2002). Building on the idea of leader development and our finding of a leader's empathy as a direct antecedent of ethical leadership, a leader's empathic concern towards his or her followers can be also assessed and trained. Using elements from *Sensitivity Training* that facilitate a leader's empathy (Lee-Chai et al., 2001) might be advantageous in this respect. Research accordingly shows that a well-designed leadership program can significantly promote ethical leadership behavior (Van Velsor & Ascalon, 2008).

A final implication refers to the role of leader power. As power intensifies the impact of dispositions, organizations should accurately observe and check the behavior of leaders on a regular basis, for example, in the form of 360° management feedback. This procedure enables early recognition of those leaders who have a high moral identity and are thus suitable for high-power positions, given the expected effect of that variable on ethical leadership behavior. This is particularly critical on account of the trend toward flatter and leaner organizational structures,

which require leaders, as they ascend the hierarchy, to assume relatively more leadership responsibility and power per level, although their leadership qualities are comparatively less proven (Erker, Cosentino, & Tamanini, 2010).

Limitations and directions for future research

The present study exhibits some limitations. Issues of practicability related to organizational research focused on units of leaders and their followers resulted in a cross-sectional research design, and so we cannot draw any causal conclusions. Future research could consider this issue by replicating our model using longitudinal data. Since three variables stemmed from the same source (i.e., leader ratings), another limitation is the risk of common-method bias. Even though findings show that common-method variance has a minor impact on self-report data (Chan, 2009), we adopted appropriate measures to reduce the risk of common-method bias, such as using multi-source data and theoretically substantiated control variables, testing the discriminant validity of the study variables, and examining a moderated mediation model (Antonakis, Bendahan, Jacquart, & Lalive, 2010; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). As significant interaction effects are very unlikely in the case of artificially inflated relations (Edwards & Lambert, 2007), the present study's results strongly indicate that common-method variance had a limited impact on our findings.

Another possible limitation is that we used a direct measurement of moral identity instead of a latent approach. The direct measure is not appropriate for identifying moral exemplars and may be more prone to social desirability or self-presentational biases (Shao et al., 2008). However, a direct measurement represents a valid indicator of the perceived degree of moral identity and “should demonstrate superior predictive utility (...) when examining situational influences on the regulatory potency of moral identity” (Shao et al., 2008, p. 523). The major part of research on moral identity has consequently used direct measures to examine its relationship to moral outcomes (Shao et al., 2008).

A final concern may be that the study was conducted in one specific national context, even though the sample reflected a wide range of branches and organizations, which facilitates the results' generalizability. Thus, future examinations of an international sample could further extend the generalizability of our findings (Bond, 1998).

Beyond these limitations, the present study offers additional options for future research. First, future studies could focus on further explicating the relationship between leader moral identity and ethical leadership. Following the two-stage model of empathic responding by Coke and colleagues (1978), a leader's perspective-taking capacity could be examined as an antecedent of a leader's empathic concern, thus extending the current model to a serial mediation model. This approach could provide further insight into the specific mechanism of the moral identity-ethical leadership link.

As we captured the development process of ethical leadership from a moral self-concept-dependent power-processing perspective, we additionally hope to encourage future research on interactions between power experience and dispositions relating to ethical leadership as an outcome, also focusing on mediating mechanisms such as cognitive and affective states. Moreover, future research should focus on the role of further environmental factors. The present study explored a leader's SoP as a situational variable to increase the salience of moral identity. However, other environmental factors, such as organizational culture, might also determine the salience of moral identity (Shao et al., 2008). In this respect, it might be interesting to compare the relative impact of different organizational situational factors on the salience of moral identity by simultaneously exploring the effects of competing antithetical situational factors on the salience.

Conclusion

Our study extends theory and research on both the antecedents of ethical leadership and the effect-mechanism of moral identity in an organizational context by examining a moderated mediation model of leader moral identity and ethical leadership from a social-cognitive perspective. A leader's morally relevant affective state – empathic concern towards his or her followers – mediated the relationship between leader moral identity and ethical leadership, while a leader's power enhanced the salience of his or her moral identity, therefore shaping the particular affective and behavioral outcomes. Thus, a leader's power experience empowers the moral self by promoting the transformation of moral identity's potential into ethical leadership behavior.

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Study II:

Power at the cost of morality: the leader Machiavellianism-ethical leadership link as mediated by moral disengagement, and moderated by leader power

Abstract

The study's goal is to examine the relationship between leader Machiavellianism and ethical leadership by elucidating a personality-dependent development process of ethical leadership from a power experience processing perspective. Drawing on the social cognitive theory of moral thought and action by Bandura (1991), and the approach-inhibition theory of power (Keltner, Gruenfeld, & Anderson, 2003), we test an integrative first-stage moderated mediation model which depicts the relationship between leader Machiavellianism and ethical leadership by an intervening moral cognition-based mechanism, while incorporating the moderating role of a leader's power. Results of a field study that surveyed 123 leader-follower dyads supported the proposed model: work-related moral disengagement mediated the negative relationship between leader Machiavellianism and ethical leadership; a leader's sense of power moderated both the direct relationship between leader Machiavellianism and ethical leadership and the first stage of the mediation model. Theoretical and practical implications are discussed.

Keywords: ethical leadership; Machiavellianism; moral disengagement; power; social-cognitive theory

Introduction

“[A leader] must stick to the good for as long as he can, but, being compelled by necessity, must be willing to take the way of evil” (Machiavelli, 1513/1981, p. 69).

Machiavelli’s statement in *The Prince*, an ancient guide for manipulative leadership tactics serving the pursuit of power, indicates a complex relationship between morals and Machiavellianism (Mach)², a personality trait marked by the manipulation and exploitation of others for personal gain (Christie & Geis, 1970). As high Machs show a distinct motivation to lead and are consequently more likely to hold powerful organizational positions (Mael, Waldman, & Mulqueen, 2001), scholarly interest in the role of Mach in work settings has increased (Dahling, Whitaker, & Levy, 2009; Kessler et al., 2010), particularly in relation to leader behavior (Judge, Piccolo, & Kosalka, 2009; Kiazad, Restubog, Zagencyk, Kiewitz, & Tang, 2010). Concurrently, frequent ethical scandals have raised the awareness for the significance of ethical leadership behavior for organizational outcomes (Brown, Treviño, & Harrison, 2005). Although leader Mach seems prevalent in powerful organizational positions (Mael et al., 2001), wherefore scientific knowledge on related mechanisms and effects on leadership efficacy is of high practical relevance, and ethical leadership is a clear behavioral sign of an effective leader (Treviño & Brown, 2014), the relationship between Mach as a leader’s trait and ethical leadership behavior has scarcely been explored. Even though the expected nature of the relationship between leader Mach, which is marked by self-interest, and ethical leadership might seem obvious at first sight, up to now, the true character of the relationship between Mach and leadership behaviors cannot be definitely determined. Current research indicates inconclusive results regarding Mach’s effect on effective leadership behavior, as studies indicate both detrimental and beneficial effects of Mach on leadership behavior (Judge et al., 2009).

² Consistent with previous research, Machiavellianism is abbreviated as Mach and Machiavellians as Machs.

Regarding the relationship between leader Mach and ethical leadership, findings are limited to examining the moderating role of leader Mach in the ethical leadership-outcomes-link, leading to inconsistent results (Den Hartog & Belschak, 2012; Kwak & Shim, 2018). Discrepant findings regarding organizational behavioral phenomena can result from insufficient regard for the specific impact of important context factors on organizational behavior (Johns, 2006). Thus, this study takes up this issue and contributes to the sparse and unclear state of research by offering a theoretically-driven explanation for how, why and when leader Mach and ethical leadership behavior are related.

Thus, we develop and test an integrative moderated mediation model, which depicts the relationship between leader Mach and ethical leadership. We draw on both the social cognitive theory of moral thought and action by Bandura (1991), which explains the development of ethical behavior by an interactionist perspective, integrating personal factors, moral cognition, and environmental factors, and the approach-inhibition theory of power (Keltner et al., 2003). The latter describes how power changes the psychological state of power holders. Applying a self-regulation perspective on the development of ethical behavior as rooted in the social cognitive theory (Bandura, 1986), we assume that work-related moral disengagement mediates the negative relationship between leader Mach and ethical leadership.

Beyond that, we include a leader's power experience as conditional context factor, as an important feature of the organizational context is the prevalence of hierarchical systems. These are marked by power differences and the resulting diverging personal sense of power of the individual organizational members (Anderson, John, & Keltner, 2012; Magee & Galinsky, 2008). As leader Mach seems associated with the gradual advancement to the occupation of powerful organizational positions (Mael et al., 2001), power experience represents a key context factor, which influences the relationship between leader Mach and leader behavior. Based on the social cognitive theory of moral thought and action (Bandura, 1991), which acknowledges the significance of environmental influences on moral behavior, and the

approach-inhibition theory of power (Keltner et al., 2003), whose related research indicates a personality-revealing effect of power experience (Galinsky, Rucker, & Magee, 2015), we consequently argue that a leader's sense of power (SoP) moderates both the direct relationship between leader Mach and ethical leadership and the mediation process, such that a leader's SoP enhances the impact of Mach's inherent tendencies on the particular cognitive and behavioral outcomes.

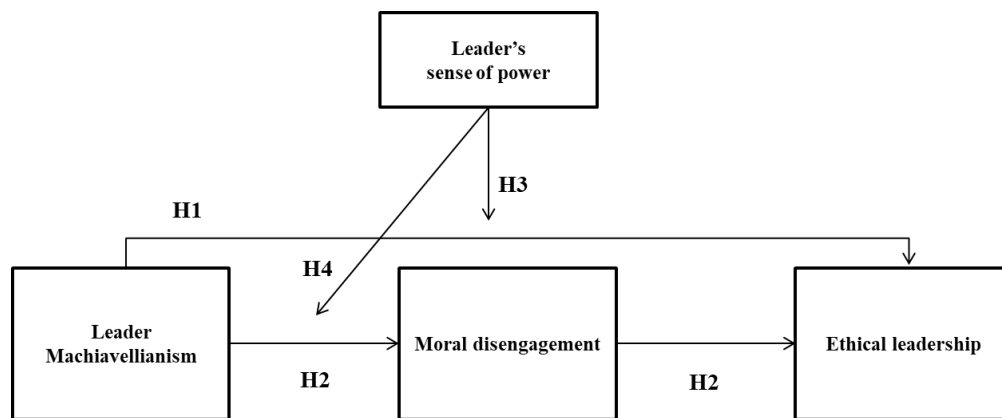


Figure 1. Hypothesized model of processes linking leader Mach and ethical leadership, moderated by a leader's SoP and mediated by work-related moral disengagement.

The developed integrative model (see figure 1) captures the relationship between leader Mach and ethical leadership by an intervening moral cognition-based mechanism, while incorporating the moderating role of a leader's SoP in his or her organizational context, and aims to extend current research in different fields in three ways:

Research on antecedents of ethical leadership is under-represented and mainly limited to the exploration of a few leader personality traits, such as moral identity and agreeableness. Studies of relations between ethical leadership and dark personality traits are even scarcer, and are limited to testing leader Mach as a conditional variable in the ethical leadership-outcomes-link (Den Hartog & Belschak, 2012; Kwak & Shim, 2018); beyond that, examinations of possible explanatory mechanisms in the development process of ethical leadership virtually don't exist (see Treviño & Brown, 2014 for a review). Building on this notable gap in research, we first elucidate the emergence of ethical leadership behavior by exploring a theoretically

driven explanatory mechanism relating leader personality to ethical leadership behavior, while integrating an environmental context factor, namely the role of leader power.

Second, as there is still uncertainty about leader Mach's impact on effective leader behavior (e.g., Judge et al., 2009), we first examine the relationship between leader Mach and ethical leadership, a leadership style, that has gained increasing scholarly interest due to its positive effects on organizational outcomes (Treviño & Brown, 2014).

Third, following the call for more field research on the role of power experience for actual leaders (e.g., Anderson & Brion, 2014), this field study builds on scarce investigations into the moderating role of leader power in relation to leader behavior (e.g., Wisse & Rus, 2012), and examines interaction effects between power experience and leader personality in relation to leader cognition and ethical leadership behavior.

Theoretical background and hypotheses development

The relationship between leader Mach and ethical leadership

Ethical leadership is defined as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (Brown et al., 2005, p. 120), and can be described by the following seven distinct behavioral dimensions of a leader (Kalshoven, Den Hartog, & De Hoogh, 2011): fairness (fair treatment of employees and fair decision-making), integrity (trustworthy and honest leader behavior), power-sharing (follower participation in decisions, and considering their ideas), people orientation (sincerely interested, supportive and individually considerate treatment of follower needs), ethical guidance (communication of ethics, codes of conduct, and promotion of employee ethical conduct), role clarification (elucidation of responsibilities, expectations, and performance goals), and concern for sustainability (broad ethical awareness in the sense of sustainability issues and the welfare of the society). Research has extensively demonstrated the beneficial effect of ethical leadership on numerous follower outcomes, e.g. follower performance and

positive job-related affective states, such as job satisfaction and organizational commitment; thus, ethical leadership is generally seen as highly effective leadership behavior (see Treviño & Brown, 2014 for a review).

Contemporary research shows an unclear picture regarding Mach's impact on effective leadership behavior (Judge et al., 2009). Studies suggest both beneficial effects of Mach – e.g. in form of charismatic leadership – and Mach's detrimental impact on leadership behavior, e.g., as reflected by a positive relation between Mach and abusive supervision (Bedell, Hunter, Angie, & Vert, 2006; Kiazad et al., 2010). Regarding the relationship between leader Mach and ethical leadership, findings are limited to testing the moderating role of leader Mach in the ethical leadership-outcomes-link, leading to discrepant results (Den Hartog & Belschak, 2012; Kwak & Shim, 2018). Den Hartog and Belschak (2012) found that leader Mach weakens the positive effect of ethical leadership on employee work engagement, whereas Kwak and Shim's study (2018) indicates that leader Mach strengthens the relationship between ethical leadership and employee voice.

Regarding the hitherto unexplored direct relationship between leader Mach and ethical leadership, the question arises concerning the nature of this link. As ethical leadership is predominantly marked by an ethical behavioral dimension, we summarize in the following relevant research on Mach with focus on ethics, subsequently relating it to ethical leadership behavior.

The personality construct of Mach, developed by Christie and Geis (1970) and rooted in Niccolò Machiavelli's (1513/2008) leadership philosophy, rigorously follows the principle of “the end justifies the means”, and is predominantly characterized by three components: the belief in manipulative tactics, a cynical worldview, and a pragmatic morality (Jones & Paulhus, 2009). Thus, the Machiavellian interpersonal style is characterized by frequent and conscious manipulation, exploitation, and deception of others for personal gain, by reduced affect in interpersonal relationships so that others are perceived as means to personal ends, and a limited

concern for morals (Jones & Paulhus, 2009; Kessler et al., 2010; Wilson, Near, & Miller, 1996). Machs do not have absolute moral principles, but a “pragmatic, non-idealistic ethical orientation” (Leary, Knight, & Barnes, 1986, p.78). Thus, Mach is associated with a reduced perceived importance of ethical issues, limited scruples about unethical behavior (Rayburn & Rayburn, 1996; Valentine & Fleischman, 2018), and an inclination to lower ethical standards (Singhapakdi & Vitell, 1991), prioritizing competence values over moral values (e.g., Trapnell & Paulhus, 2012). Simultaneously, Machs show a greater readiness to accept unethical behavior (e.g., Cohen, Panter, Turan, Morse, & Kim, 2014; Winter, Stylianou, & Giacalone, 2004). Accordingly, Mach is considered an important component of a low moral character (Cohen et al., 2014). The relationship between Mach and low morality is empirically confirmed (Fehr, Samsom & Paulhus, 1992; Kish-Gephart, Harrison, Treviño, 2010): Mach is correlated with unethical intentions, decisions and behavior (Fehr et al., 1992; Greenbaum, Hill, Mawritz, & Quade, 2017; Kish-Gephart et al., 2010; Ruiz-Palomino & Bañón-Gomis, 2017; Tang & Cheng, 2008).

With regard to the interpersonal level of Mach, research indicates limited concern for the welfare of others, thus prioritizing others' needs, feelings, and rights after their own, and a tendency for devaluating collective interests (Jonason, Strosser, Kroll, Duineveld & Baruffi, 2015; Jones & Figueredo, 2013). Further, Machs tend to adopt a negative perspective of other people, for example, perceiving them as low in global intelligence. Machs are consequently perceived as less sympathetic (e.g., Rauthmann, 2012). Mach is accordingly negatively correlated with agreeableness and empathy, indicating an inherent asocial tendency (Austin, Farrelly, Black, & Moore, 2007; Paulhus & Williams, 2002). In organizational settings, Mach is characterized by harsh management tactics, manipulative behavior, and counterproductive work behavior (Dahling et al., 2009; Jonason, Slomski, & Partyka, 2012; Kessler et al., 2010; O’Boyle, Forsynth, Banks, & McDaniel, 2012). High Mach leaders are more commanding, make less effort to reduce interpersonal tensions and use harsh management tactics (Drory &

Gluskinos, 1980; Kessler et al., 2010). Consequently, Mach is correlated with abusive supervision and authoritarian leadership (Kiazad et al., 2010; Wisse & Sleebos, 2016).

Taking into consideration the research on Mach outlined above, the behavioral tendencies of high Mach leaders essentially interfere with core components of ethical leadership. The essence of ethical leadership consists of “serving the greater good”, reflected by prioritizing collective interests over self-serving interests (Treviño, Brown, & Hartmann, 2003, p. 19), which is fundamentally opposed to the Machiavellian principle of exploiting others for personal gain (Wilson et al., 1996). Coincidentally, Machs’ reduced interpersonal involvement and insufficient sensitivity to the emotions, needs, and intentions of others (e.g., Greenbaum et al., 2017), accompanied by a derogatory perspective of other people (Rauthmann, 2012), are incongruent with the facets of ethical leadership: people orientation, power-sharing, and fairness which describe fair, respectful, participative and individually considerate treatment of employees (Kalshoven et al., 2011). Further, the Machiavellian latent readiness to engage in unethical behavior, which is rooted in poorly developed moral values and ethical standards, and involves an indifference towards others’ unethical behavior (Cohen et al., 2014; Fehr et al., 1992; Jones & Paulhus, 2009), is diametrically opposed to ethical leadership dimensions, such as personal integrity, the emphasis on ethics at work, the promotion of ethical employee conduct (ethical guidance), and a broad ethical awareness (concern for sustainability; Kalshoven et al., 2011). Thus, in sum, we propose:

Hypothesis 1: Leader Mach is negatively related to ethical leadership.

Mediating role of moral disengagement

Social-cognitive perspectives on personality acknowledge that personality significantly influences cognitions (Mischel, 1979), which, in turn, play a central role in moral behavior (Blasi, 1983). The social cognitive theory of moral thought and action by Bandura (1991), which is rooted in the broader social cognitive theory (Bandura, 1986), explains how moral reasoning guides moral conduct by positing the mechanism of moral disengagement. Linking

moral reasoning to moral behavior, moral disengagement describes a cognitive process that involves the deactivation of moral self-regulatory mechanisms in order to justify engaging in behaviors perceived as immoral (Bandura, Barbaranelli, Caprara, & Pastorelli, 1996). In general, people possess moral standards which have a self-regulatory function; a discrepancy between one's own moral standards and behavior causes psychological discomfort, called cognitive dissonance (Festinger, 1957; see Bonner, Greenbaum, & Mayer, 2016). Based on the anticipated cognitive dissonance in the case of immoral behavior, the process of moral disengagement enables to cognitively dissociate an act from its moral significance and thus behave unethically (Bandura et al., 1996). The moral disengagement theory describes eight mechanisms which allow the deactivation of moral self-regulatory processes: moral justification, euphemistic labeling, advantageous comparison, displacement of responsibility, diffusion of responsibility, distorting consequences, dehumanization, and attribution of blame. Moral justification (justifying unethical behavior by the anticipated moral outcome), euphemistic labeling (purposefully using neutral language to let an act appear less immoral), and advantageous comparison (contrasting a dubious behavior with an even more immoral act) can be categorized as cognitive reframing of the behavior. Displacement of responsibility (attributing one's own responsibility to others, mostly hierarchically superior persons), diffusion of responsibility (relativizing personal responsibility in the light of collective immoral behavior), and distorting consequences (minimizing harmful effects) serve the overarching purpose of dissociating oneself from the negative effects of immoral behavior by relativizing one's role in the unethical acts. Finally, dehumanization (ignoring or denying the human qualities of the victim) and attribution of blame (shifting the blame for one's immoral behavior to the victim's input behavior) reduce identification with the victims (Bandura et al., 1996; Detert, Treviño, & Sweitzer, 2008).

Although these cognitive mechanisms reflect a universal cognitive process, moral disengagement can be captured as a “generalized cognitive orientation to the world that

differentiates individuals' thinking" by the degree to which they are accustomed to depend on these mechanisms (Moore, Detert, Treviño, Baker, & Mayer, 2012, p.6). Accordingly, Detert and colleagues (2008) showed that the individual tendency to morally disengaged cognitions depends on specific personality variables and mediates the specific effects of personality traits on unethical decision behavior.

Mach as an individual difference variable is characterized by manipulative and asocial behavior, which solely serves the purpose of satisfying self-interest (e.g., Jones & Paulhus, 2009). From a social cognitive self-regulatory perspective, Mach "may reflect either insufficient internalization of widely shared moral standards or the internalization of counternormative standards that often dominate decision making when two or more standards conflict" (Moore et al., 2012, p.37). Thus, high Machs ought to be more prone to moral disengaged cognitions, as these mechanisms allow egoistic and immoral behavior without the emergence of psychological discomfort by offsetting prosocial moral norms. Empirical findings consistently confirm that Mach is positively linked to morally disengaged cognitions (Egan, Hughes, & Palmer, 2015; Moore et al., 2012).

According to the social cognitive theory of moral thought and action (Bandura, 1991), moral disengagement represents a direct antecedent of immoral behavior. The relationship between morally disengaged cognitions and unethical behavior is widely confirmed (Aquino, Reed, Thau, & Freeman, 2007; Bandura et al. 1996; Beu & Buckley, 2004; Detert et al., 2008; Moore 2008; Moore et al. 2012); moral disengagement has been linked to dishonesty and antisocial behaviors (e.g., Risser & Eckert, 2016), organizational corruption (Moore, 2008), and unethical behavior in the work setting (Moore et al., 2012). A study has consistently confirmed a negative relation between leader moral disengagement and ethical leadership (Bonner et al., 2016). Moral disengagement infers a deviation of moral standards and moral aspects of situations (Bandura et al., 1996) which is discrepant with the universal focus on ethics in the context of ethical leadership. Thus, a morally disengaged leader will more easily commit ethical failures,

while laying limited emphasis on communicating ethics and promoting ethical behavior among his or her followers (see also Bonner et al., 2016).

Building on the social cognitive theory of moral thought and action (Bandura, 1991), while incorporating relevant empirical evidence, we propose moral disengagement as a key mechanism in the relationship between leader Mach and ethical leadership:

Hypothesis 2: Moral disengagement mediates the relationship between leader Mach and ethical leadership, such that the relationship between leader Mach and moral disengagement is positive, and the relationship between moral disengagement and ethical leadership is negative.

The moderating role of a leader's sense of power (SoP)

Organizations as hierarchical systems are characterized by power differences which create dependence asymmetries, in which the powerless depend more on the powerful for resources than vice versa (Magee & Galinsky, 2008). Accordingly, power can be described as “asymmetric control over valued resources in social relations” (Magee & Galinsky, 2008, p. 361), involving “an individual's relative capacity to modify others' states by providing or withholding resources or administering punishments” (Keltner et al., 2003, p. 265). Leader roles, especially, are interrelated with a personal SoP (Magee, Gruenfeld, Keltner, & Galinsky, 2005), which is defined as the perception of one's ability to influence others (Anderson et al., 2012).

A growing field of research on power effects robustly shows that the experience of power represents a significant influence on a leader's psychological state since it alters the perception, cognition and behavior of power-holders in meaningful ways (e.g., Galinsky et al., 2015). The approach-inhibition theory of power explains these changes by a power-induced activation of the behavioral approach system (Gray, 1994) since powerful individuals perceive fewer social constraints and more resource-rich environments (Keltner et al., 2003). Behaviors that are related to the power-induced approach are reflected by a focus on rewards and opportunities in the environment (Inesi, 2010), a propensity to experience more positive affect

and optimism (Anderson & Galinsky, 2006), a higher action orientation (e.g., Galinsky, Gruenfeld, & Magee, 2003), enhanced automatic cognition, and generally disinhibited, more state and trait-driven behavior (e.g., Chen, Lee-Chai, & Bargh, 2001; Guinote, 2008). The last aspect is theoretically based on a Person x Situation approach; thus, power experience as a situative variable interacts with personality variables to produce distinct cognitive or behavioral effects, resulting in beneficial or detrimental effects on the environment (Chen et al., 2001; Lee-Chai, Chen, & Chartrand, 2001). One fundamental finding in the context of research on power consequently indicates that a powerholder's personality and internal states are better predictors of cognition and behavior than the dispositions of powerless individuals (e.g., Chen et al., 2001; Côté et al., 2011; DeCelles, DeRue, Margolis, & Ceranic, 2012; Galinsky et al., 2008; Kraus, Chen, & Keltner, 2011). Studies on the moderating role of power in the context of leader behavior consistently indicate interaction effects between power and leader self-construal, leadership beliefs, and leader accountability on self-serving behavior (Rus, van Knippenberg, & Wisse, 2010, 2012; Wisse & Rus 2012). Examinations of power interaction effects in relation to a distinct leadership style show that a leader's SoP enhances both the negative effect of leader Mach on abusive supervision and the negative effect of leader contempt – an emotion of superiority over or disdain for others – on ethical leadership (Sanders, Wisse, & Van Yperen, 2015; Wisse & Sleebos, 2016).

In line with these former investigations, we aim to analyze in-depth the role of a leader's SoP in the described mediation process between leader Mach and ethical leadership. On the basis of current research, which suggests that a SoP interacts with dispositions and internal states to reinforce their effects on cognitive and behavioral outcomes (e.g., DeCelles et al., 2012), we consider the magnitude of both the direct relation between leader Mach and ethical leadership, and the indirect effect via moral disengagement as a function of a leader's individual SoP. Thus, we propose:

Hypothesis 3: A leader's SoP moderates the relationship between leader Mach and ethical leadership such that leader Mach has a stronger negative impact on ethical leadership when a leader's SoP is high as compared to a low SoP.

Hypothesis 4: A leader's SoP moderates the strength of the mediated relationship between leader Mach and ethical leadership via moral disengagement such that leader Mach has a stronger positive impact on moral disengagement, and ultimately a stronger negative impact on ethical leadership, when a leader's SoP is high as compared to a low SoP.

Methods

Sample and procedure

An independent market research institute collected the data of leader-follower dyads and recruited a total of 123 companies. The size of the participating firms ranged from three to 1250 employees in total ($M = 87.39$; $SD = 154.24$) from a wide range of sectors (industry: 16.3%; service sector: 36.6%; education, health, and social sectors: 13.0%; public services: 8.1%; science and research sector: 4.1%; trade sector: 22.0%). Together with control variables, leaders reported their individual SoP in the organizational context, their disposition for Mach, and their inclination to morally disengage in the organizational setting. Employees rated their leaders' ethical leadership behavior and provided information about demographic data.

123 leader-follower dyads participated in the paper-and-pencil based study. 74.0% of the leaders were male and about half (45.5%) of them were between 46 and 55 years old (under 25 years: 0.8%; 26–35 years: 4.9%; 36–45 years: 28.5%; above 55 years: 20.3%). The educational level of leaders showed quite a balanced range (secondary modern school qualification: 2.4%; secondary school leaving certificate: 13.8%; higher education entrance qualification: 37.4%; university degree: 46.3%). Their number of followers ranged between one and 350 ($M = 21.74$; $SD = 35.91$). Female employees made up 58.5 % of the total, a substantial percentage of whom were between 36 and 45 years old (43.1%). The age distribution of the remaining employees was: under 25 years: 9.8%; 26–35 years: 28.5%; 46–55 years: 16.3%;

above 55 years: 2.4%. Employees exhibited medium education levels (no educational qualification: 0.8%; secondary modern school qualification: 22.8%; secondary school leaving certificate: 55.3%; higher education entrance qualification: 17.1%; university degree: 4.1%).

Measures

The survey was conducted in Germany. Since the original scales were written in English, for every measure that was not available in a German version, a back-translation process was conducted according to the procedure described by Brislin (1980) by employing independent qualified translators. Participants rated all measures on seven-point Likert-scales ranging from 1 (strongly disagree) to 7 (strongly agree).

Ethical leadership

Ethical leadership was measured with the validated German 37 items-Version (Block, Bormann & Rowold, 2015) of the Ethical Leadership at Work questionnaire (ELW), developed by Kalshoven and colleagues (2011). Sample items include, “My leader can be trusted to do the things (s)he says (s)he will do” or “My leader clearly explains integrity-related codes of conduct”. The ELW scale had a Cronbach’s alpha of $\alpha = 0.96$.

Sense of Power (SoP)

The leaders’ role-specific SoP was measured using the eight-item personal sense of power scale developed by Anderson and colleagues (2012). The scale was introduced by the statement “In the interactions with persons in my organization...”. Sample items are, “I think I have a great deal of power” or “My ideas and opinions are often ignored” (inverted). Cronbach’s alpha was calculated at $\alpha = 0.83$.

Mach

Leaders evaluated their level of Mach with aid of the nine-item Machiavellianism subscale of the Short Dark Triad (SD3) by Jones and Paulhus (2014). Sample items are, “It’s

not wise to tell your secrets” and “I like to use clever manipulation to get my way”. Cronbach’s alpha amounted to $\alpha = 0.85$.

Moral disengagement

Leaders assessed their own level of moral disengagement at work with the aid of the 24-item measure developed by Moore et al. (2012). Following Bonner et al. (2016), the original items were slightly adapted to the work context. Examples of items are, “People shouldn’t be held accountable for doing questionable things at work when they were just doing what an authority figure told them to do”, or “Playing dirty at work is sometimes necessary in order to achieve noble ends”. Cronbach’s alpha accounted to $\alpha = 0.96$.

Control variables

We controlled for leaders’ sex (1 = ‘male’, 2 = ‘female’), age (1 = < 25 years to 5 = > 55 years), and education levels (1 = no educational qualification to 5 = university degree). We controlled for leader sex due to a male tendency to act less ethically (e.g., Swamy, Knack, Lee, & Azfar, 2001) and the influence of a leader’s sex on followers’ perceptions of his or her ethics (Schminke, Ambrose, & Miles, 2003). Controlling for age was based on findings that indicate that older individuals usually behave in more socially appropriate ways (e.g., Armantier & Boly, 2011). Controlling education resulted from empirical evidence, suggesting that education is an important determinant of ethical behavior (e.g., Lind, 1993).

Construct validity

We conducted a series of confirmatory factor analyses with the aid of AMOS to test the discriminant validity of study variables, which stemmed from the same source, i.e., the leaders, referring to chi-square statistics and fit indices of *RMSEA*, *GFI* and *CFI* (Anderson & Gerbing, 1988; Joreskog, 1993). To meet sample size guidelines for parameter estimation (e.g., Landis, Beal, & Tesluk, 2000) and to enhance indicator stability (e.g., West, Finch, & Curran, 1995), we parceled the items following the recommendations of Kishton and Widaman (1994) for

multi-dimensional item sets. The hypothesized 3-factor model of Mach, SoP, and moral disengagement, $\chi^2 (17, N = 123) = 31.47, p < .05$; $RSMEA = .08$; $GFI = .95$ and $CFI = .98$, yielded a better fit to the data than a one-factor model (where all indicators were set to load on a single factor), $\chi^2 (20, N = 123) = 278.96, p < .001$; $RSMEA = .33$; $GFI = .66$ and $CFI = .69$, thus supporting the distinctiveness of the three study variables for subsequent analyses.

Table 1*Descriptive statistics and correlations*

	Variable	<i>M</i>	<i>SD</i>	1	2	3	5	6	7	8
1	Mach	4.12	1.06	1						
2	SoP	5.49	1.08	-.18	1					
3	Moral disengagement	2.90	1.17	.49***	-.49***	1				
5	Ethical leadership	4.83	0.96	-.44***	.30**	-.57***	1			
6	Leader sex	1.26	0.44	-.18	-.17	.07	.14	1		
7	Leader age	3.80	0.85	.08	-.08	-.18*	-.07	-.23*	1	
8	Leader education	4.28	0.79	.05	.11	-.20*	.05	-.28**	.40***	1

Note. *N* = 123. For leader sex, 1 = male, 2 = female. * $p < .05$; ** $p < .01$; *** $p < .001$.

Results

Table 1 implies descriptive statistics and bivariate correlations.

We tested hypotheses with regression analyses, in the case of the (moderated) mediation models based on path analytic procedures (Edwards & Lambert, 2007; Preacher, Rucker & Hayes, 2007). Testing Hypothesis 1, which predicted a negative relation between leader Mach and ethical leadership, we regressed ethical leadership on leader Mach and control variables. As depicted in Table 2, results confirmed a negative relation between leader Mach and ethical leadership ($b = -.39$, $\beta = -.43$, $SE = .08$, $p < .001$), thus substantiating Hypothesis 1.

Table 2

Regression analyses, predicting the direct (moderated) relationship

Variable	<i>Ethical leadership</i>			<i>Ethical leadership</i>		
	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Mach	-.39***	-.43***	.08	-.06	-.07	.08
SoP				.33***	.37***	.07
SoP x Mach				-.47***	-.57***	.07
Leader sex	.19	.09	.09	.28	.13	.07
Leader age	-.08	-.07	.09	-.02	-.02	.08
Leader education	.15	.13	.09	.04	.04	.08
<i>F</i>		7.92***			29.61***	
<i>R</i> ²		0.21			0.48	

Note. $N = 123$. For leader sex, 1 = male, 2 = female. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests. * $p < .05$; ** $p < .01$; *** $p < .001$.

In order to test the (moderated) mediation and moderation models (Hypotheses 2–4), we applied established path analytic procedures (Edwards & Lambert, 2007; Preacher et al., 2007) and bootstrapping analyses to assess the (conditional) indirect effects (Shrout & Bolger, 2002), using the SPSS macro PROCESS (Hayes, 2013; Preacher et al., 2007). As recommended by Hayes and Cai (2007), we applied a heteroskedasticity-consistent standard error estimator for the OLS regressions to prevent biased confidence intervals and mean-centered variables, used as a component in interaction terms, to prevent multi-collinearity (Cohen, Cohen, West,

& Aiken, 2003). The examination of (moderated) mediation models consisted of two steps (see Edwards & Lambert, 2007; Hayes, 2013). In the first step, the mediator variable (i.e. moral disengagement) was regressed on the independent variables and their interaction term in the case of moderated mediation (mediation model: leader Mach, moderated mediation model: leader Mach and SoP). The second step of the (moderated) mediation models predicted the dependent variable (i.e. ethical leadership) from the mediator (moral disengagement) and the predictor (leader Mach).

Hypothesis 2 proposed that moral disengagement mediates the relationship between leader Mach and ethical leadership such that the relationship between leader Mach and moral disengagement is positive, and the relationship between moral disengagement and ethical leadership is negative. Results from the mediation model showed that leader Mach was positively related to moral disengagement ($b = .58$, $\beta = .53$, $SE = .07$, $p < .001$), and moral disengagement ($b = -.42$, $\beta = -.52$, $SE = .09$, $p < .001$) was, in turn, negatively related to ethical leadership (see Table 3). The indirect effect of leader Mach via moral disengagement ($\beta = -.27$, $SE = .06$, $CI [-0.39, -0.18]$) on ethical leadership was significant. Thus, in support of Hypothesis 2, moral disengagement mediated the negative relationship between leader Mach and ethical leadership.

Table 3
Regression analyses of the (moderated) mediation models

Models		Mediation						Moderated mediation					
Outcome		<i>Moral disengagement</i>			<i>Ethical leadership</i>			<i>Moral disengagement</i>			<i>Ethical leadership</i>		
Variable		<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Mach		.58***	.53***	.07	-.14	-.15	.10	.38***	.35***	.09	-.14	-.15	.10
SoP								-.50***	-.46***	.07			
SoP x Mach								.18*	.17*	.07			
Moral disengagement					-.42***	-.52***	.09***				-.42***	-.52***	.09***
Leader sex		.24	.09	.09	.29	.13	.08	.02	.01	.09	.29	.13	.08
Leader age		-.19	-.14	.10	-.16	-.14	.08	-.29*	-.21*	.09	-.16	-.14	.08
Leader education		-.21	-.14	.09	.06	.05	.10	-.10	-.07	.08	.06	.05	.10
<i>F</i>			19.83***			16.23***			44.10***			16.23***	
<i>R</i> ²			.32			.40			.50			.40	

Note. *N* = 123. For leader sex, 1 = male, 2 = female. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests.

p* < .05; *p* < .01; ****p* < .001.

Table 4*Tests of direct and indirect conditional effects*

Model	<i>Mach x SoP → ethical leadership</i>		<i>Mach x SoP → moral disengagement</i>		<i>Mach x SoP → moral disengagement → ethical leadership</i>	
Mediator						
Level	Conditional direct effect	CI	Conditional direct effect	CI	Conditional indirect effect	CI
SoP _{low}	0.50 (0.14)	[0.23, 0.77]	0.17 (0.14)	[-0.10, 0.45]	-.09 (0.07)	[-0.23, 0.07]
SoP _{mean}	-0.07 (0.08)	[-0.23, 0.09]	0.35 (0.09)	[0.17, 0.52]	-.18 (0.05)	[-0.28, -0.09]
SoP _{high}	-0.63 (0.07)	[-0.77, -0.49]	0.52 (0.08)	[0.36, 0.67]	-.27 (0.06)	[-0.39, -0.16]

Note. $N = 123$. SoP was -1.00 (i.e., 1 *SD* below the mean) and 1.00 (i.e., 1 *SD* above the mean) for low and high levels of SoP, respectively. Significance tests for the conditional (in)direct effects were based on bias-corrected confidence intervals derived from 10000 bootstrapped samples (Shrout & Bolger, 2002). Confidence level of confidence interval (CI) = 95%, standard errors are in parentheses.

Hypothesis 3 predicted that SoP moderates the relationship between leader Mach and ethical leadership, such that leader Mach has a stronger negative impact on ethical leadership when a leader's SoP is high as compared to a low SoP. The results of calculating a simple moderation model (see Table 2) revealed that the interaction term between leader Mach and SoP is negatively related to ethical leadership ($b = -.47$, $\beta = -.57$, $SE = .07$, $p < .001$). Examining the nature of the moderation further, we plotted the interaction effect between leader Mach and SoP on ethical leadership, as illustrated in Figure 2, and tested the conditional effect of leader Mach on ethical leadership on three values of SoP (see Table 4). In line with H3, simple slope analyses showed that leader Mach had a negative impact on ethical leadership in the case of high levels of SoP ($\beta = -0.63$). However, in contradiction to H3, leader Mach had a positive impact on ethical leadership in the case of a low SoP ($\beta = 0.50$). As SoP affected not only the strength, but also the direction of the relationship between leader Mach and ethical leadership, H3 is partially supported.

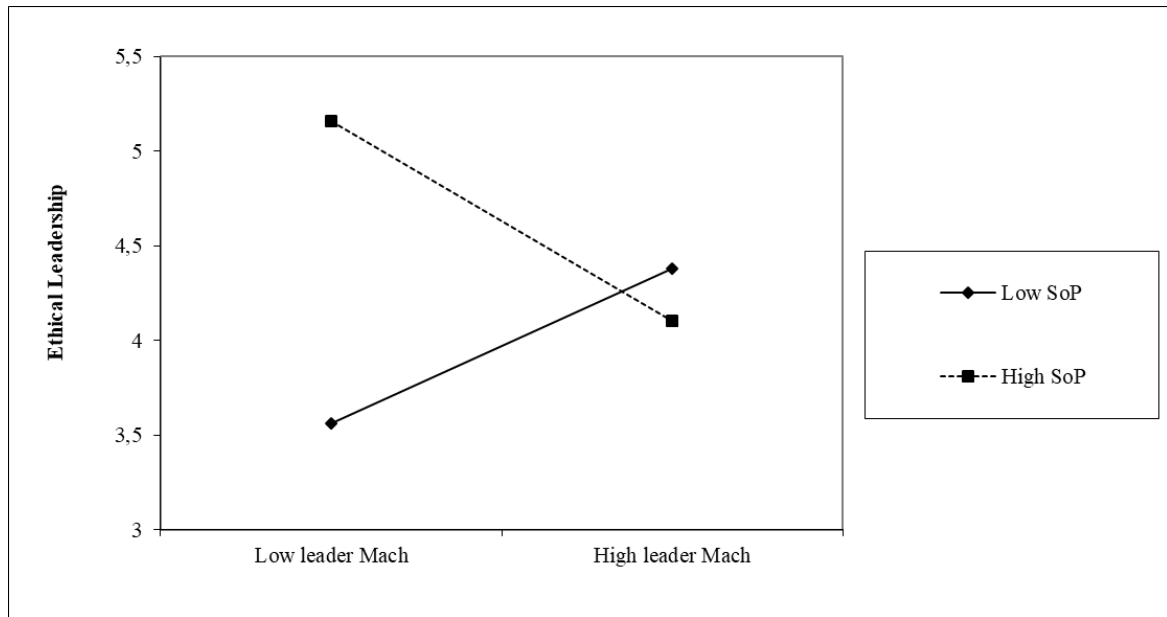


Figure 2. Moderating effect of a leader's SoP on the relationship between leader Mach and ethical leadership.

Hypothesis 4 proposed that a leader's SoP moderates the strength of the mediated relationship between leader Mach and ethical leadership via moral disengagement, such that leader Mach has a stronger positive impact on moral disengagement and ultimately a stronger negative impact on ethical leadership when a leader's SoP is high than when it is low. Table 3 reveals that the interaction term between leader Mach and SoP is positively related to moral disengagement ($b = .18, \beta = .17, SE = .07, p < .05$). The results of plotting the interaction effects (see Figure 3) and testing the respective conditional effect (see Table 4) show that increasing levels of SoP enhance the positive relationship between leader Mach and moral disengagement ($\beta = 0.17 - 0.52$). Thus, SoP moderated the first stage of the model.

Finally, we tested the conditional indirect effect via moral disengagement for the first-stage moderated mediation model. The indirect conditional effect reflects the dependence of the indirect effect via moral disengagement on the amount of SoP affecting the first stage of the mediated effect. As illustrated in Table 4, results showed that moral disengagement ($\beta = -0.18 - -0.27$) mediated the negative relationship between leader Mach and ethical leadership in cases

of medium and high levels of SoP; the negative impact of leader Mach on ethical leadership via moral disengagement increased with growing levels of SoP. Thus, Hypothesis 4 is supported.

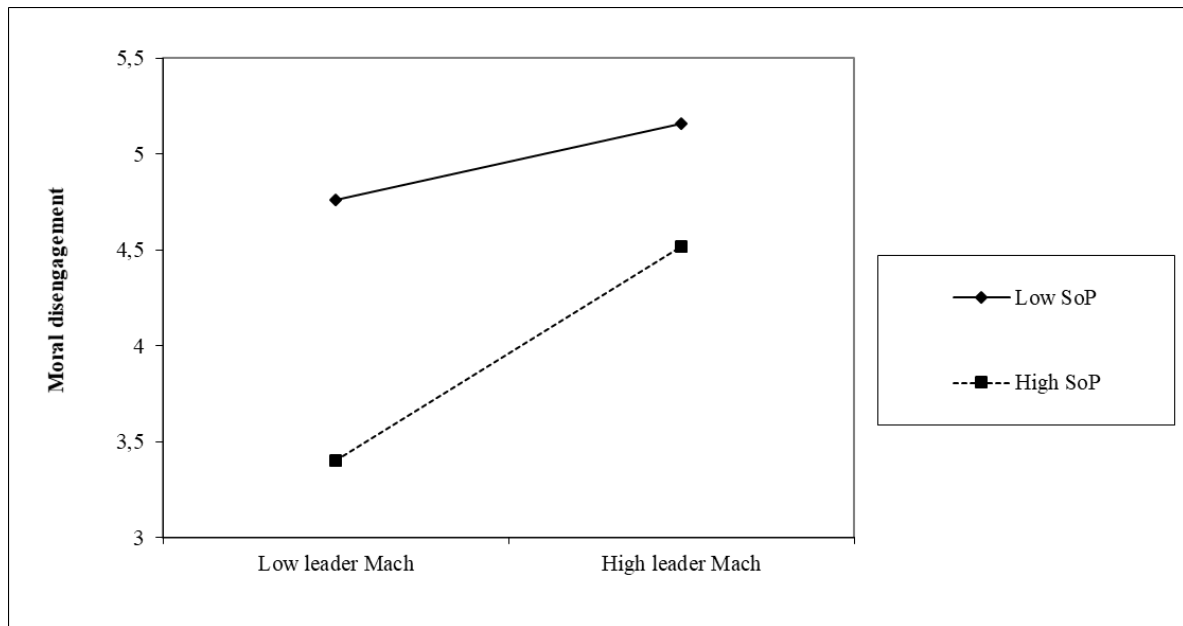


Figure 3. Moderating effect of a leader's SoP on the relationship between leader Mach and moral disengagement.

Discussion

In elucidating the relationship between leader Mach and ethical leadership, the proposed integrative moderated mediation model found substantial empirical support. Results revealed first, that leader Mach is negatively related to ethical leadership. Second, work-related moral disengagement mediates the negative relationship between leader Mach and ethical leadership. Third, a leader's SoP plays a significant moderating role in both the mediated relationship and the direct association between leader Mach and ethical leadership. Partially in contrast to the expected effect, leader Mach had an opposite effect on ethical leadership, depending on a leader's level of SoP; thus, in the case of low SoP, leader Mach and ethical leadership were positively related, whereas in the case of high levels of SoP, leader Mach and ethical leadership were strongly negatively associated. With regard to the first-stage moderated mediation model, SoP moderated the relationships in the sense of amplifying the inherent tendencies on the particular cognitive and behavioral outcomes. Thus, increasing levels of SoP strengthened the positive relationship between leader Mach and work-related moral disengagement, ultimately

reducing ethical leadership behavior. Thus, the proposed first-stage moderated mediation model is supported.

Theoretical implications

The present examination extends organizational research in several respects. One contribution refers to further elucidation of the nature of the relationship between leader Mach and leader behavior, as the current state of research is marked by inconclusive results (Judge et al., 2009). Although single findings indicate a positive association between leader Mach and effective leadership behavior, such as charismatic leadership (see Bedell et al., 2006), other findings suggest a detrimental effect in the form of authoritarian leadership and abusive supervision (Kiazad et al., 2010; Wisse & Sleebos, 2016). Building on Den Hartog's and Belschak's (2012) finding that leader Mach impairs the positive relation between ethical leadership and employee work engagement, our examination extends the current state of research by first examining the direct relationship between leader Mach and ethical leadership, a leadership style that is characterized by its high effectiveness in the form of various beneficial follower outcomes (Treviño & Brown, 2014). In addition, the finding of a negative relationship between leader Mach and ethical leadership as an explicitly ethics-related leadership style further emphasizes the low morality of high Machs in work settings, as indicated by studies on Mach's effect on unethical work behavior or organizational corruption (Moore, 2008; Moore et al., 2012).

The present study also extends research on ethical leadership by a) first examining Mach as a personality-related antecedent of ethical leadership; b) by identifying a moral cognition-based explanatory mechanism of the leader personality-ethical leadership link, and c) by analyzing the moderating role of a leader's SoP in this process. Thus, one notable theoretical contribution of the present study lies in examining a theory driven, personality-dependent development process of ethical leadership from a power experience processing perspective. To date, the research on the antecedents of ethical leadership has been scarce and mainly limited

to findings on relations between a few leader personality traits and ethical leadership, while widely ignoring the exploration of any explanatory mechanisms in the development process (Treviño & Brown, 2014). Although the relation between Mach and morally disengaged cognitions (e.g., Moore et al., 2012), and moral disengagement and ethical leadership (Bonner et al., 2016) respectively, has been separately examined, the present study extends research by combining these findings, thus suggesting the mediating role of leader moral disengagement in the relationship between leader Mach and ethical leadership.

Furthermore, the examination of ethical leadership's antecedents lacks theoretical underpinnings, while the ethical leadership-outcomes link is theoretically substantiated by the social learning theory (Bandura, 1986) and the social exchange theory (Blau, 1964; see Brown & Treviño, 2006). We first applied a theoretical framework in the form of the social cognitive theory of moral thought and action (Bandura, 1991) to explain the leader personality-dependent emergence of ethical leadership from a social cognitive self-regulatory perspective. Our findings consistently suggest that high Mach leaders are less likely perceived as ethical leaders due to their limited moral self-regulatory processes.

Beyond that, the examination of a leader's power experience as conditional factor specifies the dependence of this moral cognition-based mediation process. The interaction effects between power experience and Mach as a personality variable indicate that personality guides the processing of power experience, ultimately determining the specific effects on a leader's cognition and behavior. This finding challenges traditional views that assume power as a corrupting force with an inherent immoral tendency (Keltner, Langner, & Allison, 2006). The present examination is one of the first empirical studies (see Sanders et al., 2015 for one exception) that explored the role of leader power related to ethical leadership behavior, suggesting that power as a neutral energetic capacity intensifies the inherent tendencies of dispositions. Thus, our finding contradicts the perspective on power as a corruptive force per se.

A final significant contribution refers to the research on power effects. Since field research on the role of leaders' SoP for leader behavior is rare and scientific knowledge on power effects is primarily based on experimental laboratory studies (e.g. Anderson & Brion, 2014), the present study addressed this substantial research gap and analyzed the moderating role of SoP with respect to both the direct relationship between leader Mach and ethical leadership, and a first-stage moderated mediation model. Consistent with our propositions and former examinations on power interaction effects related to leadership behavior (e.g., Sanders et al., 2015; Wisse & Sleebos, 2016), a leader's SoP enhanced the correspondence between leader Mach and a leader's moral cognition, i.e., work-related moral disengagement, in the sense of strengthening the positive relationship with increasing levels of power. As the examination of power interaction effects on cognitive outcomes is scarce – one previous study showed a power interaction effect with moral identity on moral awareness (DeCelles et al., 2012) – this study offers one of the first empirical indications that power moderates the relation between personality and cognition. Whereas results of the moderated mediation model are consistent with research that states that power reveals personality and internal states (Galinsky et al., 2015), the test of the interaction effect between SoP and leader Mach on ethical leadership indicates a different aspect of the power interaction effect. Leader Mach had opposite effects on ethical leadership, depending on a leader's level of SoP: in the case of low SoP, leader Mach and ethical leadership was positively linked, whereas in the case of high levels of SoP, leader Mach and ethical leadership was strongly negatively associated. To our knowledge, neither former field studies nor laboratory studies have found a diametrical effect of personality in dependence of power levels on a behavioral outcome so far (see Galinsky et al., 2015). The negative relation between leader Mach and ethical leadership in the case of high SoP corresponds with the main finding that power reveals the person, as a SoP diminishes dependence on others and liberates the leader from normative constraints (Chen et al., 2001). However, the positive relationship between leader Mach and ethical leadership in the case of

low levels of SoP indicates that the display of ethical leadership behavior benefits the personal goals of high Mach leaders in low power positions. An essential of Mach is the “ends justify the means” principle and the subsequent readiness to engage in a variety of behaviors in order to pursue personal goals (Christie & Geis, 1970; Kessler et al., 2010). Thus, high Machs are compared to social chameleons, who adapt to their social environment in order to manipulate the situation to their favor (O’Boyle et al., 2012; Ruiz-Palomino & Banon Gomis, 2017). Based on a strategic planning of long-term goals, Machs consequently exhibit flexible use of manipulation strategies, including both soft and hard tactics (Bereczkei, 2015; Grams & Rogers, 1990; Jonason et al., 2012; Jones & Paulhus, 2009). Further, high Machs tend to lie and to create a desirable image in order to represent themselves in the best light possible (Becker & O’Hair, 2007; Jones & Paulhus, 2009; Kessler et al., 2010); thus, high Machs can be perceived as highly emotionally competent (O’Connor & Athota, 2013). Hence, the positive relation between leader Mach and ethical leadership at low SoP might result from instrumentalizing ethical leadership behavior in favor of high Mach leaders’ self-interests. Notably, the opposite effect of leader Mach on ethical leadership in dependence of power levels implies that the display of ethical leadership only seems to serve personal goals in low power positions, whereas in the case of a high SoP, high Mach leaders do not tend to engage in ethical leadership behavior. This finding corresponds with the scholarly view that high Machs have the skills to achieve high power positions, but tend to take advantage of their positions as soon as they have achieved them (Judge et al., 2009). Coincidentally, finding a diametrical effect of personality in dependence of power levels on a behavioral outcome, which has not been observed in laboratory settings (see Galinsky et al., 2015), points out the necessity to examine power effects in natural settings: as Anderson and Brion (2014) presumed, power experience in organizational settings seems marked by a higher complexity as it can be produced by an experimental manipulation, leading to different results.

Practical implications

The present study offers several fruitful implications for managerial practice. Discerning a negative relationship between leader Mach and ethical leadership could be implemented by leader assessments. However, using personality tests for managerial selection has limited recommendable legitimacy due to high dependence on the test validity (e.g., Judge, Bono, Ilies, & Gerhardt, 2002). Therefore, assessments of leader personality could be applied for the purpose of self-reflection. Building on the idea of leader development, the individual cognitive tendency to morally disengage in the work context can be assessed in order to mirror a leader's cognitive processes and further stimulate his or her personal development. Beyond that, the findings regarding the detrimental effects of Mach and moral disengagement can be integrated in a well-designed leadership program to make leaders aware of personality-dependent moral cognition with regard to ethical leadership behavior and to train the leaders' perception and cognitive focus. In this light, using elements from *Sensitivity Training*, which aims to foster a leader's empathy (Lee-Chai et al., 2001) may be a good option.

A final implication concerns the role of leader power. As power amplifies the inherent tendencies of dispositions, organizations should accurately observe and check the behavior of ascending leaders, for example, in the form of regular 360° Management-Feedbacks. This is especially important first, because high Mach under conditions of high SoP has strong negative effects on ethical leadership. Second, pointing out the significance of this correlational network, high Machs exhibit a high motivation to lead and are therefore more likely to achieve powerful organizational positions (Mael et al., 2001). Furthermore, the opposite effect of leader Mach on ethical leadership in dependence of power levels implies that the display of ethical leadership seems to be more rewarding in low power positions, whereas the necessity to demonstrate ethical leadership behavior to serve self-interest in high power positions is limited. Thus, organizations should consider how to structure organizational systems to link ethical leadership behavior with personal benefits in high power positions, such as installing formal mechanisms

(e.g., based on management judgment) to create a direct dependence between one's own success, power status and ethical leadership behavior.

Limitations and directions for future research

The present examination has some limitations. Issues of practicability led to the study having a cross-sectional research design; thus, we cannot draw any causal conclusions, though the model design is theoretically substantiated (Bandura, 1991). Therefore, future research could verify the tested model based on longitudinal data. Another limitation is the risk of common-method bias, as three variables stemmed from the same source (i.e. leader ratings). Although some research indicates that common-method variance has a negligible impact in self-report data (Chan, 2009), we took several measures to reduce the risk of common-method bias, such as using theoretically substantiated control variables and multi-source data, as well as testing a moderated mediation model (Antonakis, Bendahan, Jacquart, & Lalive, 2010; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). As the detection of significant interaction effects is very unlikely in the case of artificially inflated relations (Edwards & Lambert, 2007), the present study's findings suggest that common-method variance played a minor role in our results. Another issue may concern the fact that leaders rated their Mach instead of using an external assessment. However, Mach is considered as a disposition of privately held norms and beliefs (see Den Hartog & Belschak, 2012), so this personality trait is difficult to assess from externals. A study consistently confirms self-reporting of Mach as a valid test method by showing self-reports' superiority over informant-reports (Maples-Keller & Miller, 2018). Finally, although the sample was based on a wide range of branches and organizations, which supports the findings' generalizability, the study was conducted in one specific national context, so future examination in an international context would be preferable in order to extend the generalizability of results (Bond, 1998).

Beyond the limitations, the present study indicates further options for research. As our findings build a starting point to investigate the development process of ethical leadership, we

hope to encourage future research on the personality-dependent development process of ethical leadership, focusing on relevant individual differences, and intervening variables, such as cognitive and emotional states or behavioral patterns. Moreover, future research should consider the role of further environmental factors in the personality-dependent emergence of ethical leadership. The present study examined a leader's SoP as one situative variable which interacted with dispositions to produce distinct cognitive and behavioral effects. However, there might be other environmental factors, such as organizational culture, which regulate the activation of a trait (see the trait activation theory of Tett & Guterman, 2000). Another option for future research concerns an expanded examination of the role of a leader's SoP. Power not only interacts with personality, but also with environmental factors to produce distinct behavioral effects (Galinsky et al., 2015; Guinote, 2008). Future research could elucidate the interplay between a leader's power and organizational environment related to ethical leadership behavior. As power induces a higher behavioral dependency on environmental features (e.g., Guinote, 2008), the organizational context might offer specific features affecting the association between leader power and leadership behavior in meaningful ways (see Galinsky et al., 2015).

Conclusion

Our study extends theory and research on antecedents of ethical leadership by first examining a theory-based, personality-dependent development process of ethical leadership from a power experience processing perspective. We elucidated the relationship between leader Mach and ethical leadership by integrating a leader's moral cognition– work-related moral disengagement – as a key explanatory mechanism, while incorporating the moderating role of a leader's power. Our results indicate that the negative relationship between leader Mach and ethical leadership is mediated by a leader's moral cognition, while a leader's SoP enhances the inherent tendencies of dispositions on the respective particular cognitive and behavioral outcomes. Thus, the development process of ethical leadership can be described as an interplay

of a leader's stable personality trait Mach, moral cognition, and power experience, ultimately reflecting the Machiavellian tendency to pursue power at the cost of morality.

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Study III:

Leader power overrules the power of context: a multi-level moderated mediation model of ethical culture and ethical leadership

Abstract

The aim of this study is to examine the relationship between ethical culture and ethical leadership by elucidating a context-dependent development process of ethical leadership. Drawing on the social-cognitive theory of Bandura (1986), and the social distance theory of power (Magee & Smith, 2013), we test an integrative second-stage moderated mediation model, which depicts the relationship between ethical culture and ethical leadership by context-specific empathy as an intervening mechanism, while integrating the moderating role of a leader's power. The results of a multi-level field study that surveyed teams of 68 leaders and 229 followers supported the proposed model: a leader's empathy towards followers mediated the positive relationship between ethical culture and ethical leadership; a leader's sense of power moderated both the direct relationship between ethical culture and ethical leadership and the second stage of the mediation model, such that power attenuated the positive impact of both ethical culture and empathy towards followers on ethical leadership. Theoretical and practical implications are discussed.

Keywords: ethical leadership; ethical culture; empathy; power; social-cognitive theory

Introduction

“Situational variables can exert powerful influences over human behavior, more so than we recognize or acknowledge.” (Philip Zimbardo)

As this statement suggests, the social environment significantly influences human behavior. Although organizational research has examined context factors, such as organizational culture, to predict the behavior of organizational members (e.g., Schein, 1985), organizational examinations generally tend to neglect the significant impact of organizational context on organizational behavior (Johns, 2006). This trend to the disregard of situational antecedents of organizational behavior is also reflected in the research on ethical leadership (Eisenbeiß & Giessner, 2012). Ethical scandals have highlighted the fundamental importance of ethical leadership for economic success, and thus directed scholarly interest to the ethical dimension of leadership (Brown, Treviño, & Harrison, 2005). Over the past 15 years, the rapidly growing body of research on ethical leadership has extensively demonstrated that this form of leadership is related to beneficial follower outcomes, while broadly neglecting to examine antecedents of ethical leadership, particularly with regard to contextual antecedents (Eisenbeiß & Giessner, 2012; Treviño & Brown, 2014). Despite frequent calls for more empirical work in this research area (Brown & Mitchell, 2010; Eisenbeiß & Giessner, 2012), we are not aware of any empirical work that focuses on contextual antecedents in the emergence of ethical leadership.

Therefore, we take up this issue by developing and examining a moderated mediation model that depicts the development process of ethical leadership depending on the organizational context. We build primarily on the social-cognitive theory of Bandura (1986; 1991), which describes human behavior as the result of learning processes, guided by the social environment, and assume that an important feature of the organizational ethical context – i.e. organizational ethical culture (Kaptein, 2008) – predicts ethical leadership. Furthermore, we explicate the mechanism of the relationship between ethical culture and ethical leadership by

specifying both an intervening variable and a conditional factor to elucidate how, why, and when ethical culture and ethical leadership are related (see Figure 1).

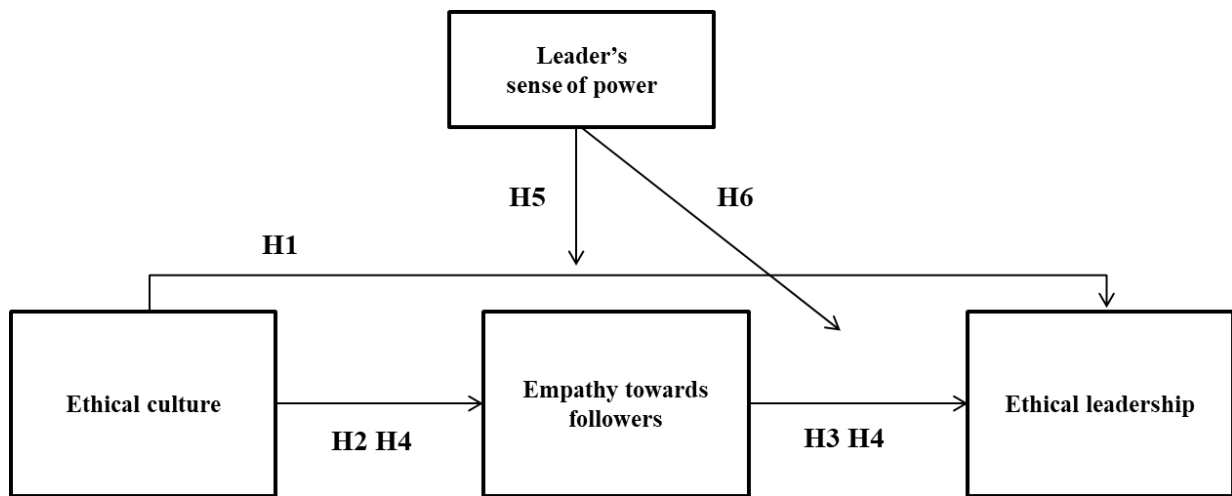


Figure 1. Hypothesized model of processes linking ethical culture and ethical leadership, moderated by a leader's SoP and mediated by empathy towards followers.

The social-cognitive theory states that the organizational context affects behavior by individual self-regulatory processes (Wood & Bandura, 1989). As the experience of empathy is classified as a fundamental antecedent of moral behavior (e.g., Batson, 2010; Eisenberg, 2000), we refer to the conceptualization of empathy as a motivated phenomenon, which involves the context-dependency of empathic experience (Zaki, 2014). Individuals accordingly use self-regulatory strategies that affect the amount of experienced empathy in a specific context (Zaki, 2014). Thus, we propose that a leader's empathy towards followers is a key mechanism in the relationship between ethical culture and ethical leadership.

However, organizational contexts are complex and simultaneously exert multiple influences on organizational behavior (Johns, 2006). One important feature of organizational contexts is the prevalence of hierarchical systems (Magee & Galinsky, 2008). Leader roles, in particular, are affected by the experience of power and resulting changes in a leader's psychological state (Galinsky, Rucker, & Magee, 2015; Magee, Gruenfeld, Keltner, & Galinsky, 2005). The social distance theory of power (Magee & Smith, 2013) explains the power-induced changes of perception, cognition, and behavior by the interpersonal mechanism

of social distance and covers the role of power experience in the context of social influence. Considering social-cognitive perspectives (Mischel, 1968), which state that contexts differ in their situational strength, we refer to the social distance theory of power to propose that power experience affects the experienced situational strength of the organizational context. Thus, we predict that a leader's sense of power (SoP) moderates both the direct relationship between ethical culture and ethical leadership and the second stage of the mediation process, in the sense of attenuating the impact of both ethical culture and empathy towards followers on ethical leadership.

The developed integrative model, which depicts the relationship between ethical culture and ethical leadership, aims to extend current research in different fields in three ways:

Research on contextual antecedents of ethical leadership is scarce (Eisenbeiß & Giessner, 2012). We build on this notable gap in research and first elucidate a context-dependent development process of ethical leadership behavior by exploring a theoretically driven explanatory mechanism relating ethical culture to ethical leadership behavior, while considering the moderating role of leader power.

Second, we first examine an aspect of organizational context – ethical culture – as a predictor of context-specific experience of empathy and thus extend the still limited research on relationships between organizational ethical contexts and moral behavior encouraging internal states (see VanSandt, Shepard, & Zappe, 2006).

Third, we respond to the call for more field research on the role of power experience in leader behavior (e.g., Anderson & Brion, 2014) and extend research on the moderating role of leader power in relation to leader behavior (e.g., Wisse & Rus, 2012), as we are one of the first to examine interaction effects between power experience and a context factor in relation to leader behavior, instead of focusing on interaction effects between power and a leader's dispositions.

Theoretical background and hypothesis development

The relationship between ethical culture and ethical leadership

Research traditionally focus on the culture of organizations to explain and predict the behavior of organizational members (e.g., Hofstede, 1991; Schein, 1985; see Kaptein, 2011). Thus, organizational culture is considered as a significant antecedent of work attitudes, perceptions, and behavior of organizational members (Byrne & Bradley, 2007; Densten & Sarros, 2011; Glisson & James, 2002).

Following this vein of research, the development of ethical leadership as a specific leader behavior ought to be influenced by related features of the organizational context. Ethical leadership is defined as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (Brown et al., 2005, p. 120) and is expressed in terms of the following seven behavioral dimensions (Kalshoven, Den Hartog, & De Hoogh, 2011): fairness (fair treatment of employees and fair decision-making), integrity (trustworthy and honest leader behavior), power-sharing (follower participation in decisions, and considering their ideas), people orientation (sincerely interested, supportive and individually considerate treatment of follower needs), ethical guidance (communication of ethics, codes of conduct, and promotion of employee ethical conduct), role clarification (elucidation of responsibilities, expectations, and performance goals), and concern for sustainability (broad ethical awareness in the sense of sustainability issues). Predominantly outcomes-oriented research on ethical leadership has robustly confirmed the beneficial effects of ethical leadership on various outcomes, such as follower job satisfaction, performance, and organizational commitment (see Treviño & Brown, 2014 for a review). However, research on antecedents of ethical leadership is scarce and limited to the examination of few leader traits, while widely neglecting context factors (Eisenbeiß & Giessner, 2012; Treviño & Brown, 2014). A conceptual framework on contextual antecedents of ethical leadership by Eisenbeiß and

Giessner (2012) includes among the influences of societal and industry characteristics the significant impact of intra-organizational characteristics on the development of ethical leadership behavior; the formal and informal ethical infrastructure of the organization is considered as a key predictor of the emergence of ethical leadership, as these context factors facilitate ethical behavior by conveying what kind of leadership behavior is expected and promoted.

One important informal element of the organizational ethical context that influences individuals' ethical conduct in organizations is ethical culture (Kaptein, 2011; Treviño, Butterfield, & McCabe, 1998). Ethical culture describes those aspects that stimulate employees' ethical conduct at work (Treviño & Weaver, 2003; see Kaptein, 2008) and involves "the perception about the conditions that are in place in the organization to comply or not comply with [normative standards]; (...) [thus], ethical culture is procedural in that it pertains to the conditions for ethical and unethical behavior" (Kaptein, 2011, p. 846). Ethical culture accordingly represents a strong predictor of ethical organizational behavior (Treviño et al., 1998).

The organizational ethical culture can be captured by Kaptein's (2008) Corporate Ethical Virtues (CEV) model. This model is based on Solomon's (1992) virtue-based theory of business ethics, which states that both individuals and business organizations ought to have specific characteristics (virtues) in order to behave in a morally impeccable way (Kaptein, 2008). Thus, organizational ethical culture can be described by eight normative dimensions that represent the organizational conditions for ethical conduct, as they promote the employees' ethical conduct while limiting immoral behavior (Kaptein, 2008). These dimensions are 'Clarity' (the degree to which the organizational ethical standards are concrete and comprehensive), 'Congruency of Supervisor' (the extent of ethical role modeling of the immediate supervisor), 'Congruency of Management' (the degree to which the Board of

Directors and senior management represent role models for ethical behavior at work), ‘Feasibility’ (the extent to which organizational members perceive that the organizational conditions provide them with sufficient resources such as budget, information or time to behave ethically), ‘Supportability’ (the degree to which the organization stimulates the organizational members’ commitment to the normative standards of the organization), ‘Transparency’ (the extent to which organizational members are aware of the consequences and benefits of (un)ethical behavior), ‘Discussability’ (the level of organizational openness to discuss and correct ethical dilemmas and issues at work), and ‘Sanctionability’ (the degree of reinforcement of ethical behavior in terms of punishment for unethical behavior and rewards for ethical conduct). The factorial validity of the CEV model has been confirmed across different organizational samples, and the model therefore represents a valid measure to capture the organizational ethical culture (DeBode, Armenakis, Feild, & Walker, 2013; Kangas, Feldt, Huhtala, & Rantanen, 2014).

Previous studies suggest that ethical culture is negatively related to unethical work behavior (Kaptein, 2011) and positively associated with beneficial outcomes, such as organizational innovativeness (Riivari & Lämsä, 2014) and employees’ job satisfaction and affective commitment (Ruiz-Palomino, Martínez-Cañas, & Fontrodona, 2013). With regard to ethical leadership, previous studies focused on how ethical leadership shapes the immediate ethical context (i.e. ethical culture and climate) of the leader’s subordinated unit (e.g., Mayer, Kuenzi, & Greenbaum, 2010; Schaubroeck et al., 2012). This view neglects the fact that leaders not only shape the context, but are themselves influenced by the broader organizational system (Densten & Sarros, 2011; Johns, 2006; Porter & McLaughlin, 2006). Studies indicate that organizational culture influences transformational and transactional leadership behaviors, as leaders adapt their behaviors to the organizational culture to gain competitive benefits (Byrne & Bradley, 2007; Densten & Sarros, 2011). One examination of ethical leadership indicates an

organization's transformational culture as an antecedent of ethical leadership, thus suggesting the role of organizational culture as a precondition of ethical leadership (Toor & Ofori, 2009).

Thus, we draw on the social-cognitive theory by Bandura (1986; 1991) to assume the ethical culture of an organization as a key predictor of ethical leadership (see also Eisenbeiß & Giessner, 2012). The core of the social-cognitive theoretical framework is the assumption of a dynamic and reciprocal interaction of the person, environment, and behavior (Bandura, 1986, 1991; Wood & Bandura, 1989). Emphasizing the role of social influence and reinforcement, social-cognitive theory explains human behavior primarily as a result of learning processes which are guided by the social environment (Bandura, 1986; 1991). Individuals process information from the social environment to form behavioral standards, which they use to regulate their behaviors. Two learning mechanisms facilitate the development of behavioral standards: observational learning and reinforcements. Observational learning describes the process by which people observe and imitate the attitudes and behavior of attractive and credible role models. Reinforcement relates to the experience of internal and external reactions to an individual's behavior that impact the probability of maintaining or stopping a particular behavior – or put more simply, the experience or anticipation of reward or punishment for specific behavior (Bandura, 1986, 1991).

In sum, anticipating and reflecting on the consequences of their behavior, people tend to regulate their behavior according to behavioral standards that are set by the social environment. In line with this, a study by Mayer, Kuenzi, Greenbaum, Bardes, and Salvador (2009) indicate that the emergence of ethical leadership can be explained by social learning processes, as ethical leadership flows from one organizational level to the next. The organizational ethical culture consists of normative dimensions that facilitate the ethical behavior of organizational members, while limiting immoral conduct (Kaptein, 2008). Ethical culture as a relevant factor of a leader's organizational environment should encourage ethical

leadership behavior through both the observation and modeling of a normative, ethics-oriented social environment and through reinforcements set by this social environment (see Bandura, 1986, 1991). Hence, a leader's perception of the extent of his or her organization's ethical culture should influence the development of ethics-related behavioral standards at work, which, in turn, regulate ethical leader behavior. Thus, we propose:

Hypothesis 1: Ethical culture is positively related to ethical leadership.

The mediating role of empathy towards followers

Sociological perspectives acknowledge the influence of contexts on individual cognition, feelings, and behavior (e.g., Wilson, 1983, see Vansandt et al., 2006). Similarly, social-cognitive theory assigns a central role to cognitive, self-regulatory, and self-reflective processes in the relationship between social environment and behavior (Wood & Bandura, 1989). Findings – for example that organizational culture impacts organizational effectiveness by shaping the intervening employee attitudes (Gregory, Harris, Armenakis, & Shook, 2009) – accordingly indicate that internal states function as a behavioral mediator of the organizational culture-outcomes link.

Following these perspectives, we propose that a leader's empathy towards followers as a significant precondition of ethical behavior plays a key role in the relationship between ethical culture and ethical leadership.

Empathy defines the extent to which an individual notices and is concerned with the needs or concerns of others and consists of cognitive and affective components (e.g., Eisenberg & Miller, 1987). The cognitive part of empathy comprises the recognition and comprehension of another's thoughts and feelings and can be summarized as the capacity of perspective-taking (Davis, 1983). The affective aspect of empathy is empathic concern, which implies the capacity to feel compassion and concern for others (Davis, 1983). The experience of empathy as a morally relevant emotional process is regarded as a fundamental antecedent of moral behavior

(e.g., Batson, 2010; Tangney, Stuewig, & Mashek, 2007); “empathy and fellow feeling form the very basis of morality (...) Without some rudimentary perception of the needs and feelings of others, there can be no beginnings of felt responsibility toward them” (Bok, 1998, p. 70). Therefore, robust empirical evidence portrays empathy as closely related to moral and prosocial behavior (e.g., Davis et al., 1999; Eisenberg et al., 2002).

Although the capacity to experience empathy is primarily considered as a stable individual difference (e.g., Davis, 1983), empathic responding is also context-dependent (Zaki, 2014). Capturing the experience of empathy as a motivated phenomenon, people use self-regulatory strategies that determine the amount of experienced empathy in a certain context (Zaki, 2014). These regulatory strategies depend on individual motives which trigger the approach or avoidance of experiencing empathy. For example, interference with competition represents an avoidance motive, whereas social desirability of empathy motivates individuals to approach empathy (Zaki, 2014).

Motives affect the amount of empathy experienced by influencing both information processing and emotion regulation. Typical strategies to modify the experience of empathy include situation selection, attention modulation, and appraisal (Zaki, 2014). Persons engage with other-oriented empathy when the experience of empathy is consistent with current social goals. Thus, an individual’s motive for approaching the experience of empathy can be triggered through social influence, such as a social environment, which provides strong prosocial norms, as this normative information might enhance empathy’s social desirability (Zaki, 2014). In line with this, findings suggest that empathy-promoting social norms strengthen both personal generosity and the individual’s willingness to empathize with outgroup members (Fowler & Christakis, 2010; Tarrant, Dazeley, & Cottom, 2009). With regard to the organizational context, theoretical considerations state that the organizational culture promotes a leader’s development of specific capabilities, while impeding the development of others (Nieminen, Biermeier-

Hanson, & Denison, 2013). Empirical findings accordingly indicate that ethics-related features of the organizational context, such as ethical climate or ethical culture, can shape moral behavior-facilitating moral cognitions such as moral reasoning, moral awareness, and ethical evaluations (Sweeney, Arnold, & Pierce, 2010; Thorne, Massey, & Magnan, 2013; VanSandt, Shepard, & Zappe, 2006).

Integrating social-cognitive perspectives and the conceptualization of empathy as a motivated phenomenon, we propose that organizational ethical culture is related to a leader's experience of empathy towards followers. Social-cognitive perspectives acknowledge that the organizational context impacts behavior through shaping individual self-regulatory processes (Wood & Bandura, 1989). An organizational ethical culture represents a social environment with strong ethical norms that promotes moral behavior and prevents immoral behavior (Kaptein, 2008). Capturing empathy as a motivated phenomenon (Zaki, 2014), ethical culture triggers a leader's motive to approach empathy by enhancing empathy's social desirability. Empathy's social desirability is increased in the specific context of an ethical culture, since the experience of empathy is a critical precondition to acting morally, while moral behavior, in turn, represents a behavior critical to success and rewards in this specific context. Thus, based on the self-regulatory strategies of information processing and emotion modulation, ethical culture should motivate a leader's experience of empathy towards followers. Hence, we propose:

Hypothesis 2: Ethical culture is positively related to a leader's empathy towards followers.

Empathy towards followers, in turn, should be positively associated with ethical leadership. As already stated, the relationship between empathy and moral behavior has found strong empirical support (e.g., Davis et al., 1999; Eisenberg et al., 2002). Empathy is associated with morally relevant cognitive processes, such as ethical decision-making (Brown, Sautter, Littvay, Sautter, & Bearnes, 2010) and moral reasoning (e.g., Eisenberg, 2000). Moreover,

empathy is related to moral behavior, such as the pursuit of communal goals (Findley & Ojanen, 2013), helping behavior (e.g., Eisenberg & Miller, 1987), and cooperation (Galinsky, Ku, & Wang, 2005). In organizational contexts, empathy has been related to prosocial behavior (McNeely & Meglino, 1994), organizational citizenship behavior (Joireman, Daniels, George-Falvy, & Kamdar, 2006), and ethical competence of managers (Pohling, Bzdok Eigenstetter, Stumpf, & Strobel, 2015). Thus, empathy is generally considered as a crucial factor in successful leadership (Judge, Piccolo, & Ilies, 2004) and, in particular, ought to represent an essential precondition of ethical leadership.

Empathy's inherent moral reasoning and resulting ethical decision-making facilitates ethical leadership's behavioral dimensions, such as a leader's decent behavior, the fair treatment of employees, the communication of ethics and promotion of ethical conduct among the followers, and the concern for ethics in a broader context (see Kalshoven et al., 2011). Prosocial behavior associated with empathy – for example, sharing, helping, protecting, cooperating, and recognizing the needs of others (Duquin & Schroeder-Braun, 1996; see also e.g., Eisenberg, 1986) – enables a leader's people orientation, i.e. genuinely caring about, respecting, and supporting followers, and further promotes a leader's power sharing (see Kalshoven et al., 2011). Thus, we predict:

Hypothesis 3: A leader's experience of empathy towards followers is positively related to ethical leadership.

Building on the social-cognitive theory (Bandura, 1986), the conceptualization of empathy as a motivated phenomenon (Zaki, 2014), and relevant empirical evidence on empathy and moral behavior (e.g., Davis et al., 1999), we propose empathy towards followers as a key mechanism in the relationship between ethical culture and ethical leadership. On the basis of self-regulation processes, triggered by the social environment of an organizational ethical culture, ethical culture should increase a leader's experience of empathy towards followers,

which represents an internal state critical to moral behavior and thus should promote ethical leadership behavior. Consequently, we propose:

Hypothesis 4: A leader's empathy towards followers mediates the positive relationship between ethical culture and ethical leadership.

The moderating role of leader power

Social-cognitive perspectives (Mischel, 1968) acknowledge that contexts vary in their situational strength, i.e. their capacity to facilitate or limit human agency (Johns, 2006). Drawing on the social distance theory of power (Magee & Smith, 2013), we propose that power experience is a critical factor in organizational contexts to impact the experienced situational strength of organizational contexts, thus shaping their actual influence on behavior.

In general, organizations represent hierarchical systems, involving power differences. This unbalanced allocation of power results in dependence asymmetries, in which the powerless depend more on the powerful for resources than vice versa (Magee & Galinsky, 2008). Thus, power is defined as "asymmetric control over valued resources in social relations" (Magee & Galinsky, 2008, p. 361). Leader roles, in particular, are connected to a personal SoP (Magee et al., 2005), which is defined as the perception of one's ability to influence others (Anderson, John, & Keltner, 2012).

Power experience is an important influence on leader behavior, since research on power effects strongly suggests that a SoP significantly impacts perception, cognition, and behavior (e.g., Galinsky et al., 2015). The social distance theory of power (Magee & Smith, 2013) explains these power-induced changes by the principle of social distance in power relations. Drawing on Thibaut and Kelley's (1959) theory of interdependence, Magee and Smith (2013) propose that the asymmetric dependence in power relations creates asymmetric experiences of social distance, leading to the perception of increased social distance in relation to others among people in high-power positions. The power-induced experience of social distance results in

specific effects on four interpersonal domains, namely social comparison, susceptibility to influence, mental state inference and responsiveness, and emotions (Magee & Smith, 2013).

According to this theoretical approach, the experience of power reduces susceptibility to social influence. Studies confirm that a SoP decreases the strength of the situation in guiding attitudes and behavioral expressions (Galinsky, Magee, Gruenfeld, Whitson, & Liljenquist, 2008). Thus, high-power individuals are less affected by external influences when they build and express their own ideas, attitudes, and opinions (Berdahl & Martorana, 2006; Galinsky et al., 2008), and tend to discount advice from others (Tost, Gino, & Larrick, 2012).

Following the assumption that the experience of power reduces the impact of social influence on behavior, we propose that a leader's SoP moderates the relationship between ethical culture and ethical leadership, in the sense that increasing power levels attenuate the impact of a leader's social normative environment, such as ethical culture, on his or her ethical leadership behavior. Thus, we predict:

Hypothesis 5: A leader's power moderates the positive relationship between ethical culture and ethical leadership, such that ethical culture is linked to ethical leadership when a leader's SoP is low, but not when the SoP is high.

Another prediction of the social distance theory of power (Magee & Smith, 2013) concerns the role of power in reducing interest in and responsiveness to the mental states and needs of others. Studies accordingly indicate that power can have a negative influence on perspective-taking (Galinsky, Magee, Inesi, & Gruenfeld, 2006; Lammers, Gordijn, & Otten, 2008) and the ability to mentalize (i.e., thinking about others' thoughts and feelings; Muscatell et al., 2012), as well as on compassion and empathic concern (e.g., Van Kleef et al., 2008; Woltin, Corneille, Yzerbyt, & Forster, 2011).

In summary, the social distance involving with power experience seems to reduce power holders' motivation to attend and respond to the mental states of others. Thus, we propose that leader power plays a key role in the mediated relationship between ethical culture and ethical leadership by modifying the impact of empathy towards followers on ethical leadership. According to the social distance theory of power (Magee & Smith, 2013), the imperviousness to social influence under power experience can be explained by the tendency that high-power individuals tend to adapt and change their behavior to other individuals' requirements to a lesser extent, though they might be as equally aware of others' internal states as low-power individuals. Thus, we predict that power impairs the transformation of experienced empathy into actual leader behavior, since – based on the interpersonal mechanism of social distance – power reduces a leader's readiness to change his or her leader behavior in line with followers' needs and internal states. In accordance with our hypothesis, a previous study suggests that situational influences can moderate the impact of leader empathy on actual behavior (Blader & Rothman, 2014).

In summary, therefore, drawing on the social distance theory of power and its propositions on susceptibility to influence and mental state responsiveness, we predict that the relationship between ethical culture and ethical leadership via empathy towards followers is contingent on a leader's SoP, affecting the transformation of experienced empathy into ethical leadership. Hence, we predict:

Hypothesis 6: The positive relationship between ethical culture and ethical leadership via empathy towards followers is moderated by a leader's SoP at the second stage, such that empathy mediates the positive relationship between ethical culture and ethical leadership when a leader's SoP is low, but not when SoP is high.

Methods

Sample and procedure

We collected cross-sectional multilevel data from teams consisting of a total of 68 leaders and 229 followers. We recruited the teams via our professional network and through collaboration with various companies. A total of 57 different companies participated in the study; all teams came from different organizations or from organizational subunits that were independent of one another. The average company was made up of 46,171 employees worldwide ($SD = 135768$; $Mdn = 1600$).

In the framework of an online-study, leaders reported their perceptions of the organization's ethical culture, their SoP, and their empathy towards their employees. Employees rated their leaders' ethical leadership behavior. Both parties provided information about demographic data. Numeric identification codes enabled the correct matching of leader- and follower-ratings, while ensuring participants' anonymity and confidentiality. The sample only included teams that provided a leader-rating and at least three employee-ratings, leading to a supervisor-subordinate ratio of 1:3.37.

The final sample included 68 leaders and 229 followers. The teams originated from a wide range of branches (industry: 22.1%, services sector: 35.3%, education, health, and social sectors: 11.8%; public services: 16.2%; trade sector: 7.4%; others: 7.4%). Male leaders constituted 67.6% of the sample, and there was a balanced range of leaders' ages: 26-35 years: 16.2%; 36-45 years: 33.8%, 46-55 years: 29.4%; and above 55 years: 20.6%. In most cases the leaders held a university degree: 72.1%; secondary school leaving certificate: 8.8%; higher education entrance qualification: 11.8%; and PhD: 7.4%), and the number of their followers ranged between 3 and 250 ($M = 23.6$; $SD = 37.1$).

Female followers constituted 56.3% of the sample. Followers were in most cases between 26 and 45 years old (i.e., 69.0%; under 25: 6.1%; 46-55 years: 14.8%; above 55 years:

9.6%). The followers demonstrated a fairly balanced range of education level (secondary modern school qualification: 2.2%; secondary school leaving certificate: 27.9%; higher education entrance qualification: 23.1%; university degree: 45.4%; PhD: 0.9%).

Measures

As the survey was conducted in Germany, for every measure that was not available in a German version, a back-translation process was conducted, according to the procedure described by Brislin (1980). Participants rated all measures on seven-point Likert-scales, ranging from 1 (strongly disagree) to 7 (strongly agree).

Ethical leadership

Ethical leadership was assessed using the validated German 37-item version (Block, Bormann, & Rowold, 2015) of the Ethical Leadership at Work questionnaire (ELW), originally developed by Kalshoven and colleagues (2011). Sample items include: “My leader clearly explains integrity-related codes of conduct”, and “My leader allows subordinates to influence critical decisions”. The ethical leadership scale had a Cronbach’s alpha of $\alpha = 0.95$.

SoP (Sense of power)

The leaders’ role-specific SoP was measured with the eight-item personal sense of power scale by Anderson and colleagues (2012), introduced by the statement “In the interactions with persons in my organization...”. Exemplary items are “I think I have a great deal of power” and “My ideas and opinions are often ignored” (inverted). Cronbach’s alpha was $\alpha = 0.76$.

Empathy

Leaders reported their empathy towards followers with the aid of two seven-item subscales (‘perspective-taking’ and ‘empathic concern’) from Davis’ Interpersonal Reactivity Index (1983), measuring both cognitive and affective parts of a leader’s empathy towards followers. The scale was introduced by politely asking the leaders to think of their own attitude

towards their employees when rating the questions. Sample items include, “When I see someone [of my employees] being taken advantage of, I feel kind of protective toward them” and “I try to look at everybody's side of a disagreement before I make a decision.” The scale had a Cronbach’s alpha of $\alpha = 0.76$.

Ethical culture

Ethical culture was assessed with Kaptein’s (2008) eight-dimensional 58-item measure of organizational ethical culture (CEV model). Sample items include, “In my immediate working environment, people are accountable for their actions” and “In order to be successful in my organization, I sometimes have to sacrifice my personal norms and values” (inverted). As the second-order factor structure of a general CEV-factor has been empirically supported (Kangas et al., 2014), we built a composite score of the CEV. Cronbach’s alpha was $\alpha = 0.97$.

Control variables

We controlled for the leader’s age (1 = < 25 years to 5 = > 55 years), education (1 = no educational qualification to 6 = PhD), and gender (1 = ‘male’ and 2 = ‘female’). We controlled for age and education due to their associations with socially appropriate and ethical behavior (e.g., Armantier & Boly, 2011; Lind, 1993). The control for leader gender resulted from findings on gender differences in empathy and ethical behavior and the impact of a leader’s gender on followers’ perceptions of his or her ethics (e.g., Davis, 1983; Schminke, Ambrose, & Miles, 2003; Swamy, Knack, Lee, & Azfar, 2000).

Construct validity

We conducted a series of confirmatory factor analyses with the aid of Mplus 8.1 to examine the discriminant validity of study variables, which stemmed from the same source – i.e. the leaders – referring to chi-square statistics and fit indices of RMSEA, CFI and SRMR (Muthén & Muthén, 1998-2018). To meet sample size guidelines for parameter estimation (Landis, Beal, & Tesluk, 2000) and to increase indicator stability (West, Finch, & Curran,

1995), we used the two subscales of empathy and parceled the items of ethical culture and SoP (three parcels for each factor) following the recommendations of Kishton and Widaman (1994) for multi-dimensional item sets. The hypothesized 3-factor model of ethical culture, SoP, and empathy, $\chi^2 (17, N = 68) = 10.39, p > .05$; RMSEA = .00; CFI = 1.00 and SRMR = .03, yielded a better fit to the data than a one-factor model (where all indicators were set to load on a single factor), $\chi^2 (20, N = 68) = 79.44, p < .001$; RMSEA = .21; CFI = .83 and SRMR = .15, thus supporting the distinctiveness of the three study variables for subsequent analyses.

Results

Table 1 presents descriptive statistics and bivariate correlations.

Taking the nested data structure into account, we employed Mplus 8.1 (Muthén & Muthén, 1998-2018) to test hypotheses with multilevel path analyses with a maximum likelihood estimator and robust standard errors. Following the recommendations of Singer (1998), all (level 2-) predictors were grand mean-centered. We examined the multilevel moderation and (moderated) mediation models referring to established path analytic procedures (Edwards & Lambert, 2007; Preacher, Rucker & Hayes, 2007), by adapting Mplus codes, specified by Stride, Gardner, Catley, and Thomas (2015) and Preacher, Zyphur, and Zhang (2010).

Table 1*Descriptive statistics and correlations*

	Variable	<i>M</i>	<i>SD</i>	1	2	3	5	6	7	8
1	Ethical culture	5.06	0.86	1						
2	SoP	5.40	0.72	0.13	1					
3	Empathy	5.04	0.52	0.36**	0.07	1				
5	Ethical leadership	5.26	0.54	.37**	.10	.42**	1			
6	Leader gender	1.32	0.47	-0.15	-0.09	0.19	0.09	1		
7	Leader age	3.54	1.00	-0.08	-0.08	-0.04	0.01	-0.03	1	
8	Leader education	4.78	0.71	-0.03	-0.08	0.01	-0.19	-0.23	0.02	1

Note. Team level: $n = 68$; individual level: $n = 229$. For leader gender, 1 = male, 2 = female. * $p < .05$; ** $p < .01$; *** $p < .001$.

Table 2*Path analyses, predicting the direct (moderated) relationship*

Variable	<i>Ethical leadership</i>			<i>Ethical leadership</i>		
	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Ethical culture	.25***	.57***	.15	.22	.51	.14
SoP				.03	.06	.13
Ethical culture x SoP				-.17***	-.33***	.10
Leader sex	.14	.17	.15	.17	.22	.15
Leader age	.03	.07	.15	.01	.02	.15
Leader education	-.12	-.22	.12	-.17*	-.26*	.11
<i>R</i> ²		0.39			.49	

Note. Team level: $n = 68$; individual level: $n = 229$. For leader gender, 1 = male, 2 = female. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests. * $p < .05$; ** $p < .01$; *** $p < .001$.

Affirming Hypothesis 1, path analysis indicated a positive direct relationship between ethical culture and ethical leadership ($b = .25, \beta = .57, SE = .15, p < .001$), as presented in Table 2. Next, we tested the mediation model and related hypotheses. Results confirmed that – as predicted by Hypothesis 2 – ethical culture was positively associated with empathy ($b = .25, \beta = .41, SE = .10, p < .001$), and that empathy was positively related to ethical leadership ($b = .32, \beta = .43, SE = .15, p < .01$), confirming Hypothesis 3 (see Table 3). The standardized indirect effect of ethical culture via empathy on ethical leadership was significant ($\beta = .17, SE = .08, p < .05, CI [0.05, 0.35]$). Thus, in support of Hypothesis 4, empathy towards followers mediated the positive relationship between ethical culture and ethical leadership.

Table 3*Path analyses of the (moderated) mediation models*

Model	Mediation						Second-stage Moderation			Moderated Mediation					
Outcome	<i>Empathy</i>			<i>Ethical leadership</i>			<i>Ethical leadership</i>			<i>Empathy</i>			<i>Ethical leadership</i>		
Variable	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Ethical culture	.25***	.41***	.10	.17**	.39***	.16				.25***	.41***	.10	.16**	.36**	.14
SoP							.07	.12	.11				.05	.09	.11
Empathy				.32*	.43**	.15	.37**	.49***	.13				.26*	.36**	.14
Empathy x SoP							-.40***	-.43***	.11				-.38***	-.42***	.12
Leader gender	.30	.27	.11	.04	.04	.14	-.01	-.01	.14	.30	.27	.11	.07	.08	.14
Leader age	.00	.00	.10	.03	.07	.14	-.02	-.05	.15	.00	.00	.10	.01	-.02	.15
Leader education	.06	.09	.08	-.13*	-.25*	.11	-.16*	-.28*	.11	.06	.09	.08	-.14*	-.25*	.11
<i>R</i> ²	0.20			0.53			0.55			0.20			0.65		

Note. Team level: $n = 68$; individual level: $n = 229$. For leader gender, 1 = male, 2 = female. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests. * $p < .05$; ** $p < .01$; *** $p < .001$.

Table 4*Tests of direct and indirect conditional effects*

Model	<i>Ethical culture x SoP → ethical leadership</i>		<i>Empathy x SoP → ethical leadership</i>		<i>Ethical culture → Empathy x SoP → ethical leadership</i>	
Level	Conditional direct effect	CI	Conditional direct effect	CI	Conditional indirect effect	CI
SoP _{low}	0.34*** (0.06)	[0.23, 0.46]	0.66*** (0.12)	[0.42, 0.89]	.13** (0.05)	[0.04, 0.23]
SoP _{mean}	0.22*** (0.05)	[0.13, 0.32]	0.37** (0.11)	[0.15, 0.58]	.07* (0.03)	[0.01, 0.13]
SoP _{high}	0.11 (0.06)	[-0.02, 0.23]	0.08 (0.14)	[-0.19, 0.35]	-.00 (0.03)	[-0.07, 0.06]

Note. SoP was -0.72 (i.e., 1 *SD* below the mean) and 0.72 (i.e., 1 *SD* above the mean) for low and high levels of SoP, respectively. Confidence level of confidence interval (CI) = 95%, standard errors are in parentheses.

Hypothesis 5 proposed that a leader's SoP moderates the relationship between ethical culture and ethical leadership, such that ethical culture has a positive impact on ethical leadership when a leader's SoP is low, but not in case of a high SoP. The results of calculating a simple moderation model (see Table 2) demonstrated that the interaction term between ethical culture and SoP was negatively associated with ethical leadership ($b = -.17$, $\beta = -.33$, $SE = .10$, $p < .001$). In order to examine the nature of the moderation further, we plotted the interaction effect between ethical culture and SoP on ethical leadership (see Figure 2), and tested the conditional effect of ethical culture on ethical leadership on three values of SoP (see Table 4). In support of Hypothesis 5, simple slope analyses indicated that the positive impact of ethical culture decreased with ascending power levels ($\beta = 0.34 - 0.11$); ethical culture and ethical leadership accordingly were positively related in cases of low and medium power levels, but not when a leader's SoP was high. Thus, Hypothesis 5 is supported.

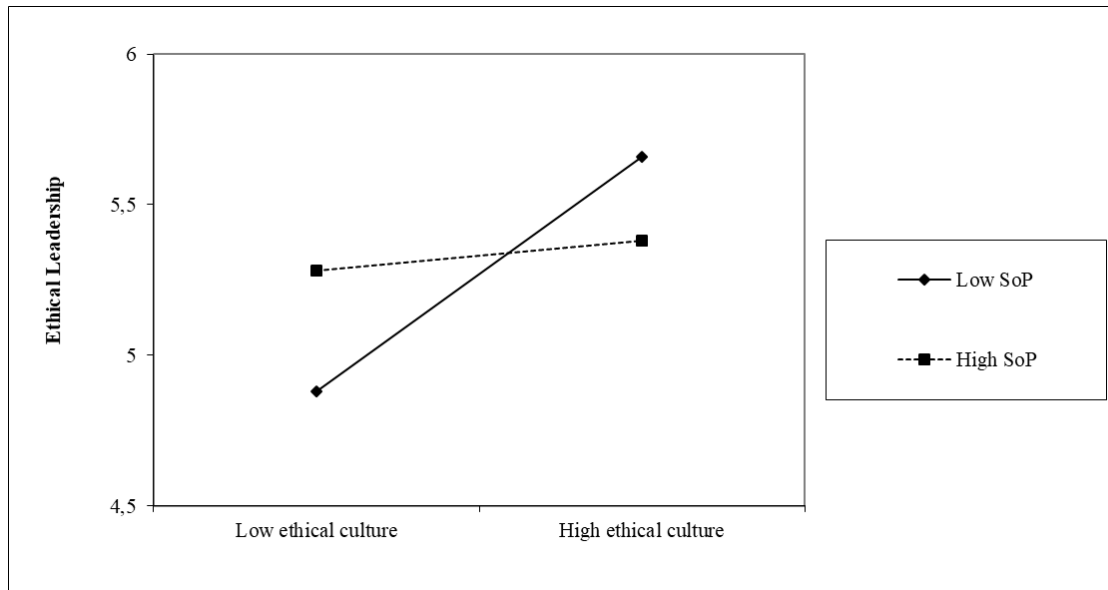


Figure 2. Moderating effect of a leader's SoP on the relationship between ethical culture and ethical leadership.

Finally, we tested the second-stage moderated mediation model. First, we examined the moderation of the second stage by calculating a simple moderation model (see Table 3). The interaction term between SoP and empathy was negatively related to ethical leadership ($b = -.40$, $\beta = -.43$, $SE = .11$, $p < .001$). Plotting the respective interaction effect (see Figure 3) and simple slope analyses revealed that increasing levels of SoP impaired the positive effect of empathy on ethical leadership ($\beta = 0.66 - 0.08$); empathy and ethical leadership were positively related in cases of low and medium levels of power, and unrelated in the case of high SoP (see Table 4). Next, we examined the second-stage moderated mediation model by simultaneously regressing ethical leadership on the predictor (ethical culture), the moderator (SoP), the mediator (empathy), and the interaction terms between the mediator and the moderator (see Edwards & Lambert, 2007). As indicated by the simple moderation model of the second stage, the interaction effect between empathy and SoP was negatively related to ethical leadership ($b = -.38$, $\beta = -.42$, $SE = .12$, $p < .001$). Finally, we tested the conditional indirect effect via empathy for the second-stage moderated mediation model. The indirect conditional effect reflects the dependence of the indirect effect via empathy on the amount of SoP affecting the second stage of the mediated effect. As illustrated in Table 4, the results indicated that empathy ($\beta = 0.13 - 0.07$) mediated the positive relationship between ethical culture and ethical leadership in cases

of low and medium levels of SoP; the positive impact of ethical culture on ethical leadership via empathy decreased with growing levels of SoP. Thus, Hypothesis 6 is confirmed.

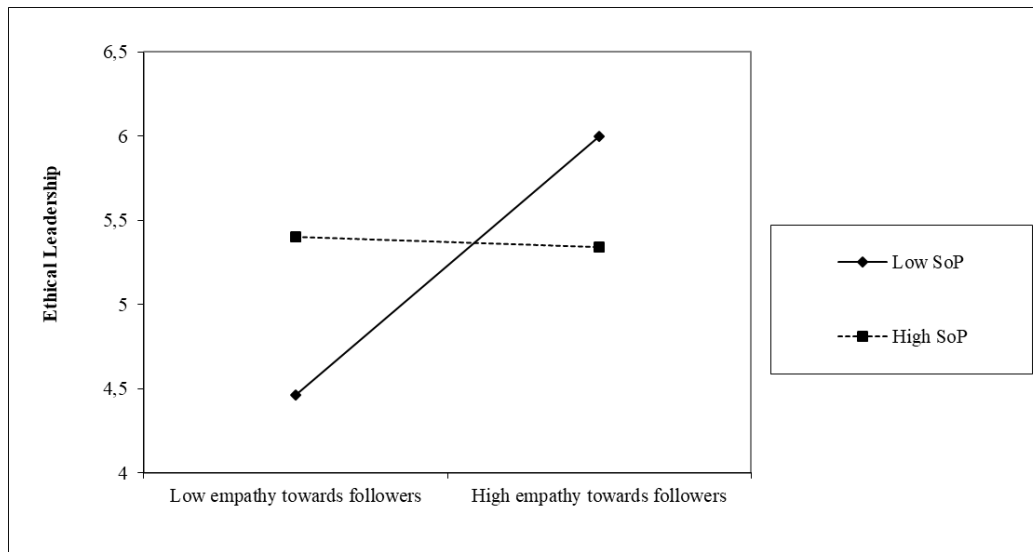


Figure 3. Moderating effect of a leader's SoP on the relationship between leader empathy and ethical leadership.

Discussion

Examining the relationship – and its underlying mechanism – between organizational ethical culture and ethical leadership from a social-cognitive perspective, the proposed model was fully supported. The results demonstrated, first, that ethical culture and ethical leadership were positively related. Second, empathy towards followers mediated the positive relationship between ethical culture and ethical leadership. Third, a leader's SoP moderated both the direct relationship between ethical culture and ethical leadership, as well as the second stage of the mediated relationship, in the sense of attenuating the positive impact of ethical culture and empathy on ethical leadership. Accordingly, ethical culture and ethical leadership were directly and indirectly related via empathy when a leader's SoP was low, but not in case of high SoP. Our findings therefore substantiated the proposed second-stage multi-level moderated mediation model.

Theoretical implications

The present examination extends organizational research in several respects.

One main contribution relates to the exploration of the context-dependent development process of ethical leadership, as scientific knowledge on the contextual antecedents of ethical leadership is limited (Eisenbeiß & Giessner, 2012). We first showed that a leader's perception of his or her organizational social environment – ethical culture – is positively associated with ethical leadership, as perceived by the followers. This finding corresponds with both conceptual considerations that informal elements of the organizational ethical infrastructure represent a significant predictor of ethical leadership behavior (Eisenbeiß & Giessner, 2012) and with previous empirical results regarding the influence of organizational culture on leader behavior, such as transformational and transactional leadership (Byrne & Bradley, 2007; Densten & Sarros, 2011). Moreover, our results are in line with empirical findings that ethical culture actually represents a work environment that encourages moral behavior, while limiting immoral conduct (e.g., Kaptein, 2011). From a social-cognitive perspective (Bandura, 1986), an organizational ethical culture as a normative social environment seems to facilitate ethical leadership behavior by triggering specific learning processes based on observational learning and reinforcement, which involve the development of ethics-related, behavior-regulating standards at work.

Moreover, we found support for a possible mechanism that underlies the link between ethical culture and ethical leadership, namely a leader's empathy towards followers. The finding on the relationship between ethical culture and empathy towards followers extends research on the impact of organizational ethical context on individual internal states, which used to focus on moral cognitions (e.g., Sweeney et al., 2010). Thus, our results first indicated that organizational ethical context is also associated with empathy as a complex morally relevant emotional process. At the same time, the link found between ethical culture and empathy towards followers can serve as another indicator that the experience of empathy can be captured as a motivated phenomenon (Zaki, 2014) and is thus partly context-dependent. Accordingly, ethical culture seems to elicit a leader's motive to approach empathy by increasing the social

desirability of empathy in this specific context, concomitantly shaping the corresponding self-regulatory strategies related to information processing and emotion regulation. By implication, this result is in accordance with the social-cognitive theory, which states that organizational context influences behavior via individual self-regulatory processes (Wood & Bandura, 1989).

Moreover, our study is the first to indicate that a leader's empathy towards followers is a significant antecedent of ethical leadership. This extends research on antecedents of ethical leadership, which is generally scarce with regard to a leader's preceding internal states and limited to few findings on cognitive mechanisms, such as moral disengagement (Bonner, Greenbaum, & Mayer, 2016). In addition, this result corresponds with the state of scientific knowledge on the robust positive relationship between empathy and moral behavior (e.g., Davis et al., 1999; Eisenberg et al., 2002). In summary, the finding on the mediation process provides a deeper insight into the role of a leader's empathy towards followers in ethical leadership by considering organizational influences on the amount of empathy experienced.

Furthermore, this study is one of the first to elucidate the role of leader power in the context of ethical leadership. One previous study explored the influence of the interaction between power experience and contempt as a leader's stable disposition on ethical leadership, and found that power enhances the impact of a leader's traits on his or her ethical leadership behavior (Sanders, Wisse, & Van Yperen, 2016). However, we demonstrated that a leader's perceptions of the social environment (ethical culture) and his or her SoP interacts to predict specific leader behavior, namely ethical leadership. Increasing power levels diminished the impact of ethical culture on ethical leadership, supporting social distance as an interpersonal mechanism within power effects (see Magee & Smith, 2008). Indicating that the impact of a contextual factor – ethical culture – on leader behavior is contingent on another situational condition, namely a leader's SoP, this result provides further insight into the interplay between simultaneous operating, organizational context factors related to ethical leadership behavior.

Another significant contribution refers to the research on power. Field research on the role of power in organizational contexts is limited, and scientific knowledge of power effects derives primarily from experimental laboratory studies (e.g., Anderson & Brion, 2014). The present study has addressed this substantial research gap by examining the moderating effect of power in an organizational setting in relation to leader behavior.

Whereas a few examinations have explored the interaction effects between power and personal traits on behavior (see Galinsky et al., 2015), hardly any studies have examined the interaction between power and situational factors related to behavior. One previous study indicated that power experience moderates the relationship between a contextually triggered factor – leader accountability – and a leader’s self-serving behavior (Rus, van Knippenberg, & Wisse, 2012). In contrast to our finding of a leader’s SoP having an attenuating effect on the link between ethical culture and ethical leadership, power enhanced the impact of leader accountability on leader behavior, indicating that another power-related theoretical mechanism may work. The current state of scientific knowledge on power effects strongly suggests that power reveals internal dispositions by enhancing the correspondence between traits and behavior (Galinsky et al., 2015; Lee-Chai, Chen, & Chartrand, 2001). However, there are also references which suggest that power also increases the influence of situations on behavior. For example, in a series of laboratory studies, Guinote (2008) found that power affects responses to situational affordances in such a way that powerful individuals act in more situation-consistent ways. Theoretical considerations on power and morality accordingly concluded that power facilitates moral behavior, when a situation demands it (Lammers, Galinsky, Dubois, & Rucker, 2015). Our finding contradicts this conclusion, as a leader’s SoP reduced the link between ethical culture, which represents a strong normative situation, and ethical leadership. Thus, our finding supports the social distance theory of power (Magee & Smith, 2013) and related empirical research (e.g., Galinsky et al., 2008), which state that power experience protects from social influence. The contrast between the findings of our study on ethical culture and those of

the study on leader accountability by Rus and colleagues (2012) could be explained on the basis that the accountability experienced is rather equivalent to an internal dispositional state, whereas the organizational ethical culture is actually perceived as an external factor and therefore as social influence.

Furthermore, we found an interaction effect between a leader's empathy towards followers and a leader's SoP on ethical leadership, such that increasing power levels reduced the positive link between empathy and ethical leadership. Empathy accordingly mediated the link between ethical culture and ethical leadership when a leader's SoP was low, but not when it was high. The result that leader power seems to impede the transformation of experienced empathy into actual ethical leadership behavior corresponds with the social distance theory of power (Magee & Smith, 2013), which states that power reduces interest in and responsiveness to others' mental states and needs, since the power-induced imperviousness to social influence results in a diminished readiness to adjust one's own behavior to others' needs and requirements. Our finding also corresponds with several studies which indicated that power can have a negative impact on perspective-taking and empathic concern (e.g., Galinsky et al., 2006; Van Kleef et al., 2008). At the same time, our result contradicts other studies, which found that combining power and perspective-taking enhances prosocial behavior (e.g., Galinsky, Magee, Rus, Rothman, & Todd, 2014). The diverging findings on the relationship between power and empathic responding could be explained by a divergent connotation of power experience (Galinsky, Rucker, & Magee, 2016). When power experience is connected with a sense of responsibility, it results in a positive influence on empathic responding (Galinsky et al., 2016). The associative conceptualization of power experience is culturally divergent (Torelli & Shavitt, 2011; Zhong, Magee, Maddux & Galinsky, 2011). In Western countries with an independent and individualist cultural orientation, power is captured in personalized terms and perceived as freedom from external restrictions and the capacity to fulfil one's own wishes. However, in East Asian cultures with an interdependent and collectivist cultural orientation,

power is conceptualized in socialized terms and thus perceived as a responsibility to help and benefit others (Galinsky et al., 2015; Torelli & Shavitt, 2011; Zhong et al., 2011). Thus, our finding that a leader's SoP impeded the transformation of experienced empathy into ethical leadership might result from the typical western conceptualization of power, which involves a perceived independence from external constraints and turning away from the mental states and needs of others, with the result that a leader's willingness to align his or her leadership behavior with follower needs is reduced. In summary, our findings on power interacting with both ethical culture as an organizational context factor and a leader's empathy towards followers shed new light, in some respects, on the state of scientific knowledge on power effects. Moreover, they indicate that laboratory studies represent a limited way of dealing with the cognitive and behavioral complexities of power experience in real-life settings (see Anderson & Brion, 2014).

Practical implications

The present study offers valuable implications for management practice. The result that organizational ethical culture predicts both a leader's empathy and ethical leadership could be implemented by systematic measures of organizational development to establish a strong ethical culture. In this respect, using business ethics consulting services provided by an external consultancy may be advantageous (Badura, 2002).

The finding relating to a leader's empathy towards followers as a direct antecedent of ethical leadership can be implemented in the course of leadership development, as studies indicate that a professionally designed leadership program can significantly facilitate ethical leadership (Van Velsor & Ascalon, 2008). To train leaders in empathy, we recommend the use of elements from sensitivity training (Lee-Chai et al., 2001). As upper management serves as a role model for other leaders (Mayer et al., 2009), it is recommendable to invest in the development of top management first.

A final implication relates to the role of leader power. We found that power attenuates the positive impact of both ethical culture and a leader's empathy towards followers, indicating that increasing power levels are associated with immunity against social influence. Thus, organizations should check the behavior of leaders on a regular basis, for example, in the form of 360° management feedback, in order to initiate appropriate countermeasures within leader development at an early stage. This is particularly important in the light of the current trend toward flatter hierarchies, which require leaders to assume relatively more leadership responsibility and power per level, although their leadership qualities are comparatively less proven (Erker, Cosentino, & Tamanini, 2010).

Limitations and directions for future research

The present examination has certain limitations. Issues of practicability within the limits of organizational research led to a cross-sectional research design, which made it impossible to draw any causal conclusions – although the model is theoretically substantiated by the social-cognitive theory (Bandura, 1986). Future studies could aim to replicate our model with the aid of a longitudinal research design. Since we measured three variables with the same source (i.e., leader-ratings), another limitation relates to the risk of common-method bias. We adopted appropriate measures to reduce the risk of common-method bias, such as using multi-source data and theoretically substantiated control variables, controlling the discriminant validity of the study variables, and testing a moderated mediation model (Antonakis, Bendahan, Jacquart, & Lalive, 2010; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). This, despite the fact that research indicates that the impact of common-method variance on self-report data is overrated (Chan, 2009). As the probability of detecting significant interaction effects is significantly reduced in the case of artificially inflated relations (Edwards & Lambert, 2007), the present findings encourage the assumption that common-method variance had a minor impact on our findings.

Another limitation may relate to the fact that we measured ethical culture at team level by leader-ratings and not as an aggregate of shared perceptions by surveying all team members. Although the shared team perception of the organizational ethical culture may provide a closer approach to the real manifestation of ethical culture, the use of leader-ratings are advantageous in two respects. First, our procedure enables an independent measure of predictor and outcome. Second, a leader's subjective perception of the ethical culture is the critical factor for his or her behavioral self-regulation and resulting leadership behavior (see Bandura, 1986). Findings accordingly indicate that team members' perceptions of the organization's ethical culture often disagree, suggesting that the concept of ethical culture is highly perceptual (Key, 1999).

A final concern relates to the fact that data were collected in one specific national context, even though the sample consisted of a wide range of branches and organizations, which supports the generalizability of the findings. Therefore, future studies could further extend the generalizability of our findings by using an international sample (Bond, 1998).

Over and above these limitations, this study provides additional options for future research. As we first examined the context-dependent development process of ethical leadership, we hope to encourage future research to extend empirical knowledge on other relevant contextual antecedents. Since we examined ethical culture as an aspect of the informal ethical infrastructure, further studies could test the impact of formal elements, such as actual corporate ethics programs (Weaver, Treviño, & Cochran, 1999, see also Eisenbeiß & Giessner, 2012). Furthermore, investigating the influence of more distant industry characteristics on ethical leadership, such as the ethical content of the organizational mandate and the ethical interests of stakeholders, may be fruitful (Eisenbeiß & Giessner, 2012). In line with this and drawing on social learning processes related to role-modeling (Bandura, 1986), an examination of the influence of perceptions relating to an organization's corporate social responsibility

(Turker, 2009) on ethical leadership may provide further insights into the context-dependent development process of ethical leadership.

Moreover, a deeper examination of the role of power in organizational contexts may be fruitful. We found that a SoP reduces the possibility of exerting social influence on leaders. As the experience of power is connected to diverging associations in individualist and collectivist cultures, leading to different cognitive and behavioral results (e.g., Zhong et al., 2011), future research could explore the underlying cause of power-induced imperviousness against social influence by testing its cultural invariance.

Conclusion

Our study extends theory and research on both the contextual antecedents of ethical leadership and its underlying mechanism and the role of leader power in an organizational context by examining a context-dependent development process of ethical leadership from a social-cognitive angle. A leader's empathy towards followers mediated the positive relationship between ethical culture and ethical leadership, while a leader's power shaped ethical leadership as a behavioral outcome by attenuating the positive impact of both antecedents, namely ethical culture and empathy. Thus, leader power is related to immunity against social influence, finally overruling the power of context.

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**A leader's socially responsible power use as a base of the impact
process of ethical leadership (studies IV & V)**

Studies IV & V:

The power of good: a leader's personal power as a mediator of the ethical leadership-follower outcomes link³

Abstract

The study's goal was to examine the socially responsible power use in the context of ethical leadership as an explanatory mechanism of the ethical leadership-follower outcomes link. Drawing on the attachment theory (Bowlby, 1969/1982), we explored a power-based process model, which assumes that a leader's personal power is an intervening variable in the relationship between ethical leadership and follower outcomes, while incorporating the moderating role of followers' moral identity in this transformation process. The results of a two-wave field study ($N = 235$) that surveyed employees and a scenario experiment ($N = 169$) fully supported the proposed (moderated) mediation models, as personal power mediated the positive relationship between ethical leadership and a broad range of tested follower outcomes (i.e., leader effectiveness, follower extra effort, organizational commitment, job satisfaction, and work engagement), as well as the interactive effects of ethical leadership and follower moral identity on these follower outcomes. Theoretical and practical implications are discussed.

Keywords: ethical leadership; power; moral identity; commitment; work engagement; job satisfaction; leader effectiveness; extra effort

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Introduction

Baltasar Gracian, an ancient philosophical writer, once said, “The sole advantage of power is that you can do more good”, recognizing that the socially responsible use of power leads to beneficial outcomes. As power use represents an essential element of leadership (Clements & Washbush, 1999), a decisive question arises about whether leaders in their function as power holders use their power to serve the greater good or abuse it for selfish ends. Moral scandals from top managers of global companies (Colvin, 2003) have highlighted the significance of power holders’ ethical behavior for economic success, prompting both practitioners and academics to focus on the ethical dimension of leadership (Brown, Treviño, & Harrison, 2005). These societal developments resulted in the evolvement of ethical leadership as a new leadership style, which has gained increasing scholarly interest (Brown & Treviño, 2006; Brown et al., 2005). Accordingly, empirical research has extensively demonstrated that ethical leadership is related to beneficial follower outcomes such as higher employee job satisfaction, performance, and organizational commitment (Treviño & Brown, 2014). Rooted in theories of social learning and social exchange (Brown & Treviño, 2006), a growing number of studies has begun to elucidate the empirically confirmed relationship between ethical leadership and follower outcomes by investigating diverse explanatory mechanisms (e.g., Piccolo, Greenbaum, Den Hartog, & Folger, 2010). Extending this current state of research, we build on the conceptualization of leadership as an influential process through which followers form values, attitudes, and behaviors (Khuntia & Suar, 2004), and examine the role of power in the ethical leadership-outcome link for the first time.

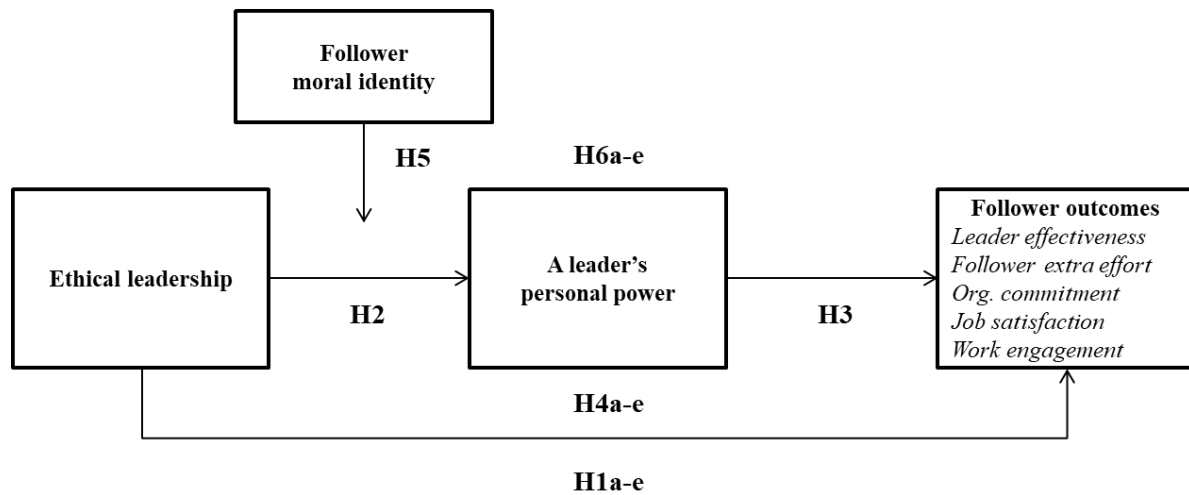


Figure 1. Hypothesized model of processes linking ethical leadership and follower outcomes, moderated by a follower moral identity and mediated by the attribution of personal power bases to a leader.

By drawing on the attachment theory (Bowlby, 1969/1982) and integrating research on ethical leadership (Brown et al., 2005) and power bases (French & Raven, 1959), we propose a moderated mediation model, which captures the influencing process of ethical leadership on various follower outcomes from a power perspective (see figure 1). We conceptualize ethical leadership as socially responsible power use (De Hoogh & Den Hartog, 2009), which involves with strong relational attachments (Bowlby, 1969/1982; Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009). Thus, we examine a process model, which assumes that the attribution of personal power bases to a leader is a possible explanatory mechanism for the empirically substantiated relationship between ethical leadership and advantageous follower outcomes.

Consistent with current research on the role of a follower's personality in relation to the effects of ethical leadership (e.g. Avey, Palanski, & Walumbwa, 2011; van Gils, van Quaquebeke, van Knippenberg, van Dijke, & De Cremer, 2015), we examine the moderating role of an employee's moral identity (Aquino & Reed, 2002) to elucidate how ethical leadership is related to follower outcomes. Empirical evidence suggests that the dispositional inclination to focus on morals (van Gils et al., 2015) shapes the relationship between ethical leadership and follower outcomes. Building on these findings, we examine the moderating function of moral

identity in the relationship between ethical leadership and the attribution of personal power bases as well as the mediation of the interactive effects of ethical leadership and follower moral identity by personal power on follower outcomes.

Thus, we aim to extend the current research on ethical leadership in three ways. Building on theoretical considerations (De Hoogh & Den Hartog, 2009) and the attachment theory (Bowlby, 1969/1982), we first apply a power perspective on ethical leadership, empirically examining the effect of ethical leadership on a leader's personal power bases and integrating the concept of power with ethical leadership for the first time. This procedure ought to add a new defining element to the conceptualization of ethical leadership by explicating power use within the framework of ethical leadership.

Second, we address the call of Van Knippenberg and Sitkin (2013) for enhanced exploration of leadership as a process and extend research on the mechanism of the ethical leadership-follower outcomes link. Thus, we examine a power-based psychological process that transfers ethical leadership into follower outcomes, adding new insight into ethical leadership's mechanism of action.

Finally, we follow the call for a deepened understanding of the employees' active role in the ethical leadership process (Den Hartog, 2015). Thus, we explore the moderating role of a self-concept-based personality variable for the first time – namely moral identity – in the relationship between ethical leadership and follower outcomes.

To test the proposed process model, we conduct a field-study (study 1) surveying employees at two measurement times and a scenario experiment (study 2) in which ethical leadership was experimentally manipulated as a dependent variable. Combining different methodologies, this procedure ensures a comprehensive examination of the hypothesized model, establishing a profound basis of conclusions.

Theoretical background and hypotheses development

Ethical leadership and follower outcomes

At all times, the ethical dimension of leadership has been regarded as particularly significant (Ciulla, 1998). Definitions of traditional scholarly work on ethical leadership are derived from a philosophical perspective, accentuating a prescriptive theoretical approach by establishing behavioral norms and moral standards that a leader should ideally meet (e.g., Kanungo & Mendonca, 1996). Since the year 2000, a descriptive approach has evolved from the emerging field of behavioral ethics, capturing ethical leadership as a social scientific construct, by focusing on empirical data and validating the construct in the field (Treviño, Brown, & Hartman, 2003; Treviño, Hartman, & Brown, 2000). Accordingly, construct development work was initiated with qualitative, interview-based field investigations within organizations by surveying corporate executives to characterize the behavior of executive-level ethical leaders (Treviño et al., 2000, 2003). Brown and colleagues (2005) synthesized findings from the field in the following formal constitutive definition of ethical leadership behavior, determining it 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” (p. 120). Thus, ethical leadership implies two distinct behavior levels: the ‘moral person’ aspect, referring to distinct personality characteristics such as trustworthiness, honesty, and integrity, and the ‘moral manager’ facet, meaning that an ethical leader explicitly focuses on ethics in his or her work behavior and proactively influences followers’ ethical conduct by communicating the importance of ethics to followers and rewarding ethical behavior (Brown & Treviño, 2006).

Although Brown and colleagues (2005) regard ethical leadership as a one-dimensional construct, there is growing belief in the conceptualization of ethical leadership as a multidimensional construct (De Hoogh & Den Hartog, 2008; Kalshoven, Den Hartog, & De Hoogh, 2011; Resick, Hanges, Dickson, & Mitchelson, 2006), criticizing the level of

differentiation of ethical leadership behavior in the context of a one-dimensional concept (e.g., Eisenbeiss, 2012; Den Hartog, 2015). Consistently, research describes different leader behaviors as essentials of ethical leadership (see Den Hartog, 2015). For example, a cross-cultural study by Resick and colleagues (2006) states components of ethical leadership, such as character/integrity, ethical awareness, community/people orientation, motivating, encouraging, and empowering, as well as managing ethical accountability. Similarly, Kalshoven and colleagues (2011) developed the multidimensional ethical leadership at work (ELW) scale, which measures seven different dimensions of ethical leadership behavior, namely integrity, fairness, people orientation, power sharing, concern for sustainability, role clarification, and ethical guidance. Thus, “ethical leadership forms an overarching construct composed of multiple distinct, yet related, leader behaviors” (Den Hartog, 2015, p. 413). In this context, the scientific question arises whether the ethical leadership concept is culturally invariant. The current state of research indicates that the cross-cultural perceptions of characteristic ethical leader behaviors are similar to each other, though the specific significance of the single components of ethical leadership differs between cultures (Den Hartog, 2015; Resick et al., 2006).

The described critical scientific discussion about the theoretical concept of ethical leadership (Eisenbeiss, 2012) also raises an issue concerning conceptual differences of ethical leadership to other value-based leadership styles, such as transformational leadership (Bass, 1985). Transformational leadership and ethical leadership share essentials, such as the concern for others, ethical decision making, integrity and role modeling; these typical transformational leadership behaviors are anchored in the moral person dimension of ethical leadership (Brown et al., 2005; Brown & Treviño, 2006). However, there are substantial differences, which are also reflected by the incremental validity of ethical leadership in predicting outcomes (Brown et al., 2005; Brown & Treviño, 2006), though more profound research on the discriminant validity of the ethical leadership concept is needed (Den Hartog, 2015). Thus, transformational

leadership focus on motivating followers by an inspiring vision and offering intellectual stimulation and can also be implemented in an unethical way (i.e. pseudo transformational leadership; Bass & Steidlmeier, 1999, see Brown & Treviño, 2006; Den Hartog, 2015). Conversely, ethical leadership explicitly focus on the ethical aspects of leadership and includes transactional behaviors, such as emphasizing ethical standards and reinforcing followers' ethical conduct, which is rooted in the moral manager dimension of ethical leadership (Brown & Treviño, 2006).

Combining transformational and transactional elements, ethical leadership is characterized by high efficiency and management success because the most effective leadership style is both transformational and transactional (Waldman, Bass, & Yammarino, 1990). An enormous amount of research on outcomes of ethical leadership consistently provides evidence for the beneficial impact of ethical leadership (Treviño & Brown, 2014). In addition to organizational citizenship behavior (e.g., Avey et al., 2011; DeConinck, 2015), and employee (Bouckennooghe, Zafar, & Raja, 2013; Piccolo et al., 2010; Walumbwa et al., 2011) and firm performance (e.g., Eisenbeiss, van Knippenberg, & Fahrbach, 2015), ethical leadership is positively related to leader effectiveness (Brown et al., 2005; De Hoogh & Den Hartog, 2008, Kalshoven et al., 2011; Toor & Ofori, 2009). Moreover, ethical leadership is associated with advantageous job attitudes and job-related affective states, such as trust (Den Hartog & De Hoogh, 2009; Kalshoven et al., 2011), an employee's willingness to put in extra effort (Brown et al., 2005; Eisenbeiss & van Knippenberg, 2015; Toor & Ofori, 2009), organizational commitment (Demirtas & Akdogan, 2015; Den Hartog & De Hoogh, 2009; Hassan, Mahsud, Yukl, & Prussia, 2013; Neubert et al., 2009), job satisfaction (Kalshoven et al., 2011; Neubert et al., 2009), and work engagement (Chughtai, Byrne, & Flood, 2015; Demirtas, Hannah, Gok, Arslan, & Capar, 2015), while reducing employee deviance (Avey et al., 2011; Mayer, Kuenzi, & Greenbaum, 2010; van Gils et al., 2015) and turnover intentions (DeConinck, 2015; Demirtas & Akdogan, 2015).

To enhance the validity and the scope of our proposed power-based process model of the ethical leadership-follower outcomes-link, we aim at testing a broad range of distinct follower outcomes which have empirically substantiated relations to ethical leadership. Thus, we focus on leader effectiveness as a leader's performance indicator in the context of our studies and on the following four different beneficial follower job attitudes: follower extra effort, organizational commitment, job satisfaction, and work engagement. Generally defined in terms of the ability to attain goals (Bass, 2008), leader effectiveness captures a leader's performance as perceived by his or her followers (Felfe, 2006). Follower extra effort implies a dedicated effort on the job (Campbell, 1990), including behavior that exceeds common role expectations (Seltzer & Bass, 1990), mirrored by "the willingness (...) to exert additional time and energy to achieve organizational goals" (Webb, 2007, p. 58). Alternatively, job satisfaction reflects an emotional response to a job as whole or specific aspects of a job resulting from a cognitive process of comparing real circumstances with individual expectations (Locke, 1976; Smith, Kendall, & Hulin, 1969).

Organizational commitment captures the bond strength between an organization and an employee, which consists of three components: affective, normative, and continuous commitment (Meyer & Allen, 1991). Affective commitment describes an "emotional attachment to, identification with, and involvement in the organization" (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002, p. 21), and normative commitment captures the felt obligation to remain in an organization, whereas continuous commitment reflects the perceived necessity to stay due to the anticipated costs of leaving (Meyer & Allen, 1991). In contrast to continuous commitment, affective and normative commitments are deemed positive and beneficial forms of commitment due to their consequences regarding an employee's behavior and state of mind (Meyer et al., 2002). Ethical leadership is consistently positively associated with affective and normative commitment, while exhibiting a negative relation to continuous commitment (see Den Hartog & De Hoogh, 2009 for a further discussion). Thus, the

conceptualization of organizational commitment in this study refers to affective and normative commitment.

Empirically distinct from organizational commitment (Hallberg & Schaufeli, 2006), we explore a fifth outcome work engagement, which is an indicator of occupational wellbeing. Work engagement describes a ‘positive, fulfilling work-related state of mind that is characterized by vigor, dedication, and absorption’ (Schaufeli, Salanova, González-romá, & Bakker, 2002, p. 74). Vigor refers to a high amount of energy and mental resilience at work, and an investment of effort and persistence when considering obstacles. Dedication implies strong work involvement, coinciding with a sense of significance and feelings of enthusiasm, pride, and inspiration. Absorption is characterized by being fully immersed in one’s work tasks, accompanied with losing a sense of time and difficulties detaching from work (Schaufeli et al., 2002). On the solid basis of current empirical research, we propose:

H1a: ethical leadership is positively related to leader effectiveness.

H1b: ethical leadership is positively related to follower extra effort.

H1c: ethical leadership is positively related to organizational commitment.

H1d: ethical leadership is positively related to job satisfaction.

H1e: ethical leadership is positively related to work engagement.

The mediating role of personal power in the ethical leadership-follower outcomes link

The robust evidence on the beneficial effects of ethical leadership on follower outcomes elicits questions relating to the explanatory mechanism of this correlation. The common theoretical explanations for the relationship between ethical leadership and follower outcomes are rooted in the social learning theory (Bandura, 1986) and social-exchange theory (Blau, 1964; see Brown & Treviño, 2006). The framework of the social learning theory suggests that ethical leaders influence their employees’ conduct by role modeling (Brown et al., 2005). Thus,

followers imitate appropriate behavior by observing ethical leaders, who represent attractive and credible role models for the impartation of decent and prosocial behavior (Brown & Treviño, 2006). Similarly, the social exchange theory perspective on the relationship between ethical leadership and positive follower outcomes implies that followers of ethical leaders tend to consider themselves in a social exchange relationship with their leader, encouraging the development of trust and the evolvement of reciprocity norms in the leader-follower relationship, which results in beneficial follower outcomes (Brown & Treviño, 2006).

Based on these theoretical considerations, several empirical studies examined diverse mediating mechanisms in the relationship between ethical leadership and follower outcomes. Thus, empirical evidence suggests the mediating role of environment factors, such as ethical climate (Demirtas & Akdogan, 2015; Neubert, et al., 2009), task-related factors such as meaningfulness of work (Demirtas, et al., 2015; Piccolo et al., 2010), employees' internal states such as self-efficacy (e.g., Walumbwa et al., 2011) or psychological capital (Bouckenooghe, et al., 2013), and mediating mechanisms associated with the leader-follower-relationship such as leader-member exchange (Hassan et al., 2013; Walumbwa et al., 2011) and trust (Chughtai et al., 2015; Mo & Shi, 2015).

Although the described studies indicated several mediating mechanisms that explain the influence of ethical leadership on follower outcomes, the influence process of the ethical leadership-follower outcomes link has not been examined from a power perspective. Leadership as an influential process through which followers form values, attitudes, and behaviors (Khuntia & Suar, 2004) is implicitly interrelated with power (Bass, 2008; Northouse, 2007), which is defined as the potency to influence (French & Snyder, 1959; Janda, 1960). Accordingly, French and Raven (1959) define five bases of power, indicating different forms in which power can be used by leaders to influence followers' behavior and outcomes. Legitimate, coercive, and reward power are classified as positional power bases since they derive solely from the occupation of a position in an organizational system (Bass, 2008; Northouse, 2007; Yukl &

Falbe, 1991). Thus, legitimate power describes the formal authority of a position, while reward and coercive power represent the perceived potency to grant benefits or disadvantages to followers (French & Raven, 1959; Hinkin & Schriesheim, 1989).

By contrast, personal power comprises expert and referent power, stemming from a leader's personal attributes and appearance, and thus representing incremental potency to influence (Rahim, 2009; Student, 1968). Manifesting as an emotional bond between leader and follower, personal power enables a leader to strengthen relationships with others by conveying affiliation, respect, and appreciation (Bass, 2008; Northouse, 2007). Expert power involves the capacity to grant information, knowledge, and expertise. This power base is reflected by job-related skills, accurate decisions, correct perception of reality, problem-solving competence, as well as a rational and reliable judgment by the leader, resulting in the perception of competence on the part of the employees (French & Raven, 1959; Hinkin & Schriesheim, 1989). Referent power describes the ability to convey feelings of personal acceptance and respect to subordinates, and it is based on followers' identification with and attraction to their leader, as indicated by followers' admiration and respect for a leader and by perceiving him or her as a role model (French & Raven, 1959).

Research shows that followers' perceptions of a leader's power bases depend on leadership behavior since behavioral cues convey power messages (e.g., Gioia & Sims, 1983; Hinkin & Schriesheim, 1990). Accordingly, findings demonstrate that followers' perceptions of their leader's power bases are related to distinct leadership styles (Ansari, 1990; Atwater & Yammarino, 1996; Barbuto, Fritz, & Matkin, 2001; Pierro, Raven, Amato, & Bélanger, 2013). For example, a positive relationship between transformational leadership and personal power is empirically confirmed (Atwater & Yammarino, 1996; Pierro et al., 2013). Thus, leadership behavior affects followers' perceptions of a leader's social power. We assume that also ethical leadership behavior is related to attributing specific corresponding power bases to a leader. In this context, the question arises, which form of power use is characteristic of an ethical leader.

Representing a key element of the relationship between a supervisor and his or her subordinates (Yukl, 2006), power should be used by leaders to promote collective goals since the prevalent definition of power as the potency to control others' outcomes and resources (e.g., Fiske, 1993) implicitly links power with a facet of morality, namely the concern and responsibility for the welfare of others (Keltner, Langner, & Allison, 2006). This link between social responsibility and power is manifested within the conceptualization of ethical leadership. From the perspective of social influence and power, the socially responsible use of power is a key element of ethical leadership (De Hoogh & Den Hartog, 2009). In this sense, ethical leadership is defined as "the process of influencing in a socially responsible way the activities of an organized group toward goal achievement" (De Hoogh & Den Hartog, 2009, p. 341). This definition implies an explicit emphasis on the means through which an ethical leader aims to achieve individual and collective goals, extending the general definition of leadership by Stogdill (1950; see De Hoogh & Den Hartog, 2009). Consequently, ethical leadership as a specific form of power use should be associated with followers' perceptions of distinct corresponding power bases.⁴

Building on De Hoogh's and Den Hartog's (2009) theoretical arguments and additionally drawing on the attachment theory (Bowlby, 1969/1982), we argue that ethical leadership is related to the attribution of personal power to a leader (see also Neubert et al., 2009).

The attachment theory originally describes the child-parent relationship, in which the child represents the needy and dependent relationship partner, whereas the parent has the role of the stronger and wiser caregiver or attachment figure (Bowlby, 1969/1982; Davidovitz, Mikulincer, Shaver, Izsak, & Popper, 2007). The resulting relational attachments can be defined as emotional bonds that are built, as one relationship partner meets the needs of another (Bowlby,

⁴ An unpublished study with another main research focus that surveyed employees ($N = 225$) showed that ethical leadership (Kalshoven et al., 2011) is unrelated to followers' perception of a leader's positional power ($r = .09$, $p > .05$) and highly related to perceptions of a leader's personal power ($r = .81$; $p < .001$).

1969/1982). However, the leader-follower relationship can also be captured in terms of relational attachments, since these relationship partners interact in close proximity and the attachment figure (i.e. the leader) potentially offers support and security (Davidovitz et al., 2007; Poppwe & Mayseless, 2003). Core components of ethical leadership behavior consists of showing respect, protecting employees' interests and offering individually considerate support (Brown et al., 2005; Kalshoven et al., 2011), which leads to strong relational attachments (Davidovitz et al., 2007; Neubert et al., 2009). From a power perspective, this emotional bond between leader and follower manifests in the attribution of personal power to the leader by the follower (Bass, 2008; Northouse, 2007, see also Neubert et al., 2009), as leaders generally promote their personal power by showing respect and protecting their employees' interests (Bass, 2008). Thus, on the basis of strong relational attachments, ethical leadership behavior should enhance a leader's personal power. More precisely, ethical leadership behavior should be associated with expert power, which is reflected by fair decisions and objective judgment (French & Raven, 1959; Hinkin & Schriesheim, 1989), as ethical leaders make fair decisions, judge in an ethical manner, and clearly determine responsibilities, expectations, goals, and guidelines for ethical conduct (Brown et al., 2005; Kalshoven et al., 2011). Similarly, ethical leadership behavior should also be related to followers' perceptions of referent power, since acting as a role model and behaving respectfully, considerately, and in a caring manner - core behavioral characteristics of an ethical leader (Brown et al., 2005) - contributes significantly to a leader's referent power (Northouse, 2007). Hence, we propose:

H2: Ethical leadership is positively related to a leader's personal power.

Personal power bases are generally regarded as essentially more positive than positional power bases, as a very robust empirical picture indicates that the use of person-based power is the most effective (Carson, Carson, & Roe, 1993; Podsakoff & Schriesheim, 1985; Rahim,

2009; Yukl, 2006). Thus, whereas the findings on the relationship between position-based power and followers' outcomes are mixed, indicating comparatively reduced effectiveness (Bachman, Smith, & Slesinger, 1966; Podsakoff & Schriesheim 1985; Yukl, 2006), personal power shows many positive relations with indicators of beneficial follower outcomes, such as performance (Podsakoff & Schriesheim, 1985; Rahim, Antonioni, Krumov, & Ilieva, 2000; Rahim, Khan, & Uddin, 1994; Student, 1968), job satisfaction (Bachman et al., 1966; Rahim & Afza, 1993; Rahim et al., 1994), satisfaction with a supervisor (Bachman et al., 1966; Podsakoff & Schriesheim, 1985), and reduced turnover and absenteeism (Podsakoff & Schriesheim, 1985; Rahim & Afza, 1993; Student, 1968). Furthermore, personal power is positively associated with commitment and compliance since it leads to comparatively high personal involvement, explaining enhanced compliance and engagement that goes beyond what is necessary (Bachman et al., 1966; Rahim et al. 1994; Yukl & Falbe, 1991). Referring to the robust research status regarding the positive effect of personal power on follower outcomes, we hypothesize:

H3a: personal power is positively related to leader effectiveness.

H3b: personal power is positively related to follower extra effort.

H3c: personal power is positively related to organizational commitment.

H3d: personal power is positively related to job satisfaction.

H3e: personal power is positively related to work engagement.

In summary, we propose that the perception of a leader's personal power bases plays a key role in the ethical leadership-follower outcomes link, mediating the positive relationship between ethical leadership and follower outcomes. On the basis of strong relational attachments, the specific pattern of ethical leadership behavior should enhance employees' perceptions of their leader's personal power bases. As personal power is characterized by high

organizational effectiveness, it should in turn promote advantageous follower outcomes. Consequently, we propose:

H4a: personal power mediates the positive relationship between ethical leadership and leader effectiveness.

H4b: personal power mediates the positive relationship between ethical leadership and follower extra effort.

H4c: personal power mediates the positive relationship between ethical leadership and organizational commitment.

H4d: personal power mediates the positive relationship between ethical leadership and job satisfaction.

H4e: personal power mediates the positive relationship between ethical leadership and work engagement.

The moderating role of an employee's moral identity

Followers' perceptions of leadership behavior are dependent on social information processing (Salancik & Pfeffer, 1978) and as a result, they are contingent on followers' own cognitive reference framework (e.g., Lord & Maher, 1991; Van Quaquebeke, van Knippenberg, & Brodbeck, 2011). Therefore, individual differences influence the perception and evaluation of leadership behavior (Vecchio & Boatwright, 2002), resulting in diverging follower outcomes (e.g., Gerstner & Day, 1997; Graen & Uhl-Bien, 1995). Recent research indicates that the effects of ethical leadership on follower outcomes are not invariant, but are dependent on an employee's personality (Avey et al., 2011; Eisenbeiss & van Knippenberg, 2015; van Gils et al., 2015). Thus, personality variables which are characterized by a higher focus and perceived subjective importance on morality, such as moral attentiveness, moral emotions, and mindfulness, enhance the effects of ethical leadership on follower outcomes, for example follower helping or extra effort (Eisenbeiss & van Knippenberg, 2015; van Gils et al., 2015).

In alignment with this former research we aim to examine the moderating role of moral identity in the ethical leadership-follower outcome link, since empirical evidence indicates the significant function of an employee's self-concept regarding perceptions of leadership (e.g., Dinh, Lord, & Hoffman, 2013; Lord & Brown, 2004). The role of a leader's moral identity with respect to the emergence of ethical leadership behavior has been confirmed (e.g. Mayer, Aquino, Greenbaum, & Kuenzi, 2012). Furthermore, several studies indicate that ethical leadership enhances an employee's moral identity (Bavik, Tang, Shao, & Lam, 2017; Gerpott, Van Quaquebeke, Schlamp, & Voelpel, 2017; Wen & Chen, 2016). However, the function of an employee's moral identity in the processing of ethical leadership behavior related to the evolution of follower outcomes has not been explored to date.

Moral identity is defined as an individual's organized associative cognitive network (schema) of moral virtues (e.g., being generous), feelings (e.g., concern for others), and behaviors (e.g., helping others). Within this schema, the strength of these moral associations mirrors the extent to which morality is part of one's self-concept (Aquino & Reed, 2002; Reed & Aquino, 2003). Thus, individuals' moral identities differ in their significance within a person's entire self-definition, influencing the processing of morality-related social information (Aquino & Reed, 2002; Reed & Aquino, 2003) and subsequent judgment (e.g. Reed, Aquino, & Levy, 2007). Accordingly, a study confirmed that employees' reactions to supervisor abuse are shaped by the employees' level of moral identity (Greenbaum, Mawritz, Mayer, & Priesemuth, 2013). Similarly, findings confirm the moderating role of moral identity in processing ethical leadership behavior in relation to customer-related outcomes, such as purchasing intentions (Van Quaquebeke, Becker, Goretzki, & Barrot, 2017; Wu, 2017). Thus, we propose that a follower's moral identity may also shape the relationship between ethical leadership and follower outcomes by moderating the proposed link between ethical leadership and personal power bases.

Empirical evidence indicates that personality generally influences the perception of power bases (Lord, Phillips, & Rush, 1980). Since ethical leadership is predominantly characterized by a leader's moral behavior, the level of a follower's moral identity might determine the amount of attributed personal power bases due to the chronically strong link between morals and self-conception (Aquino & Reed, 2002). In this vein, the level of follower moral identity might define the amount of relational attachments, which result from ethical leadership behavior and are reflected by the attribution of personal power (Bass, 2008; Bowlby, 1969/1982).

The attribution of referent power is mainly dependent on perceiving the leader as a role model and feeling sympathy and appreciation for him or her (French & Raven, 1959). Thus, an employee, who perceives a higher importance of moral behavior due to his or her highly developed moral identity, may attribute more referent power to an ethical leader compared to an employee with a rather low moral identity. Similarly, the attribution of expert power is contingent on the perception of a leader's decision making, objective judgment, and competence (French & Raven, 1959; Hinkin & Schriesheim, 1989). As outlined above, in case of ethical leadership, fair decision making, ethical judgment, and establishing and forcing ethical guidelines may contribute to the attribution of expert power, reflecting a dependence on the ethical content of leadership behavior. Thus, an employee with a high moral identity may attribute more expert power to an ethical leader than a follower with a moderately developed moral identity, since they differ in the "centrality of morality to self" (Aquino & Reed, 2002, p.1424) and in the subjectively perceived significance of the moral aspects of a leader's behavior. Hence, we propose:

H5: an employee's moral identity moderates the relationship between ethical leadership and the attribution of personal power to a leader, such that ethical leadership has a stronger positive

impact on the attribution of personal power to a leader for employees with a higher moral identity as compared to those with a lower moral identity.

Based on the discussion above, we finally argue that personal power also mediates the interactive effect of ethical leadership and an employee's moral identity on diverse follower outcomes. Although differences in the manifestation of an employee's moral identity are associated with how an employee responds to ethical leadership behavior, attributing diverse corresponding levels of personal power to his or her leader, the perceived amount of a leader's personal power should play an intervening key role in the relationship between ethical leadership and follower outcomes. Following the preceding discussion, we argue that in the case of an employee's highly developed moral identity, the effect of ethical leadership on personal power and ultimately on the various follower outcomes will be stronger than in the case of a rather low moral identity. Hence, we hypothesize:

H6a: personal power mediates the interactive effect of ethical leadership and an employee's moral identity on leader effectiveness.

H6b: personal power mediates the interactive effect of ethical leadership and an employee's moral identity on follower extra effort.

H6c: personal power mediates the interactive effect of ethical leadership and an employee's moral identity on organizational commitment.

H6d: personal power mediates the interactive effect of ethical leadership and an employee's moral identity on job satisfaction.

H6e: personal power mediates the interactive effect of ethical leadership and an employee's moral identity on work engagement.

Methods of study IV (field study)

Sample and procedure

The field study was conducted online and in two phases. Internet recruitment methods are increasingly popular among researchers and their use has been approved by the American

Psychological Association's Board of Scientific Affairs' Advisory Group (Kraut et al., 2004). Thus, participants were recruited via postings on university-related and professional-network social media platforms. The incentive comprised the opportunity to participate in a lottery; being in an employment relationship (full- or part-time) defined the requirement for participation. Since data were collected in two waves, participants could voluntarily sign up for the second survey, to which they were automatically invited via E-mail two weeks after completing the first survey. The separate questionnaires were matched on basis of a code, ensuring anonymity and confidentiality. This form of data collection follows established methodological recommendations, as the common method variance in single-source data is significantly minimized by temporally separating the data collection of the independent and dependent variables (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Podsakoff, MacKenzie, & Podsakoff, 2012). Thus, in phase 1, employees assessed their leader's ethical leadership behavior, rated their own moral identity, and provided information about control variables and demographic data. In phase 2, the participants reported the attribution of personal power bases to their leader and follower outcomes (i.e. leader effectiveness, follower extra effort, job satisfaction, organizational commitment, and work engagement).

During the survey period of approximately six weeks, 251 employees completed the first part of the field study and 235 completed the second part, corresponding to a response rate of 93.6%.

65.5 % of the final sample was female, with an average age of 30.1 years ($SD = 7.6$) and a rather high educational level (4.7% secondary school leaving certificate; 16.2% higher education entrance; 79.2% university degree). Furthermore, 62.1% of the employees worked full-time, stemming from a wide range of branches (business & finance sectors: 14.0%; services & trade sectors: 20.4%; health & social sectors: 11.5%; education & consulting sectors: 7.7%; industry & craft sectors: 12.3%; science sector: 9.4%; public services: 8.5%; gastronomy: 1.7%; others: 14.5%).

Measures

Since this study was conducted in Germany, every English scale that was not available in a German version was translated following the standard procedure of translation and independent back-translation (Brislin, 1980) by employing independent qualified translators. This procedure is consistent with the international test commission guidelines for translating and adapting tests (International Test Commission, 2017), considering the given, very similar cultural contexts (i.e. western countries; see van de Vijver & Hambleton, 1996). Participants rated all measures on seven-point Likert-scales ranging from one (strongly disagree) to seven (strongly agree).

Ethical leadership

Employees assessed ethical leadership with the validated German Version of the ten-item ELS scale (Rowold, Borgmann, & Heinitz, 2009), originally developed by Brown and colleagues (2005). Sample items include: “My leader listens to what employees have to say” and “My leader sets an example of how to do things the right way in terms of ethics” ($\alpha = .90$).

Personal power bases

Employees’ perceptions of their leader’s personal power bases were measured by the corresponding two subscales, expert power and referent power, from the original French and Raven (1959) five power bases measure by Hinkin and Schriesheim (1989). Each personal power base was reported by four items, such as “My supervisor can provide me with sound job-related advice” (expert power) and “My supervisor can make me feel important” (referent power). As the combination of expert power and referent power into the higher order construct personal power is both theoretically substantiated and empirically supported by diverse factor structure tests (e.g., Bass, 2008; Northouse, 2007; Student, 1968; Peiró & Meliá, 2003; Yukl & Falbe, 1991), the two subscales were merged into one score for personal power ($\alpha = .94$).

Moral identity

Participants reported their own moral identity by Aquino and Reed's five-item subscale internalization ($\alpha = .67$), capturing the degree to which a person's moral identity is core to his or her sense of self (Aquino & Reed, 2002). The introduction followed the recommendations of Aquino and Reed (2002); one sample item is "It would make me feel good to be a person who has these characteristics." As internal consistence is also dependent on the number of items and the sample size and the scale is quite short, a cronbach's alpha of $\alpha = .67$ can be considered as acceptable (Churchill & Peter, 1984; Loewenthal, 2004).

Leader effectiveness

Perceived leader effectiveness was measured by a four-item scale from the German validated version (Felfe, 2006) of the Multi-Leadership Questionnaire (MLQ; Bass & Avolio, 1995). One sample item is "My leader is effective in meeting organizational requirements" ($\alpha = .86$).

Follower extra effort

A leader's capacity to elicit extra effort from an employee was assessed using the three-item scale of the German validated version (Felfe, 2006) of the MLQ (Bass & Avolio, 1995), including items such as "My leader gets me to do more than I expected to do" ($\alpha = .94$).

Organizational Commitment

Organizational commitment ($\alpha = .88$) was measured by the two subscales of affective commitment and normative commitment, developed by Meyer, Allen, and Smith (1993). The 12-item measure includes items, such as "I would be very happy to spend the rest of my career with this organization" (affective commitment) and "I owe a great deal to my organization" (normative commitment).

Job satisfaction

The participants reported their job satisfaction based on the five-item subscale global job satisfaction from the shortened German adaption “KAFA” (Haarhaus, 2016) of the job-descriptive index (Smith et al., 1969). One sample item is “In total, my job is satisfactory” ($\alpha = .90$).

Work engagement

We measured work engagement with the nine-item version of the Utrecht Work Engagement Scale (UWES-9) developed by Schaufeli, Bakker, and Salanova (2006), capturing three facets of work engagement with three items each ($\alpha = .94$). Exemplary items include “At my job, I feel strong and vigorous” (vigor), “My job inspires me” (dedication), and “I feel happy when I am working intensely” (absorption).

Control variables

In addition to the form of occupation (1 = ‘full-time’, 2 = ‘part-time’), we controlled for tenure with leader (1 = < six months to 5 > five years), employee educational level (1 = no school-leaving qualification to 7 = doctoral degree), and leader and employee sex (1 = ‘male’, 2 = ‘female’). Controlling for leader tenure resulted from empirical evidence indicating the strong influence of leader tenure on perceptions of leadership behavior (e.g., Wayne, Shore, & Liden, 1997). The control for an employee’s education level was based on findings suggesting that education is an important determinant of moral competence and moral judgment (e.g., Lind, 1993). Furthermore, we controlled for employee sex due to sex differences in moral judgment (e.g., Wark & Krebs, 1996), and for leader’s sex due to the male tendency to act less ethically (e.g., Swamy, Knack, Lee, & Azfar, 2001) and the influence of a leader’s sex on followers’ perceptions of his or her ethics (Schminke, Ambrose, & Miles, 2003).

Construct validity

Following the recommendations of Brown (2006), we conducted a series of confirmatory factor analyses with the aid of AMOS to test the discriminant validity of the

single-source study variables, referring to chi-square statistics and fit indices of RMSEA, IFI, and CFI (Anderson & Gerbing, 1988; Joreskog, 1993). To meet sample size guidelines for parameter estimation (e.g., Landis, Beal, & Tesluk, 2000) and enhance indicator stability (e.g., West, Finch, & Curran, 1995), we used the subscales for the constructs of personal power, work engagement, and organizational commitment. The hypothesized 8-factor model of ethical leadership, personal power, moral identity, leader effectiveness, follower extra effort, organizational commitment, job satisfaction, and work engagement, $\chi^2(413, N = 235) = 805.97$, $p < .001$; RSMEA = .06; IFI = .92 and CFI = .92, yielded a better fit to the data than a one-factor model - where all indicators were set to load on a single factor, $\chi^2(527, N = 235) = 2949.40$, $p < .001$; RSMEA = .14.; IFI = .57 and CFI = .56, supporting the distinctiveness of the eight study variables for subsequent analyses.

Table 1

Descriptive statistics and correlations

	Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Ethical leadership	4.58	1.14	1												
2	Moral identity	5.93	0.82	.12	1											
3	Personal power	5.26	1.27	.64***	.14*	1										
4	Leader effectiveness	4.86	1.28	.65***	.09	.81***	1									
5	Follower extra effort	4.47	1.51	.50***	.17**	.78***	.72***	1								
6	Org. commitment	3.82	1.11	.43***	.08	.42***	.46**	.45***	1							
7	Job satisfaction	5.34	1.20	.52***	.11	.56***	.52***	.48***	.62***	1						
8	Work engagement	4.43	1.24	.40***	.05	.46***	.44***	.54***	.54***	.67***	1					
9	Employee sex	1.66	0.48	.02	.18**	.02	-.04	.02	-.01	-.04	-.03	1				
10	Employee education	5.34	0.96	.10	.12	.06	.09	.09	.09	.18**	-.19***	-.01	1			
11	Leader sex	1.31	0.46	-.13*	-.03	-.17*	-.19**	-.09	-.12	-.17**	-.13	.21***	.02	1		
12	Leader tenure	2.38	1.23	-.15*	-.05	-.05	-.08	-.07	.07	.08	.09	-.02	.07	-.09	1	
13	Occupation form	1.38	0.49	-.02	-.04	.07	.00	.03	-.14*	-.07	-.11	.11	-.27***	.11	.00	1

Note. *N* = 235. For employee and leader sex, 1 = male, 2 = female. For occupation form, 1 = full-time, 2 = part-time. Org. = organizational. * $p < .05$; ** $p < .01$; *** $p < .001$.

Results of study IV (field study)

Table 1 implies descriptive statistics and bivariate correlations. To test hypotheses H1a-e, we conducted ordinary least squares (OLS) regressions, predicting the diverse follower outcomes of ethical leadership. In each case, we controlled for employee's sex, employee's education, leader's sex, tenure with the leader, and occupation form. The results show that ethical leadership is positively related to leader effectiveness ($b = .71, \beta = .63, SE = .06, p < .001$), follower extra effort ($b = .65, \beta = .49, SE = .08, p < .001$), organizational commitment ($b = .43, \beta = .44, SE = .06, p < .001$), job satisfaction ($b = .54, \beta = .51, SE = .06, p < .001$), and work engagement ($b = .44, \beta = .40, SE = .07, p < .001$), substantiating hypotheses 1a-e.

Hypothesis testing regarding the mediation and moderated mediation models was based on path analytic procedures (Edwards & Lambert, 2007; Preacher, Rucker & Hayes, 2007) and bootstrapping analyses to assess the (conditional) indirect effects (Shrout & Bolger, 2002), using the SPSS macro PROCESS (Hayes, 2013; Preacher et al., 2007). As recommended by Hayes and Cai (2007), we used a heteroskedasticity-consistent standard error estimator for the OLS regressions to prevent biased confidence intervals and mean-centered variables used as a component in interaction terms to avoid multi-collinearity (Cohen, Cohen, West, & Aiken, 2003).

The path analytic procedures consist of two steps (see Edwards & Lambert, 2007; Hayes, 2013). In the first step, the mediator variable (i.e. personal power) is regressed on the independent variables and their interaction term in case of moderated mediation (mediation model: ethical leadership, moderated mediation model: ethical leadership and moral identity). The results of the regression analyses for the first-stage dependent variable personal power are depicted in table 2. The second step predicts the dependent variables (i.e. follower outcomes) from the mediator (personal power) and the predictor (ethical leadership), and the results of the second-stage dependent variables are shown in table 3.

Table 2

First paths of the (moderated) mediation models, predicting the first stage dependent variable personal power

Models	Mediation			Moderated mediation		
	<i>Personal power</i>			<i>Personal power</i>		
Variable	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Ethical leadership	.71	.64***	.07	.66	.59***	.07
Moral identity				.11	.07	.06
EL x moral identity				.25	.18*	.08
Employee sex	.05	.02	.05	.00	.00	.06
Employee education	.03	.02	.06	.03	.02	.06
Leader sex	-.26	-.09	.06	-.25	-.09	.06
Leader tenure	.03	.03	.05	.02	.02	.04
Occupation form	.27	.10	.05	.24	.09	.05
<i>F</i>		19.03***			19.03***	
<i>R</i> ²		0.43			0.47	

Note. $N = 235$. For employee and leader sex, 1 = male, 2 = female. For occupation form, 1 = full-time, 2 = part-time. EL = Ethical leadership. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests. * $p < .05$; ** $p < .01$; *** $p < .001$.

The results from the mediation models indicate that ethical leadership was positively related to personal power ($b = .71$, $\beta = .64$, $SE = .07$, $p < .001$), confirming hypothesis 2. In addition, personal power was positively associated with each follower outcome, including leader effectiveness ($b = .68$, $\beta = .67$, $SE = .06$, $p < .001$), follower extra effort ($b = .94$, $\beta = .79$, $SE = .06$, $p < .001$), organizational commitment ($b = .23$, $\beta = .27$, $SE = .08$, $p < .001$), job satisfaction ($b = .36$, $\beta = .38$, $SE = .08$, $p < .001$), and work engagement ($b = .35$, $\beta = .35$, $SE = .07$, $p < .001$), supporting hypotheses 3a-e.

Table 3

Second paths of the (moderated) mediation models, predicting the second stage dependent variables, i.e., follower outcomes

Variable	<i>Leader effectiveness</i>			<i>Follower extra effort</i>			<i>Org. commitment</i>			<i>Job satisfaction</i>			<i>Work engagement</i>		
	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Ethical leadership	.23	.20***	.06	-.02	-.01	.06	.26	.27***	.08	.29	.27***	.07	.19	.17*	.07
Personal power	.68	.67***	.06	.94	.79***	.06	.23	.27***	.08	.36	.38***	.08	.35	.35***	.07
Employee sex	-.12	-.05	.04	-.00	-.00	.04	.01	.00	.06	-.08	-.03	.05	-.07	-.03	.06
Employee education	.03	.02	.04	.07	.04	.05	-.00	-.00	.06	.14	.11*	.05	.15	.12*	.06
Leader sex	-.11	-.04	.04	.12	.04	.04	-.02	-.01	.05	-.13	-.06	.05	-.05	-.02	.06
Leader tenure	-.02	-.02	.04	-.04	-.03	.05	.11	.12*	.06	.12	.12**	.04	.13	.12*	.06
Occupation form	-.07	-.03	.04	-.06	-.02	.04	-.35	-.15*	.06	-.12	-.05	.05	-.24	-.09	.06
<i>F</i>		63.20***			49.67***			11.37***			17.63***			13.24***	
<i>R</i> ²		0.69			0.61			0.26			0.39			0.28	

Note. *N* = 235. For employee and leader sex, 1 = male, 2 = female. For occupation form, 1 = full-time, 2 = part-time. Org. = organizational. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests. * $p < .05$; ** $p < .01$; *** $p < .001$.

Table 4

Tests of indirect effects

indirect paths	indirect effect	Confidence interval
Ethical leadership → personal power → leader effectiveness (H4a)	0.48 (0.06)	[0.37, 0.61]
Ethical leadership → personal power → follower extra effort (H4b)	0.66 (0.08)	[0.51, 0.83]
Ethical leadership → personal power → organizational commitment (H4c)	0.16 (0.05)	[0.07, 0.28]
Ethical leadership → personal power → job satisfaction (H4d)	0.26 (0.04)	[0.15, 0.39]
Ethical leadership → personal power → work engagement (H4e)	0.25 (0.06)	[0.15, 0.38]

Note. $N = 235$. Significance tests for the indirect effects were based on bias-corrected confidence intervals derived from 10000 bootstrapped samples (Shrout & Bolger, 2002). Confidence level of confidence interval = 95%, standard errors are in parentheses.

As table 4 illustrates, the indirect effects of ethical leadership on the various follower outcomes were significant in each case, indicating that in support of hypotheses 4a-e, personal power mediated the relationship between ethical leadership and leader effectiveness ($\beta = .48$), follower extra effort ($\beta = .66$), organizational commitment ($\beta = .16$), job satisfaction ($\beta = .26$), and work engagement ($\beta = .25$). Significance tests for the indirect effects were based on bias-corrected confidence intervals derived from 10000 bootstrapped samples (Shrout & Bolger, 2002).

Hypothesis 5 predicted that an employee's moral identity would moderate the relationship between ethical leadership and personal power. Table 2 reveals that the interaction term between ethical leadership and moral identity is positively related to personal power ($b = .25$, $\beta = .18$, $SE = .08$, $p < .05$). We plotted the interaction effect of ethical leadership and an employee's moral identity on personal power, as illustrated in figure 2.

Moral identity moderated the relationship between the attribution of personal power bases and ethical leadership behavior, such that employees with a high moral identity attributed more personal power bases to their leader in case of high ethical leadership behavior and less personal power bases in case of low ethical leadership behavior compared to employees with low moral identity. Testing the conditional effect of ethical leadership on personal power on

three values of moral identity (1 *SD* below the mean, the mean, 1 *SD* above the mean), simple slope analyses revealed solely significant effects (1 *SD* below the mean: slope: $\beta = .46$, $t = 3.04$, $p < .01$; the mean: slope: $\beta = .66$, $t = 7.99$, $p < .001$; 1 *SD* above the mean: slope: $\beta = .86$, $t = 9.11$, $p < .001$). Thus, hypothesis 5 is supported.

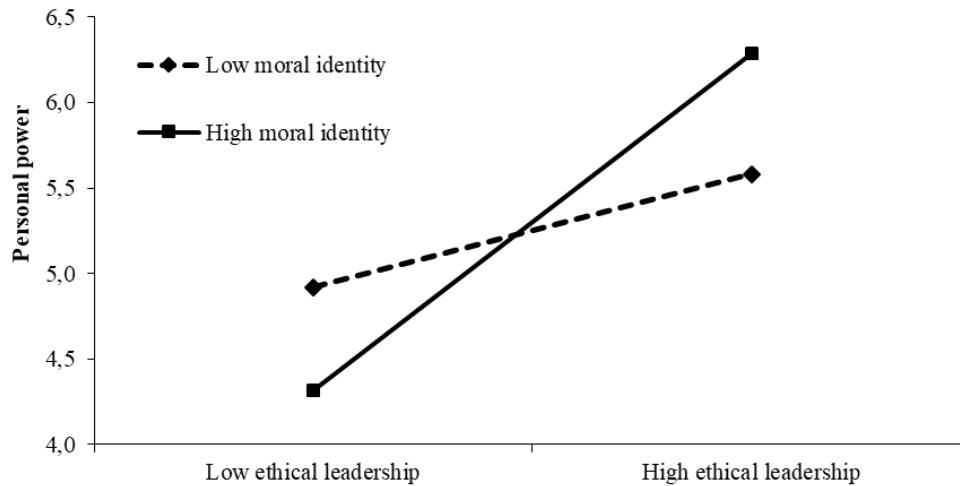


Figure 2. Moderating effect of an employee's moral identity on the relationship between ethical leadership and personal power.

The results from the corresponding moderated mediation models show significant conditional indirect effects of ethical leadership on each follower outcome at the three tested values of moderator moral identity (see table 5). Therefore, hypotheses 6a-e are supported, since personal power mediated the interactive effect of ethical leadership and an employee's moral identity on leader effectiveness ($\beta = .32 - .59$), follower extra effort ($\beta = .43 - .80$), organizational commitment ($\beta = .11 - .20$), job satisfaction ($\beta = .17 - .31$), and work engagement ($\beta = .16 - .30$).

Table 5

Tests of conditional indirect effects

Moderated mediation models: <i>Ethical leadership x moral identity → personal power → follower outcome</i>										
Follower Outcome	<i>Leader effectiveness</i>		<i>Follower extra effort</i>		<i>Organizational commitment</i>		<i>Job satisfaction</i>		<i>Work engagement</i>	
Level	Conditional indirect effect	CI	Conditional indirect effect	CI	Conditional indirect effect	CI	Conditional indirect effect	CI	Conditional indirect effect	CI
Moral identity _{low}	0.32 (0.10)	[0.13, 0.51]	0.43 (0.13)	[0.17, 0.69]	0.11 (0.05)	[0.03, 0.23]	0.17 (0.06)	[0.06, 0.31]	0.16 (0.06)	[0.06, 0.31]
Moral identity _{mean}	0.45 (0.06)	[0.34, 0.59]	0.62 (0.08)	[0.46, 0.79]	0.15 (0.05)	[0.07, 0.27]	0.24 (0.06)	[0.14, 0.37]	0.23 (0.06)	[0.14, 0.36]
Moral identity _{high}	0.59 (0.07)	[0.45, 0.74]	0.80 (0.10)	[0.60, 1.01]	0.20 (0.06)	[0.09, 0.33]	0.31 (0.07)	[0.18, 0.42]	0.30 (0.07)	[0.18, 0.44]

Note. $N = 235$. Moral identity was $-.82$ (i.e., 1 SD below the mean) and $.82$ (i.e., 1 SD above the mean) for low and high levels of moral identity, respectively. Significance tests for the conditional indirect effects were based on bias-corrected confidence intervals derived from 10000 bootstrapped samples (Shrout & Bolger, 2002). Confidence level of confidence interval (CI) = 95%, standard errors are in parentheses.

Discussion of study IV (field study)

In addition to positive relationships between ethical leadership and various follower outcomes (leader effectiveness, follower extra effort, organizational commitment, job satisfaction and work engagement), which replicates the current state of research, the results of study 1 fully confirm our proposed process model. Thus, the attribution of personal power bases to a leader by his or her follower mediated the positive relationship between ethical leadership and each tested follower outcome, indicating a new power-based explanatory mechanism of the ethical leadership-follower outcomes link. Furthermore, the findings indicate the moderating role of an employee's moral identity in this process, such that the effect of ethical leadership on the perception of a leader's personal power was stronger for employees with high moral identities than for those with low moral identities, ultimately increasing follower outcomes, as personal power mediated the interactive effect of ethical leadership and an employee's moral identity on each follower outcome in the context of the moderated mediation models.

A limitation of study 1 represents the potential for common method variance, since the measures of every study variable stemmed from the same source (Podsakoff et al., 2003). This choice of data source is generally appropriate since all study variables intended to measure employees' attitudes, which cannot be captured by alternative sources. Leader effectiveness, as rated by followers, also represents a more valid behavior description than leader self-report (Kim & Yukl, 1995). Although findings indicate that the concern of common method bias in self-report data is overstated (Doty & Glick, 1998; Spector, 2006), we adopted three strategies to minimize common method bias. Hence, we collected the data at two measurement times (Podsakoff et al., 2003) and examined the factor structure of the measures, affirming the construct distinctiveness of all measured study variables. We also tested moderated-mediation models, whose probability to be detected are seriously decreased in case of artificially inflated relationships (Edwards & Lambert, 2007). Thus, we are confident that common method variance played a minor role in our findings in the context of the (moderated) mediation models.

Moreover, common methods variance leads to a 26% bias in the observed relationships among constructs (Doty & Glick, 1998). Assuming a reduction of 26% regarding the strength of the observed relationships, the effect sizes of the relevant regressors still correspond to at least a small effect, in most cases to medium or strong effects (Cohen, 1988). Thus, common method bias might not invalidate our findings.

Although exhibiting high external validity, the design of the field study does not allow causal conclusions about the hypothesized relationships. Thus, we conducted a second study; a scenario experiment in whose context ethical leadership (low ethical leader vs. high ethical leader) was manipulated to test our proposed power-based process model of the ethical leadership-follower outcomes link in a controlled laboratory setting.

Methods of study V (scenario experiment)

Procedure

The scenario experiment was implemented online, and participants were recruited on university-related social media platforms via postings. As an incentive, the participants could either receive course credits at the collaborating universities or register in a lottery. Participation in study IV was defined as an exclusion criterion. The scenario experiment started with an introduction, in which participants were told that they would read a job-related scenario that focused on a leader's behavior. They were then asked to empathize with the employee described in the scenario and answer the subsequent questions according to their subjective estimates of the situation. The content of the short scenario described the work situation of a young professional in a reputable consulting firm. The manipulation of ethical leadership consisted of the team leader's description as either highly ethical or unethical, using van Gils and colleagues' (2015) ethical leadership manipulation texts. After reading the scenarios, participants completed a series of questions regarding the manipulation check, rating the leader's personal power, and several follower outcomes predicted in response to dealing with the described work

situation. Finally, the participants rated their own moral identity and provided their demographic data.

Sample

169 persons participated in the scenario experiment, who were randomly assigned to the conditions of a 2 factorial design (high ethical ($n = 85$) vs. low ethical leadership ($n = 84$)); 70.4 % of the sample was female and the average age was 25.3 years ($SD = 5.6$). Participants predominantly held a higher education entrance qualification (39%) or a university degree (58%; secondary modern school qualification or secondary school leaving certificate: 3%), and the overwhelming proportion of the sample (83.5%) was university students (1.8 % unemployed; 0.6% housewife/ househusband; 1.8% trainee; 11.2% employed; 1.2% self-employed).

Measures

Following Van Gils and colleagues (2015), we used one item - “to what extent do you believe that your team leader is an ethical leader?” – as manipulation check of the scenario manipulations (1= not ethical at all, 7 = very ethical). To measure the attribution of personal power bases, the participants’ moral identity as well as the follower outcomes, we applied primarily the same scales as in the field study. Personal power was assessed with the Hinkin and Schriesheim’s (1989) eight-item measure ($\alpha = .91$); moral identity was measured with Reed’s and Aquino’s (2002) five-item scale ($\alpha = .81$); follower extra effort ($\alpha = .92$) and perceived leader effectiveness ($\alpha = .87$) were evaluated with three and four items, respectively, of the MLQ (Bass & Avolio, 1995); work engagement ($\alpha = .96$) was reported by the UWES-9 (Schaufeli et al., 2006), and organizational commitment was captured by Meyer and colleagues’ (1993) two subscales of affective commitment and normative commitment merged into one scale ($\alpha = .88$). Contrarily, global job satisfaction was assessed with one item (“Altogether, how satisfied were you with your job at the consulting firm under the leadership of your supervisor?”), since a single item approach seemed more appropriate for the scenario’s context,

representing a valid and acceptable alternative for measuring overall job satisfaction (Wanous, Reichers, & Hudy, 1997).

Control variables

Apart from controlling for the variables education level (1 = no school-leaving qualification to 7 = doctoral degree) and participants' sex (1 = 'male', 2 = 'female') for same reasons as in case of the field study, we controlled for two factors which might influence the quality of the questionnaire completion by affecting the amount of empathizing with the employee's role in the scenario. Thus, we controlled for the participants' perceived ability of their own imagination ("How hard was it for you to put you in the position of the employee?"; 1 = not hard at all, 7 = very hard) and their working experience as employees, measured on a six-point scale (1 = no experience to 6 = > five years of experience as an employee).

Construct validity

Conducting a series of confirmatory factor analyses with AMOS (Brown, 2006), we examined the discriminant validity of our study variables based on chi-square statistics and fit indices of RMSEA, IFI, and CFI (Anderson & Gerbing, 1988; Joreskog, 1993). Following the procedure in study IV, we used the subscales in case of the constructs of personal power, work engagement, and organizational commitment. The hypothesized six-factor model of personal power, moral identity, leader effectiveness, follower extra effort, organizational commitment, and work engagement, $\chi^2 (137, N = 169) = 254.90, p < .001$; RSMEA = .07; IFI = .95 and CFI = .95, yielded a better fit to the data than a one-factor model, $\chi^2 (152, N = 169) = 1025.72, p < .001$; RSMEA = .19, IFI = .63 and CFI = .63, supporting the distinctiveness of the six study variables for subsequent analyses.

Results of study V (scenario experiment)

Manipulation check

An unrelated t-test with ethical leadership as the dependent variable confirmed that participants in the high ethical leadership condition perceived the described leader as

significantly more ethical ($M = 6.04$, $SD = 1.15$) than participants in the low ethical leadership condition ($M = 2.17$, $SD = 1.20$; $t(167) = 21.40$, $p < .001$). This result indicates that the manipulation was successful at construing a scenario with a highly ethical or an unethical leader.

Table 6

Descriptive statistics and correlations

	Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11	12
1	Ethical leadership (manipulated)	0.50	0.50	1											
2	Moral identity	5.64	1.09	.06	1										
3	Personal power	4.48	1.34	.73***	.05	1									
4	Leader effectiveness	4.20	1.39	.72***	-.04	.82***	1								
5	Follower extra effort	4.44	1.46	.51***	-.08	.70***	.77***	1							
6	Org. commitment	3.86	1.03	.53***	-.02	.60***	.57***	.55***	1						
7	Job satisfaction	4.49	1.71	.65***	-.06	.73***	.71***	.57***	.73***	1					
8	Work engagement	4.36	1.25	.56***	.07	.66***	.62***	.58***	.64***	.77***	1				
9	Participant sex	1.70	0.46	.06	.18*	.10	-.01	.06	.10	-.00	-.04	1			
10	Participant education	4.67	0.81	.08	.14	.00	.07	-.01	-.06	.01	.03	.16*	1		
11	Lack of imagination	3.41	1.44	-.08	-.19*	-.05	-.06	.03	.01	-.06	-.16*	.02	-.04	1	
12	Working experience	3.28	1.46	.08	.06	.04	.06	.02	-.02	.02	.07	-.03	.31***	-.06	1

Note. *N* = 169. For ethical leadership, 0 = low ethical leader, 1 = highly ethical leader. For participant sex, 1 = male, 2 = female. Org. = organizational. * $p < .05$; ** $p < .01$; *** $p < .001$.

Hypothesis testing

Table 6 reveals descriptive statistics and bivariate correlations of the study variables.

We applied the same procedures for hypothesis testing as in study IV. Manipulated ethical leadership was dummy-coded (0 = low ethical leadership, 1 = high ethical leadership). Therefore, to test hypotheses regarding the direct relationship between manipulated ethical leadership and follower outcomes (i.e. H1a-e), OLS regressions were estimated, controlling for participant's sex and education, lack of imagination during the scenario experiment, and working experience. The results show that ethical leadership predicted reported leader effectiveness ($b = 2.00$, $\beta = .72$, $SE = .15$, $p < .001$), follower extra effort ($b = 1.52$, $\beta = .52$, $SE = .20$, $p < .001$), organizational commitment ($b = 1.11$, $\beta = .54$, $SE = .14$, $p < .001$), job satisfaction ($b = 2.23$, $\beta = .66$, $SE = .20$, $p < .001$), and work engagement ($b = 1.37$, $\beta = .55$, $SE = .16$, $p < .001$), supporting hypotheses 1a-e.

As in study IV, hypothesis testing in the context of the mediation and moderated mediation models followed path analytic procedures (Edwards & Lambert, 2007; Preacher, et al., 2007) and bootstrapping analyses to estimate the (conditional) indirect effects (Shrout & Bolger, 2002), applying the SPSS macro PROCESS (Hayes, 2013; Preacher et al., 2007). The two steps of the path analytic procedures are illustrated in table 7 (regression results of the first-stage dependent variable of personal power) and table 8 (regression results of the second-stage dependent variables; i.e., follower outcomes).

Table 7

First paths of the (moderated) mediation models, predicting the first stage dependent variable personal power

Models	Mediation			Moderated mediation		
	<i>Personal power</i>			<i>Personal power</i>		
Variable	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Ethical leadership	2.00	.74***	.05	2.00	.74***	.05
Moral identity				.07	.06	.06
EL x moral identity				.47	.19***	.06
Participant sex	.21	.07	.06	.12	.04	.06
Participant education	-.11	-.07	.06	-.11	-.06	.06
Lack of imagination	.00	.00	.06	.03	.03	.06
Working experience	.00	.00	.05	-.01	-.01	.05
<i>F</i>		38.89***			31.73***	
<i>R</i> ²		0.55			0.58	

Note. $N = 169$. For ethical leadership, 0 = low ethical leader, 1 = highly ethical leader. For participant sex, 1 = male, 2 = female. EL = Ethical leadership. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests. * $p < .05$; ** $p < .01$; *** $p < .001$.

The results from the mediation models revealed that ethical leadership was positively associated with personal power ($b = 2.00$, $\beta = .74$, $SE = .05$, $p < .001$; see table 7), substantiating hypothesis 2. In addition, personal power was positively related to each follower outcome (see table 8) including leader effectiveness ($b = .68$, $\beta = .65$, $SE = .08$, $p < .001$), follower extra effort ($b = .76$, $\beta = .69$, $SE = .09$, $p < .001$), organizational commitment ($b = .33$, $\beta = .43$, $SE = .12$, $p < .001$), job satisfaction ($b = .71$, $\beta = .56$, $SE = .09$, $p < .001$), and work engagement ($b = .54$, $\beta = .57$, $SE = .10$, $p < .001$), confirming hypotheses 3a-e.

Table 8

Second paths of the (moderated) mediation models, predicting the second stage dependent variables, i.e., follower outcomes

Variable	<i>Leader effectiveness</i>			<i>Follower extra effort</i>			<i>Org. Commitment</i>			<i>Job satisfaction</i>			<i>Work engagement</i>		
	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>	<i>b</i>	β	<i>SE</i>
Ethical leadership	.65	.24***	.07	.04	.01	.08	.47	.23*	.11	.84	.25**	.09	.32	.13	.10
Personal power	.68	.65***	.08	.76	.69***	.09	.33	.43***	.12	.71	.56***	.09	.54	.57***	.10
Participant sex	-.30	-.10	.05	-.05	-.01	.06	.12	.05	.07	-.28	-.07	.06	-.29	-.11	.06
Participant education	.10	.06	.04	-.02	-.01	.06	-.10	-.08	.07	.01	.01	.09	.04	.03	.07
Lack of imagination	-.01	-.01	.05	.07	.07	.06	.03	.04	.07	-.01	-.02	.06	-.11	-.12	.07
Working experience	-.01	-.01	.04	-.01	-.01	.06	.05	-.03	.07	-.03	-.03	.05	.02	.02	.07
<i>F</i>		69.00***			21.93***			14.93***			32.88***			29.39***	
<i>R</i> ²		0.71			0.49			0.39			0.57			0.48	

Note. *N* = 169. For ethical leadership, 0 = low ethical leader, 1 = highly ethical leader. For participant sex, 1 = male, 2 = female. Org. = organizational. Standard errors are based on standardized coefficients. Values in bold are relevant to hypothesis tests. * $p < .05$; ** $p < .01$; *** $p < .001$.

Table 9

Tests of indirect effects

indirect paths	indirect effect	Confidence interval
Ethical leadership→ personal power → leader effectiveness (H4a)	1.33 (0.18)	[1.01, 1.71]
Ethical leadership→ personal power → follower extra effort (H4b)	1.48 (0.21)	[1.11, 1.91]
Ethical leadership→ personal power → organizational commitment (H4c)	0.64 (0.18)	[0.30, 0.99]
Ethical leadership→ personal power → job satisfaction (H4d)	1.39 (0.23)	[0.96, 1.87]
Ethical leadership→ personal power → work engagement (H4e)	1.05 (0.18)	[0.71, 1.40]

Note. $N = 169$. Significance tests for the indirect effects were based on bias-corrected confidence intervals derived from 10000 bootstrapped samples (Shrout & Bolger, 2002). Confidence level of confidence interval = 95%, standard errors are in parentheses.

As Table 9 demonstrates, the indirect effects of ethical leadership on follower outcomes were significant for all outcomes, confirming hypotheses 4a-e, as personal power mediated the positive relationship between ethical leadership and leader effectiveness ($\beta = 1.33$), follower extra effort ($\beta = 1.48$), organizational commitment ($\beta = .64$), job satisfaction ($\beta = 1.39$), and work engagement ($\beta = 1.05$). Significance tests for the indirect effects were based on bias-corrected confidence intervals derived from 10000 bootstrapped samples (Shrout & Bolger, 2002).

Hypothesis 5 predicted that a participant's moral identity would moderate the relationship between ethical leadership and personal power. Table 7 reveals that the interaction term between ethical leadership and moral identity is positively related to personal power ($b = .47$, $\beta = .19$, $SE = .06$, $p < .001$). Plotting the interaction effect of ethical leadership and a participant's moral identity on personal power illustrates the moderating function of moral identity in the relationship between the attribution of personal power bases and ethical leadership in the scenario experiment, such that participants with a high moral identity attributed more personal power bases to their hypothetical leader in case of high ethical leadership behavior and perceived less personal power bases in case of low ethical leadership behavior, compared to participants with a low moral identity (see figure 3).

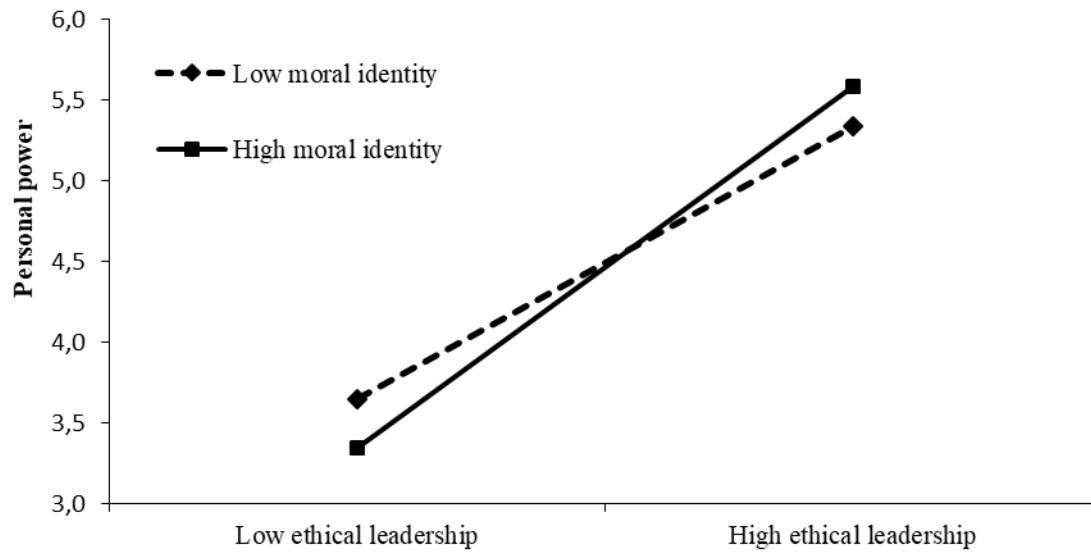


Figure 3. Moderating effect of a participant's moral identity on the relationship between ethical leadership and personal power.

Estimating the conditional effect of ethical leadership on personal power on three values of moral identity (1 *SD* below the mean, the mean, 1 *SD* above the mean), simple slope analyses showed solely significant effects (1 *SD* below the mean: slope: $\beta = 1.44$, $t = 7.22$, $p < .001$; the mean: slope: $\beta = 1.96$, $t = 14.27$, $p < .001$; 1 *SD* above the mean: slope: $\beta = 2.47$, $t = 11.98$, $p < .001$). Thus, hypothesis 5 is also supported by the scenario experiment's results.

Testing the corresponding moderated mediation models, analyses revealed significant conditional indirect effects of ethical leadership on each follower outcome at the three tested values of moderator moral identity (see table 10). Therefore, hypotheses 6a-e are also substantiated by the scenario experiment, since personal power mediated the interactive effect of manipulated ethical leadership and a participant's moral identity on predicted leader effectiveness ($\beta = .98 - 1.68$), follower extra effort ($\beta = 1.09 - 1.87$), organizational commitment ($\beta = .48 - .81$), job satisfaction ($\beta = 1.03 - 1.76$), and work engagement ($\beta = .77 - 1.33$).

Table 10

Tests of conditional indirect effects

Moderated mediation models: <i>Ethical leadership x moral identity → personal power → follower outcome</i>										
Follower Outcome	<i>Leader effectiveness</i>		<i>Follower extra effort</i>		<i>Organizational commitment</i>		<i>Job satisfaction</i>		<i>Work engagement</i>	
Level	Conditional indirect effect	CI	Conditional indirect effect	CI	Conditional indirect effect	CI	Conditional indirect effect	CI	Conditional indirect effect	CI
Moral identity _{low}	0.98 (0.17)	[0.68, 1.36]	1.09 (0.18)	[0.76, 1.50]	0.48 (0.13)	[0.24, 0.75]	1.03 (0.17)	[0.73, 1.44]	0.77 (0.14)	[0.53, 1.10]
Moral identity _{mean}	1.33 (0.18)	[1.02, 1.72]	1.48 (0.21)	[1.11, 1.93]	0.64 (0.18)	[0.30, 0.99]	1.39 (0.23)	[0.96, 1.88]	1.05 (0.18)	[0.71, 1.41]
Moral identity _{high}	1.68 (0.24)	[1.24, 2.18]	1.87 (0.29)	[1.34, 2.50]	0.81 (0.24)	[0.37, 1.29]	1.76 (0.34)	[1.13, 2.47]	1.33 (0.25)	[0.85, 1.84]

Note. $N = 169$. Moral identity was -1.09 (i.e., 1 SD below the mean) and 1.09 (i.e., 1 SD above the mean) for low and high levels of moral identity, respectively. Significance tests for the conditional indirect effects were based on bias-corrected confidence intervals derived from 10000 bootstrapped samples (Shrout & Bolger, 2002). Confidence level of confidence interval (CI) = 95%, standard errors are in parentheses.

Discussion of study V (scenario experiment)

Based on the experimental manipulation of ethical leadership, the findings of study V replicate all the results of study IV, confirming the causal direction of ethical leadership's effect. The findings of the scenario experiment reveal that ethical leadership enhances both the attribution of personal power bases to leader and follower outcomes (i.e., leader effectiveness, follower extra effort, organizational commitment, job satisfaction, and work engagement). Furthermore, personal power bases mediated the positive relationship between ethical leadership and follower outcomes, elucidating ethical leadership's mechanism of action. In accordance with the field study results, the findings of study V indicate that an employee's moral identity moderates the process, such that a highly developed moral identity increases the positive effect of ethical leadership on the attribution of personal power bases to a leader, resulting in higher follower outcomes for participants with a high moral identity compared to those with a low moral identity.

Although the scenario experiment study design was suitable for testing the causal relationships implied in the proposed power-based process model, a coinciding limitation of this study relates to capturing reported hypothetical behavior as responses to a highly ethical or unethical leader. A scenario simulates a real-life setting, though the described situation may be experienced from an observer's perspective due to limited emotional empathizing with the illustrated circumstances, leading to diverging results compared to a field study (Kim & Jang, 2014). However, we likely confined that potential influence since we controlled for participants' experienced lack of imagination regarding their role in the described scenario. Future research could further substantiate our findings with a non-hypothetical experimental design in which participants step into a follower role in the context of a real leader-follower situation (see Damen, van Knippenberg, & van Knippenberg, 2008).

General Discussion

By elucidating the transformation process of ethical leadership into follower outcomes from a power perspective, findings from both the two-wave field study (study IV) and the scenario experiment (study V) confirm the proposed power-based process model of the ethical leadership-follower outcomes link. Thus, the attribution of personal power to a leader by his or her follower mediated positive relationships between ethical leadership and a broad range of follower outcomes, including leader effectiveness, follower extra effort, organizational commitment, job satisfaction, and work engagement. The results also reflected the moderating role of a follower's moral identity in this transformation process in terms of enhancing the relationship between ethical leadership and personal power. Accordingly, employees with a high moral identity attributed more personal power to their leader than employees with a rather low moral identity, subsequently resulting in higher follower outcomes, as personal power mediated the interactive effects of ethical leadership and a follower's moral identity on each tested follower outcome, such that the mediated effect was stronger when employees exhibited higher development levels of moral identity.

Theoretical implications

The present study offers significant theoretical contributions to research on both ethical leadership and power.

Research on power bases is mainly limited to testing separately relations between power bases and leadership styles or rather follower outcomes (see Rahim, 2009; Yukl, 2006). Consistent with existing research that suggests personal power is closely connected to employee-oriented leadership styles (e.g., Ansari, 1990; Pierro, et al. 2013) and highly positively related to several beneficial follower outcomes (Rahim, 2009; Yukl, 2006), this study is one of the first to test power bases, more precisely personal power, as a mediating mechanism in a leadership behavior –follower outcomes link (see Pierro et al., 2013 for one exception). Thus, the present examination extends current state of research by first testing the direct

relationship between power bases and an explicitly ethics related leadership style (i.e. ethical leadership), coincidentally integrating two robust findings of the power research field into one influence chain. Furthermore, research on power bases has never examined the moderating influence of follower characteristics, such as moral identity, on the attribution of power bases. Thus, the present study offers a deepened insight in the leader behavior-dependent process of attributing power bases by first explicating a conditional factor, namely follower personality (i.e. follower moral identity).

Research on ethical leadership has extensively explored the beneficial outcomes of ethical leadership behavior (Treviño & Brown, 2014) and has begun to examine the underlying mechanism of this correlation (e.g., Piccolo et al., 2010). However, the influencing process of ethical leadership on diverse follower outcomes has not been investigated from a power perspective, though the role of power, defined as the potency to influence (e.g., French & Snyder, 1959), is highly relevant regarding the comprehension of an influence process. In this vein, the present study first examined the nature of influence in the context of ethical leadership in its purest form. Extending the current level of scientific knowledge on ethical leadership's mechanism of action, our findings consistently demonstrate a new power-based explanatory mechanism of the ethical leadership-follower outcomes-link, as personal power mediated the positive relationship between ethical leadership and follower outcomes. On the basis of the attachment theory (Bowlby, 1969/1982), these results imply that first, ethical leadership behavior creates strong relational attachments, as the emotional bond between leader and follower is mirrored by the followers' attribution of personal power to a leader (see Bass, 2008) and second, that ethical leaders' effectiveness is partly based on their followers' perceptions of their leaders' personal power as highly developed. That means that the socially responsible power use in the context of ethical leadership describes a key explanatory mechanism in the ethical leadership-follower outcomes link. According to our findings, an ethical leader unfolds his or her influence on followers by personal appearance.

Moreover, the novel result of personal power as a mediator adds further insight in the theoretical foundations of the ethical leadership-follower outcomes link. In addition to indicating the attachment theory (Bowlby, 1969/1982) as plausible theoretical underpinning, the findings can be related to the social learning theory (Bandura, 1986), which serves as a common theoretical explanation for the relationship between ethical leadership and follower outcomes (Brown et al., 2005). The social learning theory implies that an ethical leader influences followers by role modeling (Brown et al., 2005). However, this proposition has been rarely examined. Two different studies showed that ethical leadership flows from one organizational level to the next (Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009) and that leaders, who had ethical role models, tend to display more ethical leadership behavior (Brown & Treviño, 2014), indicating the function of role modeling in the ethical leadership process. Our findings indicate that personal power (i.e. the combination of expert and referent power) plays a critical intervening role in the relationship between ethical leadership and follower outcomes. As the core characteristic of referent power comprises perceiving a leader as a role model (Northouse, 2007), our finding leads to the conclusion that an ethical leader's influence on follower outcomes is indeed partly transferred by role modeling, as the attribution of referent power reflects the followers' perception of their leader as a role model (see Northouse, 2007). Thus, our findings offer one of the first empirical evidence that support the social learning theory (Bandura, 1986) as a significant theoretical underpinning of the link between ethical leadership and follower outcomes.

In addition to indicating a new explanatory mechanism of the ethical leadership-follower outcomes link, our findings imply a new defining element of the ethical leadership concept by capturing it from a power perspective. Power plays a key role in the leader-follower relationship (Yukl, 2006), and the socially responsible use of power is assumed as a key factor of ethical leadership (De Hoogh & Den Hartog, 2009). Our findings imply that typical ethical leadership behaviors convey high personal power, as the present examination offers the first-

time empirical indication that ethical leadership is linked to (study IV), respectively creates (study V) enhanced follower perceptions of a leader's personal power. Since personal power is considered as the most positive power source (e.g., Carson et al., 1993; Yukl, 2006), this finding indicates socially responsible power use within the framework of ethical leadership behavior.

Another theoretical implication concerns the moderating role of a follower's moral identity in the power-based transformation process of ethical leadership into follower outcomes. In both studies, a high follower moral identity enhanced the direct relationship between ethical leadership and a leader's personal power, leading to higher follower outcomes compared to a low moral identity. Thus, moral identity seems to influence the evaluation of ethical leadership behavior by affecting followers' perceptions of power messages transferred by ethical leadership behavior. Confirming the influence of the follower personality on ethical leadership's effect on follower outcomes is consistent with the current state of research, indicating that individual differences related to morality, such as moral emotions, increase the positive effect of ethical leadership on follower outcomes (see e.g., Eisenbeiss & van Knippenberg, 2015; van Gils et al., 2015). Extending the current research state, the present study first examined the moderating function of follower moral identity as a self-concept based personality variable, thus adding further insight in the followers' active role in the ethical leadership process. Coincidentally, our findings contradict the results of several studies that detected the effects of ethical leadership on an employee's moral identity (Bavik et al., 2017; Gerpott et al., 2017; Wen & Chen, 2016), as ethical leadership and moral identity were unrelated in both of our studies, but they exhibited an interaction effect. Thus, the present studies add a new perspective on the relationship between ethical leadership and follower moral identity.

Strengths, limitations, and future research directions

A prominent strength of our examination consists of combining an experimental design with a field study, since the strengths and weaknesses of these two methods simultaneously offset each other (see e.g., Damen et al., 2008). While granting high external validity, the two-

wave single-source-field study does not permit causal conclusions and involves with the risk of common method bias. Conversely, the scenario experiment permits the exploration of causality, while lacking in realism due to the hypothetical context. The fact that the use of the two different methodologies allowed for the same conclusions increases confidence in the findings' robustness.

In addition to the limitations resulting from the study designs, a general limitation of our examination refers to the potential self-selection bias of web surveys (Bethlehem, 2010) that could confine the findings' generalizability. Although internet recruitment methods are approved by the American Psychological Association's Board of Scientific Affairs' Advisory Group (Kraut et al., 2004), future research could use probability sampling, for example by means of an appropriate online panel, to rule out the possibility that our conclusions only apply to a specific population (Bethlehem, 2010). In that respect, an investigation in an international context would be preferable to further extend the generalizability of results (Bond, 1998).

The present investigation offers options for future research to extend our findings.

One possible research direction concerns the examination of additional follower outcomes. As we exclusively investigated follower-rated attitudes, future research could also test the proposed power-based process model regarding behavior-based follower outcomes, including follower performance (Williams & Anderson, 1991) and organizational citizenship behavior (Lee & Allen, 2002). Since these variables are appropriate for using external ratings, the exploration of these behavioral follower outcomes could address the methodological issues of single-source data and extend the scope of the power-based process model.

A further option for future research refers to the expanded exploration of the influence chain implied in our model. To date, the explanatory mechanism of the link between the personal power and advantageous follower outcomes is mostly unexplored (Mossholder, Bennett, Kemery, & Wesolowski, 1998; Podsakoff & Schriesheim, 1985), and our model does not explain this relationship. Therefore, future research could integrate our finding on a leader's

personal power as a mediator in the ethical leadership-follower outcomes link with study results on other diverse mediating mechanism, such as ethical climate (Neubert, et al., 2009) or trust (Chughtai, et al., 2015) to create a sequential mediation model, in which personal power functions as preceding mediator variable of another.

De Hoogh and Den Hartog (2009) argued that follower trust towards a leader may result from the socially responsible power use within the framework of ethical leadership behavior, thus mediating the positive relationship between ethical leadership and follower outcomes. Similarly, Neubert and colleagues (2009) theoretically deduced that ethical climate is a mediator of the ethical leadership-follower outcomes link by explaining an ethical leader's influence on ethical climate, among other factors, in terms of their personal power. Consistent with these theoretical considerations, Mossholder and colleagues (1998) showed that procedural justice mediated the relationship between a leader's personal power and followers' affective work reactions. Thus, it might be a fruitful approach to extend our model to a sequential mediation model by adding and testing further mediators that might arise from the attribution of personal power to a leader to further elucidate the personal-power-based process of transforming ethical leadership behavior into follower outcomes.

Finally, future research could examine the moderating role of environmental factors in the relationship between ethical leadership and the attribution of personal power bases. Since culture influences the perceptions of power bases (Aguinis et al., 1995, cited from Aguinis, Simonsen, & Pierce, 1998), it might be useful to examine the moderating role of organizational ethical culture (Treviño & Weaver, 2003). Considering the shaping function of an environmental factor could contribute to a more balanced perspective on the mechanism of the power-based transformation process of the ethical leadership-follower outcomes link.

Practical implications

Our findings reveal several practical implications. The most obvious is based on the de novo empirical evidence confirming the organizational effectiveness of ethical leadership

behavior. Thus, it might be useful for organizations to consider the ethical dimension of leadership behavior in leader selection and particularly leader development, as a thoughtfully designed leadership program can significantly increase ethical leadership behavior (Van Velsor & Ascalon, 2008).

The findings also reveal that the effectiveness of ethical leadership is partly dependent on an employee's self-concept. This recognition could be implemented by means of employee selection. In particular, companies with organizational cultures that are highly characterized by an ethical dimension should pay attention to the development level of a potential employee's moral identity due to the expected increase in follower outcomes. In addition, a training approach may be a promising option since moral identity seems dependent on situational factors to some extent (e.g., Aquino, Freeman, Reed, Lim, & Felps, 2009).

A further managerial implication concerns the power aspect. Findings indicate that personal power plays an important role in the ethical leadership process and is the direct antecedent of various follower outcomes. This evidence highlights that power is an integral part of leadership and the responsible use of power can evolve highly advantageous outcomes for organizations, reducing the wide-spread fear of power, as the phenomenon of power and its function in organizations is still commonly denied in business contexts (Knoblauch, Oltmanns, Hajnal, & Fink, 2012). Furthermore, the fact that ethical leadership behavior represents a good way to promote personal power is significant for managers. Regarding the current trend to flatter hierarchies (Erker, Cosentino, & Tamanini, 2010), which involves the reduction of positional power, personal power as an incremental influence option may become the primary mechanism for exerting influence in organizational settings, and promoting one's own career advancement.

Conclusion

By capturing an ethical leader's impact process on follower outcomes from a power perspective, our proposed power-based process model of the ethical leadership-follower

outcomes link found substantial empirical support. We showed that a leader's personal power mediates the positive relationship between ethical leadership and various follower outcomes, suggesting that socially responsible power use within the framework of ethical leadership represents a key explanatory mechanism in the ethical leadership-follower outcomes link. Furthermore, our results confirm that a follower's moral identity plays a significant moderating role in this process by enhancing the positive effect of ethical leadership on a leader's personal power and subsequently on follower outcomes. Therefore, our findings concerning the impact process of ethical leadership on follower outcomes indicate that Baltasar Gracian's statement, "The sole advantage of power is that you can do more good", builds the implicit guiding principle of an ethical leader.

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Deutsche Zusammenfassung

Macht bildet eine bedeutende Grundlage für das Verständnis menschlicher Beziehungen. Insbesondere in Organisationen spielt sie eine zentrale Rolle (Magee & Galinsky, 2008), da deren Aufbau als hierarchische Systeme in Machtgefällen resultiert (Bleiklie, Enders, & Lepori, 2015). Macht wird dementsprechend als asymmetrische Kontrolle über wertvolle Ressourcen in sozialen Beziehungen definiert und subjektiv durch den Mächtigen als die eigene Kapazität, andere beeinflussen zu können, erlebt (Anderson, John, & Keltner, 2012; Magee & Galinsky, 2008). In Organisationen manifestieren sich Machtbeziehungen vorwiegend in Form von Führungsverhältnissen (French & Snyder, 1959; Magee, Gruenfeld, Keltner, & Galinsky, 2005). Macht ist in Führung immanent, da Führung generell den Prozess der zielbezogenen Einflussnahme auf Mitarbeiter beschreibt (z.B. Hollander, 1985). Daher spielt Macht im Führungsprozess in zweierlei Hinsicht eine tragende Rolle: Zum einen erlebt die Führungskraft im Rahmen ihrer Führungsrolle ein persönliches Gefühl von Macht (Magee et al., 2005), wobei dieses subjektive Machtempfinden die soziale Wahrnehmung, Kognition sowie Emotion verändert und damit den psychologischen Zustand der Führungskraft beeinflusst (Galinsky, Rucker, & Magee, 2015), der sich wiederum auf ihr Führungsverhalten auswirkt (Magee et al., 2005). Zum anderen impliziert Führung die Ausübung von Macht, die auf spezifischen Verhaltensweisen zur Zielerreichung beruht (Sousa & van Dierendonck, 2015). Da Vorgesetzten eine Bandbreite von Führungsverhalten zur Verfügung steht, um Macht auszuüben, unterscheiden sie sich auf Basis ihres spezifischen Führungsverhaltens darin, wie ihr Machtgebrauch von den Mitarbeitern wahrgenommen wird. Die Wahrnehmung des Machtgebrauchs der Führungskraft ist wiederum mit bestimmten Folgen für das Erleben und Verhalten der Mitarbeiter verknüpft, sodass sich verschiedene Formen des Machtgebrauchs unterschiedlich auf die Mitarbeiter auswirken (z.B. Gioia & Sims, 1983). Folglich beeinflusst das subjektive Machtempfinden der Führungskraft ihr Führungsverhalten, welches sich wiederum darauf auswirkt, wie Mitarbeiter ihren Machtgebrauch wahrnehmen.

Die Konzeptualisierung von Führung als Machtgebrauch (z.B. Washbush & Clements, 1999) wirft die grundsätzliche Frage auf, ob Führungskräfte als Machtinhaber ihre Macht so ausüben, dass sie der Allgemeinheit dienen, oder sie missbräuchlich verwenden. In den vergangenen Jahren demonstrierten diverse ethische Skandale im Wirtschaftskontext, wie bedeutend das moralische Verhalten von Managern für ökonomischen Erfolg ist, sodass das wissenschaftliche Interesse an ethischen Aspekten von Führungsverhalten wuchs (Brown, Treviño, & Harrison, 2005). Ethische Führung wird generell definiert als „Äußerung regelgerechten, angemessenen Verhaltens durch eigene Handlungen, zwischenmenschliche Beziehungen und die Förderung solchen Verhaltens bei den Mitarbeitern, indem entsprechend kommuniziert, verstärkt und entschieden wird“ (Brown et al., 2005, p. 120). Dementsprechend sind ethische Führungskräfte sowohl moralische Persönlichkeiten als auch moralische Manager: Letzteres bedeutet, dass ethische Führungskräfte Werten einen hohen Stellenwert in ihrer täglichen Arbeit einräumen und daher gegenüber ihren Mitarbeitern die Bedeutung von Ethik kommunizieren sowie deren moralisches Verhalten gezielt fördern (Brown & Treviño, 2006).

Traditionelle Perspektiven auf die Beziehung zwischen Macht und moralischem Verhalten stellen die korrumpierenden Effekte von Macht in den Vordergrund (Kipnis, 1972). Aktuelle Forschung zu Macht und ihren Auswirkungen auf den psychologischen Zustand des Mächtigen und resultierendes Verhalten hingegen zeichnet ein differenzierteres Bild von der Rolle von Macht im Rahmen moralischen Verhaltens (Lammers, Galinsky, Dubois, & Rucker, 2015). Allerdings wurden wissenschaftliche Erkenntnisse diesbezüglich bisher vorwiegend aus Laborstudien gewonnen, wohingegen Feldforschung zur der Rolle von Machterleben für das Verhalten tatsächlicher Führungskräfte unterrepräsentiert ist (z.B. Anderson & Brion, 2014). Obwohl ethische Führung eine grundlegende Dimension moralischen Verhaltens im organisationalen Kontext darstellt, die für wirtschaftlichen Erfolg entscheidend ist (Treviño & Brown, 2014), und trotz der starken Beschränkung wissenschaftlicher Forschung zu der

Beziehung zwischen Macht und moralischem Verhalten im organisationalen Kontext (Anderson & Brion, 2014), wurde die Beziehung zwischen Macht und ethischer Führung bisher kaum erforscht.

Aus diesem Grund behandelte die vorliegende Dissertation die Forschungslücke zu der Beziehung zwischen Macht und ethischer Führung. Hierbei folgt sie der Forderung diverser Wissenschaftler, Führung als einen Prozess unter Berücksichtigung der zugrundeliegenden Mechanismen sowie bedingenden Faktoren zu untersuchen (Fischer, Dietz, & Antonakis, 2017; Van Knippenberg & Sitkin, 2013) und beleuchtet mit insgesamt fünf empirischen Studien die Rolle von Macht in den Entstehungs- sowie Wirkprozessen ethischen Führungsverhaltens. Auf Basis der beschriebenen Schnittstellen zwischen Macht und Führung wurde der moderierende Einfluss des subjektiven Machterlebens der Führungskraft auf den persönlichkeits- und kontextabhängigen Entstehungsprozess ethischen Führungsverhaltens sowie die mediierende Rolle des spezifischen Machtgebrauchs einer ethischen Führungskraft im Wirkprozess (d.h. in dem Zusammenhang zwischen ethischer Führung und resultierenden Effekten auf Mitarbeiterebene) untersucht.

Im Folgenden werden die Untersuchungsergebnisse zu dem Einfluss des persönlichen Machterlebens der Führungskraft auf die persönlichkeits- und kontextabhängigen Entstehungsprozesse ethischen Führungsverhaltens zusammenfassend dargestellt.

Generell wurden die Voraussetzungen ethischen Führungsverhaltens bisher wenig untersucht, sodass sich die wissenschaftlichen Erkenntnisse auf Zusammenhänge zwischen ausgewählten Persönlichkeitseigenschaften der Führungskraft und ethischer Führung beschränken (Treviño & Brown, 2014). Da Verhalten eine Funktion von Person und Situation darstellt (Lewin, 1951), untersuchte die vorliegende Dissertation die Persönlichkeit der Führungskraft (Studien I und II) sowie den organisationalen Kontext (Studie III) als Antezedenzien im Entstehungsprozess ethischen Führungsverhaltens. Um die den

Zusammenhängen zugrundeliegenden Mechanismen zu beleuchten, wurden verschiedene Zustände des inneren Erlebens der Führungskraft, etwa spezifische Kognitionen oder Affekt, in ihrer Funktion als Verhaltensmediatoren untersucht und zudem analysiert, wie das persönliche Machterleben der Führungskraft die spezifischen Entstehungsprozesse modifiziert.

Auf Basis der sozial-kognitiven Theorie (Bandura, 1986) sowie der Machttheorie der Annäherung und Hemmung (Keltner, Gruenfeld, & Anderson, 2003) explorierten zwei Feldstudien den Einfluss des persönlichen Machterlebens der Führungskraft auf den persönlichkeitsabhängigen Entstehungsprozess ethischen Führungsverhaltens, wobei sowohl die Sonnenseite als auch die Schattenseite der Persönlichkeit einer Führungskraft berücksichtigt wurden.

Studie I konzentrierte sich auf die Sonnenseite der Persönlichkeit einer Führungskraft und prüfte ein moderiertes Mediationsmodell zu dem Zusammenhang zwischen der moralischen Identität der Führungskraft und ethischem Führungsverhalten, das affektive Empathie als Mediator annimmt und zugleich die moderierende Rolle des persönlichen Machterlebens der Führungskraft berücksichtigt. Die Ergebnisse einer Feldstudie, in deren Rahmen Teams von 61 Führungskräften und insgesamt 225 Mitarbeitern befragt wurden, bestätigten das Modell: Erstens wiesen die moralische Identität der Führungskraft und ethische Führung einen positiven Zusammenhang auf. Zweitens medierte das von der Führungskraft erlebte Mitgefühl gegenüber den eigenen Mitarbeitern den Zusammenhang zwischen moralischer Identität und ethischer Führung. Drittens moderierte das persönliche Machterleben der Führungskraft sowohl den direkten Zusammenhang zwischen moralischer Identität und ethischer Führung als auch den ersten Pfad der mediierten Beziehung, in dem Sinne, dass ein steigendes Ausmaß an Machterleben den positiven Einfluss von moralischer Identität auf sowohl das Erleben affektiver Empathie als auch ethisches Führungsverhalten verstärkte.

Im Rahmen der Exploration der Schattenseite der Persönlichkeit, testete Studie II ein moderiertes Mediationsmodell zu dem Zusammenhang zwischen Machiavellismus als persönliche Disposition der Führungskraft und ethischer Führung. Das Modell nimmt moralische Kognitionen als mediierten Mechanismus des negativen Zusammenhangs zwischen Machiavellismus und ethischer Führung an und betrachtet zudem die moderierende Rolle des persönlichen Machterlebens der Führungskraft. Die Ergebnisse einer Feldstudie mit 123 Dyaden aus Führungskräften und deren Mitarbeitenden bestätigten insgesamt das Modell: Erstens wurde ein negativer Zusammenhang zwischen dem persönlichen Machiavellismus der Führungskraft und ethischer Führung bestätigt. Zweitens medierte die arbeitsbezogene, kognitive Loslösung von moralischen Prinzipien der Führungskraft den Zusammenhang zwischen Machiavellismus und ethischer Führung und drittens moderierte das persönliche Machterleben der Führungskraft sowohl den direkten Zusammenhang zwischen Machiavellismus und ethischer Führung als auch den ersten Pfad der mediierten Beziehung. Die Moderation der direkten Beziehung zwischen Machiavellismus und ethischer Führung zeigte, dass Machiavellismus in Abhängigkeit des Grads an Machterleben einen gegensätzlichen Effekt auf ethische Führung hatte. Im Fall geringen persönlichen Machterlebens der Führungskraft standen Machiavellismus der Führungskraft und ethische Führung in einem positiven Zusammenhang, während sich im Fall eines hohen persönlichen Machterlebens der Führungskraft sich der Zusammenhang umkehrte, sodass Machiavellismus einen negativen Effekt auf ethische Führung hatte. Der Befund zu der negativen Beziehung im Falle von hohem persönlichem Machterleben der Führungskraft bestätigte die Hypothese, dass Macht die Persönlichkeit der Führungskraft enthüllt. Die positive Beziehung zwischen Machiavellismus der Führungskraft und ethischer Führung bei niedrigem Machterleben indiziert hingegen, dass Führungskräfte mit stark machiavellistischen persönlichen Tendenzen und geringer Macht ethisches Führungsverhalten zur Förderung ihrer eigenen Interessen gezielt einsetzen. Erkenntnisse im Rahmen des moderierten Mediationsmodells demonstrierten, dass

das persönliche Machterleben der Führungskraft den positiven Zusammenhang zwischen dispositionalem Machiavellismus und der arbeitsbezogenen, kognitiven Loslösung von moralischen Prinzipien der Führungskraft verstärkte, wodurch indirekt ethisches Führungsverhalten reduziert wurde.

Insgesamt indizieren die Befunde im Rahmen der Studien I und II, dass das persönliche Machterleben der Führungskraft den persönlichkeitsabhängigen Entstehungsprozess ethischen Führungsverhaltens derart beeinflusst, dass es den Zusammenhang zwischen den individuellen Persönlichkeitsdispositionen der Führungskraft, d.h. der moralischen Identität und dem Ausprägungsgrad des Machiavellismus, direkt sowie indirekt verstärkt. Die indirekte Verstärkung beruht darauf, dass das persönliche Machterleben der Führungskraft den Zusammenhang zwischen der Persönlichkeit und spezifischen persönlichen Erlebniszuständen der Führungskraft (affektive Empathie gegenüber den Mitarbeitern in Studie I und arbeitsbezogene, kognitive Loslösung von moralischen Prinzipien in Studie II) intensiviert, die zugleich als Verhaltensmediatoren fungieren und so letztendlich auf ethisches Führungsverhalten einwirken. Folglich beeinflusst das Machterleben der Führungskraft den persönlichkeitsabhängigen Entstehungsprozess ethischen Führungsverhaltens, indem es den Einfluss der Persönlichkeit der Führungskraft auf ihr Erleben sowie Verhalten verstärkt und auf diese Weise ihren Wesenskern enthüllt.

Da Verhalten eine Funktion aus Person und Situation darstellt (Lewin, 1951), untersuchte auf Basis der sozial-kognitiven Theorie (Bandura, 1986) und der Machttheorie der sozialen Distanz (Magee & Smith, 2013) Studie III den Einfluss des persönlichen Machterlebens einer Führungskraft auf den kontextabhängigen Entstehungsprozess ethischen Führungsverhaltens. Zu diesem Zweck wurde ein moderiertes Mediationsmodell zu dem Zusammenhang zwischen der ethischen Kultur eines Unternehmens und ethischer Führung getestet, welches das Erleben kontextspezifischer Empathie als mediierenden Mechanismus des

positiven Zusammenhangs zwischen ethischer Kultur und ethischer Führung annimmt, und dabei zusätzlich den moderierenden Einfluss des persönlichen Machterlebens einer Führungskraft betrachtet. Die Befunde einer Feldstudie, die 68 Teams bestehend aus deren Führungskräften und insgesamt 229 Mitarbeiter befragte, bestätigten das Modell: Erstens wurde ein positiver Zusammenhang zwischen der ethischen Kultur eines Unternehmens und ethischer Führung attestiert, zweitens mediierte die vonseiten der Führungskraft erlebte Empathie gegenüber den eigenen Mitarbeitern den positiven Zusammenhang zwischen ethischer Kultur und ethischer Führung. Drittens moderierte das persönliche Machterleben einer Führungskraft sowohl die direkte Beziehung zwischen ethischer Kultur und ethischer Führung als auch den zweiten Pfad des mediierten Zusammenhangs, in dem Sinne, dass Machterleben den positiven Einfluss von sowohl der ethischen Kultur als auch der erlebten Empathie gegenüber den Mitarbeitern auf ethische Führung abschwächte. Folglich indizieren die Befunde der Studie III, dass sich das persönliche Machterleben einer Führungskraft auf den kontextabhängigen Entstehungsprozess ethischen Führungsverhaltens auswirkt, indem es den Einfluss des organisationalen Umfelds, d.h. dessen ethische Kultur, auf ethisches Führungsverhalten verringert. Dies legt nahe, dass Machterleben mit Immunität gegenüber sozialem Einfluss einhergeht.

Insgesamt demonstrieren die Befunde im Rahmen der Studien I bis III, dass das persönliche Machterleben einer Führungskraft einen bedeutenden Einfluss auf den persönlichkeits- und kontextabhängigen Entstehungsprozess ethischen Führungsverhaltens darstellt, da es die Beziehung zwischen dispositionalen oder kontextuellen Antezedenzien und ethischer Führung direkt und indirekt modifiziert. Dabei resultiert der indirekte Einfluss aus der Moderation des ersten bzw. zweiten Pfades der mediierten Zusammenhänge. Die Gesamtheit der Befunde zu den persönlichkeits- und kontextabhängigen Entstehungsprozessen ethischen Führungsverhaltens deutet darauf hin, dass das persönliche Machterleben einer Führungskraft den Einfluss ihrer Persönlichkeit auf ethisches Führungsverhalten stärkt, während der Effekt

des organisationalen Umfelds der Führungskraft auf ethische Führung geschwächt wird. Diese Erkenntnisse beinhalten wertvolle praktische Implikationen für den Bereich der Personal- und Organisationsentwicklung.

Im Folgenden werden die Befunde zu der Rolle des spezifischen Machtgebrauchs einer ethischen Führungskraft im Wirkprozess zusammenfassend dargestellt.

Empirische Forschung hat robust belegt, dass ethische Führung mit vielen positiven Effekten auf Mitarbeiterebene assoziiert ist, wie zum Beispiel erhöhter Arbeitszufriedenheit oder organisationalem Commitment (Treviño & Brown, 2014). Obwohl einige Studien begonnen haben, den zugrundeliegenden Wirkmechanismus zwischen ethischer Führung und deren positiven Auswirkungen zu erforschen (z.B. Piccolo, Greenbaum, Den Hartog, & Folger, 2010), wurde die Rolle von Macht in dem Zusammenhang zwischen ethischer Führung und positiven Folgen auf Mitarbeiterebene noch bislang nicht untersucht.

Daher war das Ziel der Studien IV und V, den sozialverantwortlichen Machtgebrauch im Rahmen ethischen Führungsverhaltens als möglichen Erklärungsmechanismus für die Beziehung zwischen ethischer Führung und deren Effekte zu testen.

Auf Basis der Bindungstheorie (Bowlby, 1969/1982) wurde ein moderiertes Mediationsmodell untersucht, das personale Machtgrundlagen der Führungskraft als Mediator des Zusammenhangs zwischen ethischer Führung und deren positiven Folgen auf Mitarbeiterebene annimmt sowie die moderierende Rolle der moralischen Identität des Mitarbeiters in diesem Prozess berücksichtigt. Die Ergebnisse einer Feldstudie (Studie IV), in der 235 Mitarbeiter zu zwei Messzeitpunkten befragt wurden, und eines Szenario-Experiments mit 169 Teilnehmern (Studie V), in dem ethische Führung als abhängige Variable manipuliert wurde, bestätigten das Modell: Die persönliche Macht der Führungskraft medierte den positiven Zusammenhang zwischen ethischer Führung und einer großen Bandbreite an getesteten Effekten auf Mitarbeiterebene, nämlich Effektivität der Führungskraft, Bereitschaft

des Mitarbeiters, sich über das erforderliche Maß anzustrengen, organisationales Commitment sowie Arbeitszufriedenheit und Arbeitsengagement. Da persönliche Macht, die aus Vorbild- und Expertenmacht besteht, als die positivste Form der Machtquellen gilt (Carson, Carson, & Roe, 1993), indiziert dieser Befund, dass der sozialverantwortliche Machtgebrauch einen Schlüsselmechanismus in dem Zusammenhang zwischen ethischer Führung und deren positiven Folgen auf Mitarbeiterebene darstellt. Darüber hinaus modifizierte die moralische Identität des Mitarbeiters die mediierte Beziehung im Sinne einer Verstärkung des Zusammenhangs zwischen ethischer Führung und der wahrgenommenen persönlichen Macht der Führungskraft. Dementsprechend schrieben Mitarbeiter mit einer hochentwickelten moralischen Identität ethischen Führungskräften höhere persönliche Macht zu als Mitarbeiter mit einer eher schwachen moralischen Identität, was letztendlich für Mitarbeiter mit hoher moralischer Identität zu vergleichsweise stärkeren positiven Effekten führte. Folglich beeinflusst die moralische Identität des Mitarbeiters die Bewertung ethischen Führungsverhaltens, indem sie darauf einwirkt, wie der Mitarbeiter die über ethisches Führungsverhalten übermittelten Machtbotschaften wahrnimmt und interpretiert. Dieser Befund unterstreicht, dass die Effekte von ethischer Führung auch von der Mitarbeiterpersönlichkeit abhängen (siehe auch z.B. Eisenbeiss & van Knippenberg, 2015).

Abschließend lässt sich festhalten, dass die vorliegende Dissertation im Rahmen von fünf empirischen Studien ein differenziertes Erklärungsmodell zu der Beziehung zwischen Macht und ethischer Führung untersuchte, indem die Rolle von Macht in den Entstehungs- und Wirkprozessen ethischen Führungsverhaltens beleuchtet wurde. Das persönliche Machterleben der Führungskraft bestimmt maßgeblich die Entwicklung ethischen Führungsverhaltens, indem es spezifisch auf die persönlichkeits- und kontextabhängigen Entstehungsprozesse sowie deren zugrundeliegenden affekt- und kognitionsbasierten Mechanismen einwirkt. Ethische Führung wiederum ist mit der Wahrnehmung eines sozial verantwortlichen Machtgebrauchs assoziiert, die einen Erklärungsmechanismus in dem Zusammenhang zwischen ethischer Führung und

deren positive Effekte auf Mitarbeiterebene darstellt. Daher ermöglicht die Betrachtung der Entstehungs- und Wirkprozesse ethischer Führung aus einer Machtperspektive ein vertieftes Verständnis über assoziierte Bedingungen sowie Mechanismen und zeigt, dass soziale Prozesse in Organisationen maßgeblich von dem Phänomen Macht geprägt sind.

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