Ethical Leader behavior and Moral Intensity of the Issue as Predictors of Subordinate Outcomes

ABSTRACT

In response to the issue that whether it is the ethical leader behavior or the situation that determines subordinate outcomes. The present study conceptualizes outcomes as person driven and situation moderated. This experimental study examined, in a 2 X 2 between-participants factorial design, the effects of ethical leader behavior and magnitude of consequences on different person driven (willingness to report problems, affective trust and cognitive trust, Idealized-influence (affective) and Idealized-influence (behavioral)) and situation moderated (stress level, leaders’ effectiveness,) outcomes. One hundred and eighty one students from different post graduate programs of a top engineering institute in India voluntarily participated in the study. Our results show that ethical leadership impacts almost all the subordinate outcomes. The analysis indicated that moral intensity measured in terms of magnitude of consequences does moderate this relationship for predicted outcome of leader effectiveness.

Key words: Ethical Leader behavior, Magnitude of Consequences, Willingness to Report Problems, Interpersonal Trust, Idealized Influence, Leader Effectiveness, Stress Levels
Ethical Leader Behavior and Moral Intensity of the Issue as Predictors of Subordinate Outcomes

The role of leader or leadership in management has occupied the attention of both theorists and practitioners alike. Of late, its role has also been considered significant in ethical issues given the various ethical scandals that have come out in open (Colvin, 2003; Mehta, 2003; Revell, 2003). Researchers (e.g. Brown, Trevino and Harrison, 2005) have attempted to address this issue by exploring the concept of ethical leadership and its impact on the conduct of employees. However, literature both on leadership as well as ethics has highlighted the significance of both the person and the situation. In ethical leadership it has been discussed as ‘‘bad apples versus bad barrel’’ (Trevino¯o and Youngblood, 1990) issue. Jones (1991) predicted moral intensity of the issue at hand to be a strong predictor of the ethical judgments that people make. Moral intensity in Jones’ (1991) classification consists of six characteristics-- magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity, and concentration of effect. Given the significance of situational factors this study explores the role of ethical leader behavior and its interaction with situations of varying magnitudes of consequences in predicting subordinate outcomes. However, research on ethical leadership, despite its importance, is limited. Part of the problem may lie in the difficulties associated with studying ethical leadership in a field setting. Owing to this fact, most of the research in ethics has been experimental in nature. The present study, also, uses an experimental design.
The study makes several contributions to knowledge. To begin with, this study, for the first time, assesses ethical leader behavior in situational context. Most of the research on ethics and moral intensity of the situation has focused on ethical judgments that people make about the situation. To the best of our knowledge, this is the first study that explores the role of ethical leader behaviors and the context of moral intensity of the situation, in predicting subordinate outcomes.

Second, instead of taking a position on whether it is the leader (behavior), or an interaction between the leader behavior and situation that determines employee outcomes, we propose that it depends on subordinate outcomes. We do this by conceptualizing person driven and situation moderated outcomes, where the first set of outcomes is predicted by ethical behavior of the leader but the second is predicted by either the situation or an interaction of leader behavior and situation. The situational issue that we have considered relevant for the impact of ethical leader behavior is moral intensity (magnitude of consequences) of the issue at hand.

Third, we test the proposed hypotheses in the Indian context, thus providing some empirical cross-cultural validity to the proposed relationships. It should, however, be noted that we are not advocating that the proposed relationships hold true for the Indian context only and are not likely to be replicated in other countries. Using Indian sample is an attempt to provide generalizability to the proposed relationships.

THEORETICAL BASES AND HYPOTHESIS DEVELOPMENT

Conceptualizing Ethical Leadership
In its earliest conceptualizations, ethical leadership was closely related to charismatic or transformational leadership. According to Burns (1978) transforming leaders are supposed to inspire followers by aligning their own and their followers’ value systems toward important moral principles. Some (Kelman, 1958) have suggested that the compliance based influence style associated with transactional leadership behavior is unethical. Kanungo and Mendonca (1996, p.73) noted that “the near destruction of the followers’ self esteem for the benefit of the leader makes the transactional influence process highly offensive to the dignity of people; therefore it cannot be considered to be an ethical social influence process.” However some have suggested that transformational and charismatic leaders could also be unethical (Bass, 1985) if they are motivated by selfishness rather than altruism (Bass, 1998; Howell, 1998; Howell & Avolio, 1992), and if they use power inappropriately (House & Aditya, 1997; Mc Clelland, 1975).

Consequently a difference is made between socialized (ethical) and personalized (unethical) charismatic leaders (Howell & Avolio, 1992) and authentic and pseudo-transformational leaders (Bass & Steidlmeier, 1999), suggesting that transformational (charismatic) and ethical leadership are not necessarily one and the same.

Some researchers found that ethical leadership is a combination of both transformational and transactional leaders. Trevino et al. (2003) found that ethical leaders use transactional type influence processes such as standard setting, performance appraisal, and rewards and punishments to hold followers accountable for ethical conduct, along with transformational leadership styles. Researchers believe that it is not necessary to have all components common in both transformational and transactional leadership.
We are governed by Brown et al.’s (2005) conceptualization of ethical leader who has a combination of transactional and transformational styles of leadership. The fact that ethical leadership uses both transactional and transformational elements tends to make ethical leadership a behavioral attribute of the leader. Using the social learning perspective, they defined ethical leadership “…as the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (p.120).

Literature on leadership has long focused on the importance of the situation in which the leader works and has identified the appropriate leader behavior contingent upon situation. In the context of ethical leader behavior, the perception of leader’s effectiveness and other reactions are likely to depend upon the situation. One important and immediate situational factor in the context of ethics is the intensity of moral issue at hand. In this research we use the extent of harm done as an indicator of magnitude of consequences.

**Moral Intensity of the Issue as Situation**

The many situational factors that have been studied in the context of ethical decision making include managerial influences (Jones and Kavanagh, 1996; Stead et al., 1990), peer influences (Jones and Kavanagh, 1996), relationship among actors (Brass et al., 1998), and responsibility for consequences (Trevino, 1986). Jones (1991) proposed that one of the issues that impact the cognitive interpretation of ethical decision making is the nature of issue itself and proposed the use of moral intensity of the issue at hand as a significant factor in decision making in ethical situations. Moral intensity may be the force that compels the individual to make a moral/ethical decision. Such that issues of
high intensity are likely to be perceived as requiring higher levels of ethical interpretation as compared to low intensity issues. According to Jones (1991) moral intensity construct consists of six components: magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity, and concentration of effect.

Many studies in the past have explored the impact of moral intensity on ethical decision making (Barnett 2001; Davis et al. 1998; Frey, 2000a; b; Morris and McDonald, 1995; Singer, 1996; 1998; Singer et al., 1998; Singer and Singer, 1997; Tsalikis et al., 2001). Many of these studies showed magnitude of consequences to be a significant moral intensity factor predicting ethical decision making (Barnett, 2001; Barnett & Valentine, 2004; Morris and McDonald, 1995; Singer, 1996; Singer et al., 1998; Singer and Singer, 1997; Tsalikis et al., 2001).

In line with Barnett & Valentine (2004) we conceptualize magnitude of consequences as the degree of harm that results from a given action. Though Jones’ (1991) concept of magnitude is similar but we focus only on the severity of consequences, whereas Jones (1991) allows for either positive or negative outcomes. When applied to our conceptualization, it means that some actions have trivial negative consequences but others involve serious consequences. Since the focus here is on consequences and their severity, utilitarian logic (Dubinsky and Loken, 1989) forms the normative base for explaining the significance of magnitude of consequence as an important indicator of moral intensity.

Ethical Leader Behavior and Magnitude of Consequences as Predictors of Employee Outcomes
The significance of studying leader behavior lies in the impact that such a behavior has on the subordinates. As mentioned earlier, the ethical aspect of leader has assumed much greater influence in modern times given the increasing number of corporate frauds that have been reported of late. In studying ethical behavior and decision making debate has focused around whether it is result of personal characteristics of the individual decision maker, an “undersocialized perspective of individuals acting in isolation” or the product of the situation alone (Brass et al., 1998, p. 14). Many studies have developed models that explain ethical decision making taking both personal and situational variables into consideration (Ferrell and Gresham, 1985; Hunt and Vitell, 1986; Rest, 1986; Treviño, 1986). However taking a position on whether it is the leader, the situation or the fit of a leader in a situation that predicts employee reactions, we take a view that the nature of employee reactions could be either personally driven (by leader’s behavior) or could require an analysis of the situation along with the leader behavior—situation driven.

**Person Driven Outcomes**

Person driven outcomes are the subordinate outcomes that are impacted by leader’s behavior and are independent of the context in which the leader and member operate. In this category we include the following reactions (outcomes) of the subordinates.

*Willingness of subordinates to report problems.* Reporting problems can be considered as whistle-blowing which may be defined as: “the disclosure by organization members of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action.” (Near and Miceli, 1985, p.4). It is characterized as a voluntary and pro-social behavior (Dozier and
Miceli 1985; Miceli and Near 1985; Trevino and Weaver 2001), which carries the risks of negative personal outcomes such as reprisal (Schultz et al. 1993). In such a scenario an environment which is seen as supportive of reporting problems enhances the incidence of reporting ethical problems (Miceli and Near 1992). People are likely to report such problems when they have confidence in the ethicality and trustworthiness of the management (Brockner, Siegel, Daly, Tyler, & Martin, 1997; Mayer et al., 1995). Such behavior is likely to occur when there is empathy and support from the supervisor and a supervisor who is ethical is likely to be supportive of and empathetic to ethical issues. Research has shown that such supportive behavior of the leader encourages subordinates to report problems (Graham, 1986). Hence, we propose the following hypothesis

\[ H1: \text{Willingness to report problems (whistle blowing) is predicted by ethical leadership.} \]

Interpersonal trust –affective and cognitive. Trust may be defined as ‘a type of expectation that alleviates the fear that one’s exchange partner will act opportunistically’ (Gulati, 1995, p. 91). Trust enables people to take risks, “where there is trust there is the feeling that others will not take advantage of me” (Porter et al., 1975; 497). Trust has been treated as a multidimensional construct. Affective and cognitive aspects of trust are two dimensions that have found support and mention in the literature (Cook & Wall, 1980; Johnson-George & Swap, 1982; McAllister, 1995).

Cognitive trust is a process where “we choose whom we will trust in which respects and under what circumstances, and we base the choice on what we take to be ‘good reasons,’ constituting evidence of trustworthiness” (Lewis & Wiegert, 1985: 970). Since trust is somewhere between knowledge and no-knowledge the credibility of the source becomes
very significant. Since, ethical leaders develop confidence in the subordinates; they are likely to evoke cognitive trust. Affective trust, on the other hand, consists of the emotional bonds between individuals (Lewis & Wiegert, 1985). People make emotional investments in trust relationships, express genuine care and concern for the welfare of the partners, believe in the intrinsic virtue of such relationships, and believe that such sentiments are reciprocated (Pennings & Woiceshyn, 1987; Rempel et al., 1985). Since ethical leader behavior is characterized by care, concern and welfare of the subordinates, it leads to affective trust. We, hence, hypothesize, as follows:

\[ H2: \text{Affective and cognitive trusts are predicted by ethical leadership} \]

\textit{Idealized influence}. Bass and Avolio (1993) described four dimensions of transformational leadership—inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation. Of these, the idealized influence dimension has been defined as having an ethical component. Idealized influence implies that transformational leaders become “role models for followers to emulate”. Ethical leaders are seen as those who promote ethical policies, procedures in the organization and stand for what they promise. They provide vision and a sense of mission and instill pride in the subordinates and in return they gain the respect of the subordinate (Bass, 1990). Ethical leaders are viewed in an \textit{idealized} way, and as such, these leaders wield much power and influence over their followers. Ethical leaders thus have the power to influence the subordinates; their emotions (affective) as well as in behavior (behavioral). Subordinates want to identify with the leaders and their mission. They develop strong feelings about such leaders, in whom they invest much trust and confidence. These leaders arouse and
inspire others with whom they work with a vision of what can be accomplished through extra personal effort. In light of this, we propose our next hypothesis

**H3:** Ethical leaders will exercise Idealized influence—affective and behavior on the subordinates.

**Situation Moderated Outcomes**

These outcomes are conceptualized outcomes of ethical leader behavior that get impacted by the context and act as moderators of ethical leader behavior and outcome relationship. The following outcomes are identified for the specific situational variable—magnitude of consequences.

*Leader’s perceived effectiveness.* Leadership effectiveness refers to a leader's performance in influencing and guiding the activities of his or her unit toward achievement of its goals (see Judge et al., 2002). Since the effectiveness involves achievement of goals in a context, it assumes significance in determining the perceived effectiveness of the leader. For situations that have highly negative consequences (where) the damage is likely to be more, ethical leader is likely to be seen as effective. Thus we propose our next hypothesis

**H2:** Magnitude of consequences of an ethical situation will moderate the relationship between ethical leader behavior and perceived effectiveness of the leader in such a way that for high magnitude of consequences ethical leader would be considered more effective as compared to unethical leader.

*Stress levels of the subordinates.* Stress has been conceptualized as a complex process, which results from a number of variables (Lazarus, 1990;
Lazarus, DeLongis, Folkman, and Gruen, 1985). According to this transactional approach, the stress process is dynamic, and constantly changing as a result of the continual interplay between person and environment. As Lazarus (1990, p. 4), puts it, `psychological stress, which results from the interplay of system variables and processes, depends on an appraisal by the person that the person-environment relationship at any given moment is one of harm, threat, or challenge’ . The significance of threat and challenge is highlighted in this definition. Unethical leaders are likely to expect subordinates to indulge in unethical acts, which could be a considerable source of stress for them. Ethical situations involving higher magnitude of negative consequences are likely to be perceived as involving both risk and threat, they are likely to compound this effect more. Hence, we propose our next hypothesis

\[ H5: \text{Magnitude of consequences of an ethical situation will moderate/enhance the relationship between ethical leader behavior subordinate stress in such a way that for high magnitude of consequences working with an unethical leader would lead to significantly higher levels of stress.} \]

**METHODOLOGY**

**Participants**

One hundred and eighty one students from different post graduate programs of a top engineering institute in India voluntarily participated in the study. Of these 130 (71.8%)
were males and 51 (28.2%) were females. The average age of the participants was 26.65 years with a sd of 4.853.

**Experimental Design and Procedure**

Most of the studies examining ethical judgment and related issues have used a between-subjects design (e.g., Barnett, 2001; Davis et al., 1998; Decker, 1994; Jones and Huber, 1992; Morris and McDonald, 1995; Singer, 1996, 1998; Singer et al., 1998; Singer and Singer, 1997; Tsalikis et al., 2001). A within-subject design may lead to a situation where participants become more proficient each time the experimental instrument is administered (Harsha and Knapp 1990). A within-subject design may also allow participants to guess the study hypotheses and to intentionally supply a researcher-desired result (i.e., demand effects), especially with ethically sensitive research (Pany and Reckers 1987; Harsha and Knapp 1990). To avoid learning and demand effects, the overall design of our experiment, was 2 (Ethical Leadership: Ethical, Unethical) X 2 (Magnitude of consequences: Low; High) between-participants factorial. Thus, we employed four versions of the vignette, each representing a particular experimental treatment. That is, we crossed two levels of magnitude of consequences by two levels of ethical leadership. We asked the subjects to read a one-page vignette and then to indicate their reactions and perceptions (see Dependent Measures). Data were collected in the spring and fall of 2007. The experimental materials were administered to the students in classroom-like situations.

*Experimental manipulations.* The manipulation of experimental variables was done through a one-page vignette consisting of two paragraphs. In our research, the use of vignettes had several benefits such as the standardization of the stimulus materials and
the capability to manipulate and compare specific experimental conditions. Most of the research on ethics and ethical decision making is done through scenarios and vignettes (MacMahon & Harvey, 2007) given the sensitivity of the issues at hand, we also varied ethical leader behavior and magnitude of consequences through scenarios. The scenario for ethical leader read as follows (phrases in parentheses indicated Unethical Leadership):

You are working with a leader X. X is a person who can (not) be trusted, (does not make) makes fair and balanced decisions & (does not conduct) conducts personal life in an ethical manner. X defines success not just by result but also by emphasizing on the process (X defines success only in terms of results without any concern for how the results are achieved). X also takes (does not take) opinion of others before making any decision. X listens (does not listen) to the employees and disciplines (does not discipline) those who violate ethical standards. X sets an example of how to do things the right way in terms of ethics. X has the best interest of employees in mind & discusses business ethics and values with the employees (Doesn’t care about the employees and never talks about business ethics or values with employees).

Immediately followed by Ethical leadership was a description of situation describing Magnitude of Consequences (MOC) as high & low, as the extent of harm done. We created the high MOC situation by describing the intensity of harm done to greater number of people in short duration (length of time), whereas we created the low MOC
situation by depicting the intensity of harm done to less number of people in long duration (length of time).

The scenario for the high MOC status read as follows (phrases in parentheses indicated low MOC status).

The leader is faced with a situation wherein he is required to dump solvents and cleaning solutions in a drain that runs into a nearby river which is the only drinking water source for the communities living in that area. Waste that the company is producing is so toxic and harmful in nature that by continuous ingestion of water, for a year or even less (over a very long period of time or over 75 years) it can cause death (minor irritation) of up to 60% (less than 1%) of present population.

*Dependent Measures.* All six dependent measures were measure through standard scales. Their descriptions follow:

Willingness to report problems was assessed though two items taken from Brown et al. (2005). The items (“employees in this work group feel that they can discuss problems with our supervisor without fear of having the comments held against them” and “workers in this work group comfortable delivering bad news to our supervisor”) were to be rated on a 5-point response format (1 = strongly disagree to 5 = strongly agree).

Interpersonal trust (affective and cognitive) was assessed through McAllister’s (1995) 7-point scale. The scale consists of 11 items, 6 assessing level of cognition-based trust, and 5 assessing affect-based trust; respondents indicated, on a scale ranging from 1 (strongly disagree) to 7 (strongly agree), their agreement with various statements about the leader described in the scenario.
Idealized influence was measured through MLQ (Bass & Avolio, 2004). The scale consists of 4 items assessing the idealized influence (behavioral) and 5 items assessing idealized influence (affective) on a 5-point scale ranging from 1 (“not at all”) to 5 (“frequently if not always”).

Four item measures were used to assess the leader’s effectiveness based on the four items from MLQ (Bass & Avolio, 2004). The respondents were asked to rate the effectiveness of the leader keeping the situation in mind. Items were rated along a 5 point response format (1 = not at all to 5 = frequently, if not always).

One item measure (developed for the study) was used to assess the stress level of subordinate. (how much stress are you likely to feel in this situation if you are working under this leader ). Item was rated along a 5 point response format (1 = very low to 5 = very high).

Table 1 contains the means, sd, reliability and inter-correlations among study variables.

Table 1 shows that reliabilities of all the variables are acceptable for research purposes that ranged from .84 to .92 (Hair, Anderson, Tatham, & Black, 1998).

RESULTS

Check on Experimental Manipulations

Each scenario was followed by a set of ten items on ethical leadership scale (Brown et al., 2005) and one item to assess the perceived magnitude of consequences (“In your view what is the magnitude of harm described in this situation”) rated on a 9-point scale (1 =
very little; 9 = very high) to check for experimental manipulation. We tested the internal consistency of the ethical leader behavior scale using cronbach’s coefficient alpha and the reliability coefficient for this scale was .98.

We examined the internal validity of our experimental manipulations by means of a two-way ANOVA. In each analysis the two experimental variables were treated as independent variables and manipulation check items as a dependent variable. The analysis readily indicated that regardless of ethical leadership the strong main effect of magnitude of consequences condition was apparent (p >.000) for the manipulation check item: [F (1, 175) = 267.94]. Participants in high magnitude of consequences condition reported a perception of higher magnitude (M = 7.67; SD = 1.41), than those in the low magnitude of consequences, (M = 3.43; SD = 1.93). The results indicated that the experimental manipulation of magnitude of consequences was successful.

Next, we tested the effect of ethical leadership. The analysis readily indicated that regardless of magnitude of consequences the strong main effect of ethical leadership condition was apparent (p >.000) for the ethical leadership manipulation check items [F (1, 174) = 1157.721]. Participants in ethical leadership condition reported higher ethicality of the leader (M = 4.39; SD = .61), than those in the unethical leadership condition, (M = 3.5; SD = 1.48). The results indicated that the experimental manipulations of both ethical leadership and magnitude of consequences were successful thereby providing strong support for the internal validity of this experiment.

**Hypothesis Testing**

We proceeded to test our hypothesis by conducting univariate ANOVAs including ethical leadership and magnitude of consequences as independent variables and willingness to
report problems, affective and cognitive trust, idealized influence—affective and behavioral, leader effectiveness and subordinates’ stress levels as dependent variables. Table 2 presents means, standard deviation and F- ratios for each dependent variable as function of magnitude of consequences and ethical leadership.

Our first three hypotheses predicted a significant impact of ethical leader behavior on employees’ willingness to report problems (H1), affective and cognitive trust between the leader and the subordinates (H2) and the idealized influence (affective and behavioral) that the ethical leader has (H3). Results in Table 2 indicate that all the three hypotheses find support from the data.

Next two hypotheses predicted the moderating impact of magnitude of consequences on the relationship of ethical leader behavior with perceived leader effectiveness (H5). The moderating effect was significant for perceived leader effectiveness. We further look at the direction of the means in Figure 1.

It can be seen in Figure 1 that the effectiveness of ethical leader was highest in both the low and high magnitude situations ethical leaders are seen as more effective as compared to unethical leaders.
Our last hypothesis (H5) predicted the moderating effect of magnitude of consequences on the relationship between ethical leader behavior and stress levels of the subordinates. However, this hypothesis did not find support from the data.

**DISCUSSION**

Overall, the results of the experimental study support most of our hypotheses. However, there are some interesting trends that need some discussion.

First of all, the starting point for this research was “bad apples versus bad barrel” (Trevin˜o and Youngblood, 1990) issue, posing the eternal question, whether it is the individual character (behavior) of the actor or the situation that determines (Brass et al., 1998)? Our results show that ethical leadership impacts almost all the subordinate outcomes. This result establishes the supremacy of ethical behavior of the leader in influencing subordinate outcomes considered.

We had hypothesized that though situation alone may not be important, it has the potential to moderate the relationship between ethical leader behavior and some of the outcomes. The results show that moral intensity measured in terms of magnitude of consequences does moderate this relationship for predicted outcome of leader effectiveness (even some of those that were not hypothesized to be so). However, it failed to moderate the relationship of ethical behavior with subordinate stress. We need to explain this result, both in terms of the concept of stress as well as the concept of moral intensity measured as magnitude of consequences.

There is strong evidence in the literature that indicates the role of dispositional (personality) factors in perceived and felt stress. It is considered to be defined and felt uniquely by individuals. Hence, a comprehensive understanding of stress essentially
involves assessing all the causal factors of stress including the personality related factors (Lazarus, 1990). We neither considered nor controlled for this factor in any way, which could have impacted our results.

Another explanation may lie in the concept of magnitude of consequences. MacMahon & Harvey (2007), while explaining the results of their studies mention that “at least one of the six moral intensity characteristics, magnitude of consequences, may act as either an informant to ethical behavior, or as a deterrent from ethical behavior.” (p. 353). In our situation involving harm done this could be taken to mean that if causing harm to human life and health is unethical, then the amount of harm done should not be relevant. Harming to lesser extent does not reduce the wrongness of the act. Since our situation had the potential to be interpreted like this it is possible that this cognitive interpretation influenced our result. This is an issue that future researchers studying moral intensity may like to keep in mind.

**Practical Significance**

The study points to the significance of ethical leader behavior in determining subordinate outcomes. Organizations would do well to recognize this and use it in the identification, appraisal and development of leaders. Development of such leaders through role modeling and other techniques may help the organization in developing appropriate leaders who have the capacity to influence subordinates positively.

**Limitations**

The implications of the study must be considered in light of its limitations. One limitation of this study is our use of vignettes to manipulate ethical leadership and magnitude of consequences. However, as we mentioned in the method section, we do not consider the
use of vignettes a severe threat to present conclusions. As part of our manipulation check, the participants indicated that they understood both the independent variables exactly as described in the vignette. Nevertheless, future researchers should investigate the replication of the present results via other methodologies such as videotapes (Streeck, 1993), photographs (Fernandez-Dols, Wallbot, & Sanches, 1991), or virtual reality package (Pierce & Aguinis, 1997). However, videotapes and live enactments carry their own limitations because those methodologies can result in the researchers’ inability to remove potential systematic confounds and extraneous sources of variance. Because of their limitations, videotape and other more realistic methodologies have been criticized (Burgoon, 1991). Nevertheless, we believe that researchers need multiple methodologies to ascertain more confidently the effects of ethical leader behavior and magnitude of consequences on subordinate outcomes. In the present study, we used one of several available methods, and we encourage future researchers to use additional procedures.
REFERENCES


TABLE 1
Means, sds, Reliability Coefficients and Inter-Correlations among Study Variables.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>sd</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6.</th>
<th>7.</th>
<th>8.</th>
<th>9.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. MOC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Ethical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Stress</td>
<td>3.55</td>
<td>1.08</td>
<td>.118</td>
<td></td>
<td>-</td>
<td>.356</td>
<td>***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Reporting</td>
<td>2.817</td>
<td>1.31</td>
<td>.057</td>
<td></td>
<td>.568</td>
<td>***</td>
<td></td>
<td>-</td>
<td>.423</td>
<td>**</td>
<td>(.84)</td>
</tr>
<tr>
<td>Problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Affective</td>
<td>2.637</td>
<td>1.21</td>
<td>-.020</td>
<td></td>
<td>.557</td>
<td>***</td>
<td></td>
<td>-</td>
<td>.632</td>
<td>**</td>
<td>(.92)</td>
</tr>
<tr>
<td>Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Cognitive</td>
<td>2.914</td>
<td>.93</td>
<td>.018</td>
<td></td>
<td>.680</td>
<td>***</td>
<td></td>
<td>-</td>
<td>.483</td>
<td>**</td>
<td>(.78)</td>
</tr>
<tr>
<td>Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Leaders</td>
<td>3.265</td>
<td>1.10</td>
<td>.067</td>
<td></td>
<td>.267</td>
<td>***</td>
<td></td>
<td>-</td>
<td>.330</td>
<td>**</td>
<td>(.86)</td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Idealized</td>
<td>2.944</td>
<td>1.17</td>
<td>.034</td>
<td></td>
<td>.407</td>
<td>**</td>
<td></td>
<td>-</td>
<td>.391</td>
<td>**</td>
<td>(.86)</td>
</tr>
<tr>
<td>influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>attribute</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Idealized</td>
<td>2.902</td>
<td>1.28</td>
<td>.049</td>
<td></td>
<td>.652</td>
<td>**</td>
<td></td>
<td>-</td>
<td>.342</td>
<td>**</td>
<td>(.90)</td>
</tr>
<tr>
<td>influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>behavior</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### TABLE 2

ANOVA Results: Means and F Values of Dependent Variables of Ethical Leadership and Magnitude of Consequences

<table>
<thead>
<tr>
<th>DV</th>
<th>MOC</th>
<th>Total</th>
<th>F- ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low MOC</td>
<td>High MOC</td>
<td>Ethical Leader</td>
</tr>
<tr>
<td>Stress Level</td>
<td>2.82 (3.325)</td>
<td>3.83 (3.7)</td>
<td>3.40 (4.00)</td>
</tr>
<tr>
<td>Reporting problems</td>
<td>3.7368 (2.9235)</td>
<td>2.1102 (2.8824)</td>
<td>3.5698 (2.1951)</td>
</tr>
<tr>
<td>Affective Trust</td>
<td>3.5526 (2.8108)</td>
<td>2.0690 (2.5919)</td>
<td>3.2238 (1.9600)</td>
</tr>
<tr>
<td>Cognitive Trust</td>
<td>3.8070 (3.0645)</td>
<td>2.3220 (2.9185)</td>
<td>3.4496 (2.3875)</td>
</tr>
<tr>
<td>Leaders Effectiveness</td>
<td>3.7917 (3.3021)</td>
<td>2.8125 (3.3407)</td>
<td>3.4186 (3.2628)</td>
</tr>
<tr>
<td>Idealized-influence</td>
<td>3.6776 (3.044)</td>
<td>2.4110 (2.9802)</td>
<td>3.2917 (2.6687)</td>
</tr>
<tr>
<td>attribute</td>
<td>4.0743</td>
<td>2.0603</td>
<td>3.6190</td>
</tr>
<tr>
<td>-------------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Idealized-influence</td>
<td>3.0673</td>
<td>2.9532</td>
<td></td>
</tr>
<tr>
<td>behavior</td>
<td>3.8466</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. MOC = Magnitude of Consequences, * = p<.05, ** = p<.01, ***=p<.001
FIGURE 1

Effect of Ethical Leader Behavior and Magnitude of Consequences on Leader Effectiveness

Means of Leader Effectiveness

- Estimated Marginal Means
- Magnitude of Consequences: low, high

Leader Ethicality