



# Leading by example: Testing a moderated mediation model of ethical leadership, value congruence, and followers' openness to ethical influence

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## Abstract

In this study, we investigate a key question of ethical leadership theory: Are ethical leaders able to gain followers' openness to their ethical influence? When describing ethical leadership, we distinguish between leaders' moral person behavior (i.e., behaviors that are normatively appropriate) and moral management (i.e., using position power to reinforce ethical standards). We then draw on mechanisms of social learning and social exchange and test a moderated mediation model. It is predicted that the effect of leaders' moral person behavior on followers' openness to ethical influence is mediated by leader-follower ethical value congruence. Moreover, we examine whether moral management amplifies the effects of moral person behavior. For hypothesis testing, existing measures from the literature are integrated to operationalize four underlying normative reference points of leaders' moral person behavior: humane, justice, responsibility/sustainability, and moderation orientation. After establishing the psychometric properties of this integrative measure, the main hypotheses are tested in two separate studies. While results showed a positive effect of leaders' moral person behavior on followers' openness to ethical influence through ethical value congruence, the moderating effect of moral management was, contrary to our expectation, negative. With this, our study contributes to a better understanding of the mechanisms of ethical leadership.

## 1 | INTRODUCTION

Failures in ethical leadership have consistently been identified as an important account of corporate scandals and misbehavior in organizations (Knights & O'Leary, 2005). Accordingly, ethical leadership is no longer seen as a naive claim of some idealists or a "Sunday school" subject reserved for theologians and philosophers, but has gained widespread public interest and also become a major topic in organizational behavior research (Den Hartog, 2015). One of the most influential conceptualizations of ethical leadership has defined it as "the demonstration of normatively appropriate conduct (...)

and the promotion of such conduct to followers" (Brown, Trevino, & Harrison, 2005, p. 120). An important tenet of this approach is that ethical leadership represents a composite of being a moral person and being a moral manager<sup>1</sup> (Trevino, Laura, & Brown, 2000). While being a moral person refers to visible traits and behaviors of leaders that are normatively appropriate, being a moral manager describes leaders' proactive efforts to urge followers into an ethical direction. By drawing on social learning theory (Bandura, 1986), it is thought that ethical leaders elicit ethical values, attitudes, and behaviors among followers by modeling ethical behavior (i.e., being a moral person) and proactively pushing ethical standards through

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the use of position power (i.e., being a moral manager). So far, ethical leadership research in this tradition has resulted in an extensive body of literature, demonstrating a wide array of beneficial effects on followers' work-related attitudes and behaviors (Ko, Ma, Bartnik, Haney, & Kang, 2018; Ng & Feldman, 2015).

Despite its prominence in the literature, there are still several open questions about how and when ethical leadership works and how and when it might not work or work less well. First, the question what we mean when we say "ethical leadership works" offers room for further scrutiny. Since leadership is by definition about influence (Northouse, 2013), the sine qua non of ethical leadership is ethical influence. Thus, the best test for ethical leadership is: To what degree is the leader able to gain followers' voluntary openness to his/her ethical influence? To what degree is he/she seen as an ethical example and to what degree do followers voluntarily seek and accept his/her leadership when it comes to ethical issues? These questions, however, have received surprisingly little attention in the pertinent literature. Furthermore, the bulk of empirical research in the field of ethical leadership has, so far, merged the moral person and the moral manager dimension into a composite score. While this reflects the common notion of ethical leadership as a one-dimensional construct, there is emerging evidence that the two facets represent related, yet distinct concepts and that the interplay between them may be more complex. For instance, Rowold, Borgmann, and Heinitz (2009) as well as Páez and Salgado (2016) used Brown et al.'s (2005) seminal ethical leadership scale and found that the moral person and the moral management items loaded on distinct factors, showing differential relationships with related constructs (e.g., transformational leadership) and outcome variables (e.g., job satisfaction, OCB, workplace deviance, and perceived leader performance). Against this background, the question arises as to how these two dimensions interact when it comes to gaining followers' voluntary openness to leaders' ethical influence. Related to this, further scrutiny is also warranted regarding the range of behaviors that we consider as normatively appropriate and through which ethical leaders, as moral persons, may lead by moral example. Brown et al. (2005) have operationalized this part exclusively around trustworthiness and concerns of care and fairness. While other researchers have refined and extended this view by including additional dimensions, such as power sharing and concern for sustainability (Kalshoven, Den Hartog, & De Hoogh, 2011), there is still a dearth of empirical research about the effectiveness of such an integrated perspective on being a moral exemplar in gaining followers' openness to ethical influence.

With these gaps and questions in mind, our main goal in the present research was to empirically examine the extent to which ethical leaders promote followers' openness to their ethical influence. To specify the content of leader behaviors that are normatively appropriate (i.e., moral person behaviors), we use the framework of Eisenbeiss (2012) which introduced four essential normative reference points of ethical leader behaviors (i.e., humane, fairness, moderation, and sustainability and responsibility orientation). On this basis, our theoretical model posits that leaders who show such normatively appropriate behaviors represent significant moral exemplars who are able to transmit

ethical values to followers through role modeling and social exchange. This is expected to foster ethical value congruence between leaders and followers, which in turn is seen as an essential enabler of followers' openness to the ethical influence of their leaders.

A second goal of our study was to shed light on the interplay of moral person behaviors and moral management. Specifically, by relating the two dimensions to different mechanisms of social learning, we propose that the indirect effect of leaders' moral person behaviors on followers via ethical value congruence is amplified by the degree to which leaders show moral management.

Taken together, our research has a number of intended contributions. First, we respond to the recent call for more thoroughly investigating the effects of ethical leadership "on more theoretically-specific outcomes" (Lemoine, Hartnell, & Leroy, 2019, p. 155). By focusing on followers' openness to the influence of ethical leaders we examine a key criterion of effective ethical leadership and thus, contribute to the validity of the ethical leadership construct. Related to this, our work also echoes the call of Brown and Mitchell (2010) emphasizing ethical value congruence of leaders and their followers as a potentially critical explanatory variable for the effectiveness of ethical leaders. Second, by drawing on Eisenbeiss' (2012) integrative work on the normative foundations of ethical leadership, we seek to substantiate a more comprehensive perspective on what it means to be a moral person in terms of ethically desirable leadership behaviors. Third, we contribute to the ethical leadership literature by investigating moral management as a potential multiplier of leaders' moral person behaviors. A clearer understanding of this interplay is not only important for the practical concerns of selecting for and developing ethical leadership; such information will also provide a deeper theoretical perspective on how ethical leadership works.

## 2 | THEORY AND HYPOTHESIS DEVELOPMENT

In what follows, we first specify the normative underpinning of ethical leadership and then provide a theoretical rationale for the study hypotheses.

### 2.1 | The normative foundations of ethical leadership

Brown and colleagues (2005) have operationalized ethically desirable behaviors of leaders exclusively around the notion of being trustworthy, fair, and considerate. Other researchers have refined and extended this view by including power sharing, altruism, and concern for sustainability as additional dimensions of ethical leadership (Kalshoven, Hartog, & Hoogh, 2011). A highly useful contribution to integrating and clarifying these perspectives has been provided by Eisenbeiss (2012). In an attempt to determine the normative underpinning of ethical leadership, she systematically analyzed predominant Western and Eastern moral philosophies as well as ethics principles of the world religions,

resulting in four basic “normative reference points” (Eisenbeiss, 2012, p. 792) of ethical leadership: (a) humane orientation, (b) justice orientation, (c) responsibility and sustainability orientation, and (d) moderation orientation. Humane orientation means that leaders treat followers with dignity and respect and show genuine concern for their well-being and development. Justice orientation refers to fair and consistent decision making, whereas moderation orientation involves behaviors that reflect temperance and humility. Finally, responsibility and sustainability orientation means that leader behavior is guided by social responsibility values and that leaders show concern for the welfare of society and the environment. While Eisenbeiss (2012, p. 729) acknowledges that these four ethical orientations “present established leadership attributes in general leadership literature in the social sciences as well,” she criticizes that ethical leadership approaches have mostly “concentrated on humane and justice orientation but have neglected both responsibility and sustainability orientation and moderation orientation.” On this basis, we assert that these four dimensions are particularly well suited to describe ethical leaders as moral persons. Accordingly, we use the term moral person behavior to describe normatively appropriate leader behavior, reflecting these four dimensions.

## 2.2 | Leaders' moral person behavior and followers' openness to leaders' ethical influence

Leadership is inherently about influence (Northouse, 2013) and thus, it is well established in the literature that followers' voluntary and conscious openness to the leader's influence is key to leadership effectiveness (Van Quaquebeke, Van Knippenberg, & Brodbeck, 2011). Accordingly, effective ethical leadership implicates that followers are open to the ethical influence of their leaders. That said, for the purpose of this research, we define followers' openness to ethical influence as the extent to which followers see the leader as a moral exemplar and voluntarily accept and seek his/her leadership regarding ethical issues at work. In line with Brown et al. (2005) as well as more recent research on ethically positive forms of leadership (Lemoine et al., 2019), we primarily draw on social learning (Bandura, 1986) and social exchange theory (Blau, 1964) to explain how ethical leaders, by engaging in moral person behavior, may stimulate followers' openness to their ethical influence.

Social learning theory posits that individuals learn appropriate behaviors observationally through a role-modeling process (Bandura, 1986). It is noteworthy that observing and learning from those who practice moral principles have consistently been confirmed as important developmental pathways in theories of moral development (Grusec, Chaparro, Johnston, & Sherman, 2014). One of the central tenets of social learning theory is that individuals are more likely to pay attention to and learn from attractive and credible role models. Since leadership entails power and status as well as high degrees of visibility, leaders are likely deemed attractive role models by followers. According to Brown and Trevino (2006), this is particularly true for leaders who engage in normatively desirable behaviors.

In addition, we refer to social exchange theory (Blau, 1964) to bolster the proposed relationship between leaders' moral person

behavior and followers' openness to their ethical influence. In line with the observation of Lemoine et al. (2019) as well meta-analytical evidence provided by Hoch, Bommer, Dulebohn, and Wu (2018), leaders are likely to establish high-quality relationships with their followers when they are fair, humble, and considerate. Such relationships include a high degree of trust, respect, and mutual obligation and therefore, followers should be more inclined to go along with the leadership and to willingly seek and accept the ethical influence of the leader. This is in line with empirical research in the field of leader categorization, indicating that the degree to which followers show openness to leadership is strongly determined by their implicit representations of an “ideal” leader (Van Quaquebeke, Graf, & Eckloff, 2014). The more leaders match their followers' conception of an ideal leader, the more favorably followers respond toward leaders, most notably in terms of openness to influence. Through engaging in normatively desirable leadership behaviors and developing high-quality exchanges with followers, leaders are likely to match such implicit representations of ideal leadership. With this, it is plausible that followers establish greater faith in their leader's decision making and choices their leader makes when it comes to ethical issues. Hence, the following prediction is made:

**Hypothesis 1** *Leaders' moral person behavior is positively related to followers' openness to their leaders' ethical influence.*

## 2.3 | The mediating role of ethical value congruence

Although the relationship between leaders' moral person behavior and followers' openness to ethical influence appears to be quite straightforward, we propose that this link is not appropriately understood solely as a direct effect. To our thinking, a more proximal response on the part of followers intervenes between the behaviors they observe and their choice to willingly seek and accept the ethical influence of the leader. We focus on perceived ethical value congruence as the key mediating process because there is an inherent link between ethical values and ethical leadership and because prior research has consistently emphasized its vital, yet underresearched role for the effects of ethical leadership (Brown & Mitchell, 2010). Following Edwards and Cable (2009), we define ethical value congruence as the similarity between ethical values held by leaders and followers. More specifically, we focus on followers' subjective perceptions of congruence since prior research has consistently shown that perceived fit is a better predictor of attitudinal outcomes than objective fit (Kristof-Brown, Zimmerman, & Johnson, 2005).

To explain the intervening effect of perceived value congruence, we again refer to processes of social exchange and social learning. Specifically, followers' desire to promote and retain a high-quality relationship with an attractive leader is likely to induce a sense of identification with the leader and the inclination to emulate the leader's attitudes and values. Indirect support for this notion comes from studies indicating that charismatic and transformational leaders convey their vision and values to followers through identification processes and role modeling (Conger, 1999), resulting in a higher level of value

congruence (Brown & Trevino, 2006; Hoffman, Bynum, Piccolo, & Sutton, 2011). A similar mechanism can be assumed for leaders as moral persons and in fact, there is initial empirical evidence supporting this notion. A study reported by Tang et al. (2015) found that perceptions of leader-follower value congruence accounted for the effectiveness of ethical leaders with regard to the reduction of turnover intentions among followers. It is, however, important to note that their study treated ethical leadership the conventional way, that is, as a composite of the moral person and the moral manager dimension. Also, it looked at general value congruence and not congruence of ethical values.

In general, value congruence naturally results in more and better communication, while reducing the likelihood of misunderstandings and conflict (Edwards & Cable, 2009). Thus, when followers disagree with their leaders on what is important and ethically appropriate, it becomes highly unlikely that they will actively seek and accept their input on ethical issues. Conversely, if followers believe their leaders have similar ethical values and share core assumptions about what is ethically right and wrong, they are more likely to see and accept them as legitimate ethical role models, worthy of being followed. Taken together, the following prediction is specified:

**Hypothesis 2** *Perceived leader-follower ethical value congruence mediates the relationship between leaders' moral person behavior and followers' openness to their leaders' ethical influence.*

## 2.4 | The moderating role of moral management

Thus far, we reasoned that leaders are moral exemplars by engaging in normatively appropriate behavior. Implicit to this is the assumption that leaders are positive role models by simply living ethical values and not by explicitly describing desired values and instructing employees about them. In fact, role modeling does not necessarily relate to purposeful influence, including the use of explicit guidance or learning techniques. This is in line with the notion of role modeling as an “incidental form of social learning” (Warhurst, 2011, p. 876), whereby leaders may not even be aware that they are being role modeled. That said, in the present research we develop the argument that moral management can fuel the more passive role that leaders play as moral persons. Moral management refers to intentional efforts of leaders to make ethics a salient theme in the organizational context (Trevino et al., 2000). These efforts are more transactional in that a moral manager uses his or her position to communicate clear ethical standards and to reward and discipline followers, depending on whether they follow or violate ethical expectations. As such, moral management corresponds more closely with the notion of verbal instructional modeling within the social learning framework (Bandura, 1986), implying a rather purposeful relationship that provides explicit guidance, support, and advice. Furthermore, as moral managers, leaders more explicitly require followers to “buy into a social exchange system” (Lemoine et al., 2019, p. 170) by consistently stressing and reinforcing the importance of ethics. That said, we posit moral management as a boundary condition that amplifies the impact of moral person behaviors. Followers look to the leaders and clear

messages about ethical standards and expectations represent powerful clues that help followers to align their values. By actively putting ethics on the leadership agenda, leaders create more opportunities for followers to observe, remember, and emulate the value-based behaviors of their leaders. Also, moral management promotes what social learning theory has described as incentive and motivational processes (Bandura, 1986). When incentives are available (i.e., rewards or the avoidance of punishment), followers will more easily pay attention to and retain principled behaviors that they observe and, moreover, observation is more quickly internalized. This is in line with Schein’s (1992) notion that leaders embed their beliefs and values by signaling what they pay attention to, what they measure and control and, importantly, how they react to critical incidents (such as moral transgressions of followers). Taken together, the following prediction is made:

**Hypothesis 3** *Moral management operates as a moderator by amplifying the positive relationship between leaders' moral person behavior and perceived leader-follower ethical value congruence.*

Finally, although we posit ethical value congruence as the key mechanism through which leaders' moral person behavior exerts its effects on followers, it is plausible that other similar mechanisms are at work too, such as general reciprocity and personal identification. Whatever exactly links followers' perceptions of their leader as behaving normatively appropriate to their choice to accept and seek the ethical influence of their leader, it is plausible that its strength is a function of the degree to which leaders are able to make their ethics messages salient among followers. Hence, we propose that moral management influences also the direct relationship between leaders' moral person behavior and followers' openness to their leaders' ethical influence:

**Hypothesis 4** *Moral management operates as a moderator by amplifying the positive relationship between leaders' moral person behavior and followers' openness to their leaders' ethical influence.*

Our theoretical model is summarized in Figure 1.

## 3 | METHODOLOGY AND STUDY OVERVIEW

The hypotheses under investigation were addressed in two studies. Study 1 tested the links specified in our theoretical model. Study 2

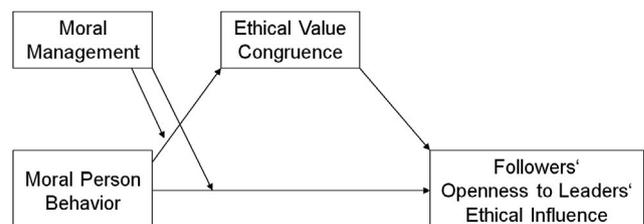


FIGURE 1 Proposed theoretical model

was designed to replicate the results from Study 1 and, in addition, explored whether the proposed effects would hold when controlling for transformational leadership as a competing leadership style. This is important because it permits to address the issue of omitted variable bias and to assess the incremental validity of ethical leadership when predicting our focal outcome. However, prior to these two studies, we tackle the question of how to adequately measure leaders' moral person behavior. Below, we first describe this measurement strategy and how it was developed and then report the two main studies for hypothesis testing.

### 3.1 | Assessing leaders' moral person behaviors

To measure the four normative reference points of moral person behaviors (i.e., humane, fairness, moderation, and sustainability and responsibility orientation), we adopted and integrated existing items from the pertinent literature. Specifically, we selected 16 items from the following instruments<sup>2</sup>: The Ethical Leadership Scale (Brown et al., 2005), the Ethical Leadership at Work Questionnaire (Kalshoven et al., 2011), the Authentic Leadership Inventory (Neider & Schriesheim, 2011), the Servant Leadership Instrument (Ehrhart, 2004), the Servant Leadership Survey (Van Dierendonck & Nuijten, 2011), and the Multifactor Leadership Questionnaire (Avolio, Bass, & Jung, 1999). Then, this newly integrated measure was pretested in two separate samples (hereafter: sample 1 and sample 2).

Sample 1 included 121 employees from various organizations in Germany (average tenure with the leader of 3.5 years). They were instructed to indicate how frequently each item fits their leader, using a 5-point continuum (1 = almost never–5 = almost always). To test the factorial validity of the measure, the fit of three different models was compared via confirmatory factor analysis (CFA), using the lavaan package in R (Rosseel, 2012). For model comparison, we followed the recommendations of Meade, Johnson, and Braddy (2008), according to which a change of .002 in CFI (Comparative Fit Index) indicates

that the models are significantly different. The first model adopted a second-order factor structure in which items loaded onto their respective factors (i.e., humane orientation, fairness orientation, moderation orientation, responsibility/sustainability orientation) and the four factors loaded on a second-order latent ethical leadership factor. The second model was a first-order factor model in which items loaded onto their respective factors and the four factors were allowed to correlate. In the last model, all items were allowed to load on one factor. The fit statistics for the three models are reported in the upper section of Table 1. The results show that the single-factor model was inferior to both the second-order factor model and the first-order factor model. The difference between the first-order and the second-order factor models was not statistically significant.

Since we strove for an economical measure, we selected three items per subscale, based on the revealed factor loadings. This resulted in a total of 12 items for the final measure of leaders' moral person behavior. These 12 items were administered to a separate sample (sample 2), consisting of 325 employees from an automotive company in Germany (average tenure with the leader of 9.3 years). The CFA results are reported in the lower section of Table 1 and confirm the pattern found in sample 1. Again, while both the second-order factor model and the first-order factor model were preferable over the single-factor model, the fit of these two models was statistically equivalent. Thus, we conclude that moral person behavior is not a higher level construct that underlies its dimensions because the dimensions of moral person behavior are not different manifestations of the construct. Rather, it is better described by what Law, Wong, and Mobley (1998, p. 745) refer to as the "aggregate model," implying that "the multidimensional construct is formed as an algebraic composite of its dimensions." In other words, leaders' moral person behavior consists of the sum of its dimensions and none of these dimensions alone adequately captures the complexity of global moral person behavior. The 12-item measure derived from the above approach is shown in the Appendix and was used to test the hypotheses under investigation in the two studies that are reported next.

Model	$\chi^2$	df	$\chi^2/df$	CFI	RMSEA	$\Delta\chi^2_{(df)}$	$\Delta CFI$
<i>Sample 1 (N = 121), 16 items</i>							
Second-order factor model	183.13***	100	1.83	.924	.08		
First-order factor model	181.42***	98	1.85	.924	.08	1.71 <sub>(2)</sub> ns	.000
One-factor model (16 items)	416.60***	105	3.97	.715	.16	233.47 <sub>(5)</sub> ***	.209
<i>Sample 2 (N = 325), 12 items</i>							
Second-order factor model	116.47***	50	2.32	.977	.06		
First-order factor model	111.75***	48	2.32	.978	.06	4.72 <sub>(2)</sub> ns	.001
One-factor model	587.24***	54	10.87	.814	.17	470.77 <sub>(4)</sub> ***	.164

**TABLE 1** Factor structure of the ethical leadership measure

Note:  $\Delta\chi^2$  and  $\Delta CFI$  represent the difference in  $\chi^2$  and CFI values between the respective model and the second-order factor model.

Abbreviation: ns, not significant.

\*\*\* $p < .001$ .

## 4 | STUDY 1

### 4.1 | Sample and procedure

Data for Study 1 came from 206 employees recruited from various organizations in Germany. Snowball sampling starting from the networks of two graduate students involved in data collection was used. We followed the recommendations by Demerouti and Rispens (2014) to ensure data quality in student-recruited samples. Participants were asked to rate their immediate leaders in terms of moral person behaviors and moral management. In addition, they provided self-ratings on the proposed outcome variables (i.e., perceived ethical value congruence and openness to their leaders' ethical influence), sociodemographics, and mood state (i.e., positive and negative affectivity) as a potential source of method variance (Podsakoff, MacKenzie, Jeong-Yeon, & Podsakoff, 2003).

The mean age of the participants was 29.27 ( $SD = 9.05$ ); 52% were male and 54% had a university degree. The majority of the participants worked in the for-profit sector (74%). With regard to the occupational background, 15% worked in healthcare, 11% in the automotive industry, 11% in commerce and consumer affairs, 10% in education, 9% in the public/government sector, and 9% in the IT sector (33% other sectors). The average tenure with the current leader was 2.88 years ( $SD = 3.78$ ).

### 4.2 | Measures

To measure *leaders' moral person behavior*, the integrative measure with 12 items described above was used. *Moral management* was measured with five items. Four items were taken from the ethical leadership scale developed by Brown et al. (2005), capturing Trevino et al.'s (2000) notion of being a moral manager. A sample item was: "My leader disciplines employees who violate ethical standards." In addition, one item from the Ethical Leadership at Work Questionnaire by Kalshoven et al. (2011) was adopted and included in this scale ("My leader explains what is expected from employees in terms of behaving ethically"). To measure followers' perceived *ethical value congruence*, we adapted three items from Posner (1992) as well as one item from Cable and DeRue (2002). Since these items were originally developed to assess person-organization value congruence, we modified them to assess followers' judgments of congruence between their ethical values and the ethical values of their leader. Sample items were: "My leader's ethical values provide a good fit with my moral values" and "My leader and I are similar in terms of our moral values in the workplace." The degree of followers' conscious *openness to the ethical influence* of their current leader was captured with four items taken from Van Quaquebeke et al. (2011). The focus of the items was modified as to measure openness to influence with regard to ethical issues. Sample items were "In a lot of moral issues at work, I gladly seek advice from my leader" and "I owe respect to the way my leader deals with ethical issues at work." For perceived leadership behaviors, ratings were again made on a 5-point frequency

scale ranging from 1 = *almost never* to 5 = *almost always*. For all other measures, we used a 5-point response format ranging from 1 = *strongly disagree* to 5 = *strongly agree*. As Podsakoff, MacKenzie, Jeong-Yeon, and Podsakoff (2003) stressed, the relations between variables in organizational research can be biased by the tendency of respondents to view themselves and their environment in generally negative or positive terms. Thus, to control for potential method effects, we included the short form of the Positive and Negative Affect Schedule (PANAS) developed by Thompson (2007). Respondents were asked to indicate how they have felt during the past 4 weeks on a 5-point rating scale (1 = *never* to 5 = *always*).

## 4.3 | Results

### 4.3.1 | Measurement issues

In a first step, we examined the factor structure of the 12-item measure of leaders' moral person behavior in the current data set ( $N = 206$ ). A single-factor model showed a reasonable fit to the data ( $\chi^2 = 156.40$ ,  $df = 54$ ,  $p < .001$ ,  $\chi^2/df = 2.89$ , CFI = .917, RMSEA = .10) whereas a model with four correlated factors fit the data significantly better ( $\chi^2 = 74.68$ ,  $df = 48$ ,  $p < .001$ ,  $\chi^2/df = 1.55$ , CFI = .978, RMSEA = .05,  $\Delta\chi^2 = 81.72$ ,  $df = 6$ ,  $p < .001$ ,  $\Delta CFI = .061$ ). Again, a second-order factor model fit the data equally well ( $\chi^2 = 79.58$ ,  $df = 50$ ,  $p < .001$ ,  $\chi^2/df = 1.59$ , CFI = .976, RMSEA = .05). It was preferable over the single factor-model ( $\Delta\chi^2 = 76.55$ ,  $df = 4$ ,  $p < .001$ ,  $\Delta CFI = .059$ ), whereas the difference from the first-order structure was negligible ( $\Delta\chi^2 = 5.17$ ,  $df = 2$ ,  $p = .07$ ,  $\Delta CFI = .002$ ).

Next, to assess the quality of the overall measurement model as well as discriminant validity, we conducted a CFA that included the four target constructs, that is, leaders' moral person behavior, moral management, perceived value congruence, and openness to ethical influence. To maintain a favorable indicator-to-sample-size ratio, item parcels were used as indicators for leaders' moral person behavior, reflecting the four ethical orientations (i.e., justice, moderation, humane, and responsibility/sustainability orientation). For all other constructs, items were used as indicators. Fit statistics showed a reasonably good fit to the data with  $\chi^2 = 264.65$ ,  $df = 113$ ,  $p < .001$ ,  $\chi^2/df = 2.34$ , CFI = .944, RMSEA = .08. This model was preferable over a one-factor model where all manifest indicators loaded on one factor ( $\chi^2 = 617.149$ ,  $df = 119$ ,  $p < .001$ ,  $\chi^2/df = 5.18$ , CFI = .815, RMSEA = .14,  $\Delta\chi^2 = 352.49$ ,  $df = 6$ ,  $p < .001$ ,  $\Delta CFI = 0.129$ ) and a three-factor model that treated moral person behavior and moral management as a single factor ( $\chi^2 = 397.33$ ,  $df = 116$ ,  $p < .001$ ,  $\chi^2/df = 3.42$ , CFI = .895, RMSEA = .11,  $\Delta\chi^2 = 132.68$ ,  $df = 3$ ,  $p < .001$ ,  $\Delta CFI = .049$ ). Furthermore, the proposed four-factor model fit the data significantly better than a three-factor model, treating value congruence and openness to ethical influence as a single factor ( $\chi^2 = 422.16$ ,  $df = 116$ ,  $p < .001$ ,  $\chi^2/df = 3.63$ , CFI = .886, RMSEA = .11,  $\Delta\chi^2 = 157.51$ ,  $df = 3$ ,  $p < .001$ ,  $\Delta CFI = .058$ ). In summary, these results provide evidence for the integrity of the overall measurement model as well as construct independence among the measures.<sup>3</sup>

Next, in order to assess potential sources of method variance in the data, we conducted a CFA integrating positive and negative affectivity as method variance variables in the measurement model. Because of the large number of estimated parameters in such a model and the relatively small sample size, we created item parcels for all focal latent variables. For the method variance variables (i.e., negative and positive affect), items were used as indicators. For moral person behavior, we again created four parcels based on the four dimensions (i.e., justice, moderation, humane, and responsibility/sustainability orientation). For all other constructs, two parcels were built using the factorial algorithm (Rogers & Schmitt, 2004) in which each parcel sequentially includes the items with the highest to the lowest factor loadings. On this basis, we examined the factor loadings pertaining to the focal constructs under two conditions: (a) no method variance variables were included in the model and (b) indicators were allowed to simultaneously load on their theoretical latent construct and on the two latent method variance variables (i.e., positive and negative affects). Results showed that the inclusion of positive and negative affectivity in the model had no significant impact on the factor loadings of the focal constructs with differences ranging from .001 to .032. This pattern indicates that affect, as a potential source of method variance was not a severe issue in this study.

#### 4.3.2 | Hypothesis tests

Table 2 shows the descriptive statistics and correlations among the study variables. For hypothesis testing, we used the analytic strategies for moderated mediation described in Hayes (2018). Since previous research suggests that tenure promotes exchange quality between leaders and followers (Bauer, Green, & Bauer, 1996), we controlled for tenure with the leader in our analyses. Variables were not centered and all coefficients reported here are unstandardized.

First, the unconditional effects were tested, that is, whether leaders' moral person behavior predicts followers' openness to ethical influence (Hypothesis 1) via perceived ethical value congruence (Hypothesis 2). Overall, followers' openness to leaders' ethical influence was predicted quite well from moral person behavior and ethical value congruence, with adjusted  $R^2 = .70$  and  $F(3, 185) = 145.08$ ,  $p < .001$ . The total effect of moral person behavior on followers' openness to ethical influence was 1.06, 95% CI [.93, 1.19]. Tenure with the leader had neither an effect on ethical value congruence ( $b = -.01$ ,  $p = .39$ ) nor on followers' openness to ethical influence ( $b = -.01$ ,  $p = .58$ ). The unconditional indirect effect of moral person behavior on followers' openness to ethical influence was positive and statistically significant,  $ab = .51$ , 95% CI [.38, .67]. Moral person behavior predicted ethical value congruence ( $b = 1.06$ ,  $p < .001$ ) which in turn was related to followers' openness to ethical influence ( $b = .49$ ,  $p < .001$ ). Controlling for the mediator, the direct effect of moral person behavior on followers' openness to ethical influence was .55 ( $p < .001$ ). These patterns provided full support for Hypotheses 1 and 2. Next, we examined the proposed moderation of the direct and indirect effect through moral management (Hypotheses 3 and 4). The results of the moderated mediation analysis are reported in Table 3.

Results confirmed the effect of moral person behavior on perceived ethical value congruence ( $b = 1.26$ ,  $p < .001$ )<sup>4</sup> which in turn predicted followers' openness to ethical influence ( $b = .42$ ,  $p < .001$ ). Whereas moral management had no moderating effect on the direct path from moral person behavior to followers' openness to ethical influence ( $b = -.01$ ,  $p = .84$ ), it had an effect on the path to ethical value congruence ( $b = -.017$ ,  $p < .05$ ). However, contrary to our prediction in Hypothesis 3, the direction of the effect was negative. Figure 2 shows the plotted interaction effect, indicating that the association between moral person behavior and ethical value congruence was weaker at higher levels of moral management. Simple slopes analysis revealed that the relationship between moral person behavior and ethical value congruence was

**TABLE 2** Descriptive statistics and correlations (Study 1)

Variable	M	SD	1	2	3	4	5	6
1. Age	29.27	9.05						
2. Sex			.18*					
			[.03, .31]					
3. Tenure with leader	2.89	3.78	.50***	.20**				
			[.39, .60]	[.06, .34]				
4. Moral person behavior	3.34	0.76	-.12	-.06	-.19**	(.90)		
			[-.26, .02]	[-.20, .09]	[-.33, -.05]			
5. Moral management	2.64	0.85	-.08	.01	-.13	.54***	(.78)	
			[-.22, .06]	[-.13, .16]	[-.26, .02]	[.44, .63]		
6. Ethical value congruence	3.38	1.08	-.16*	-.05	-.19*	.75***	.56***	(.95)
			[-.29, -.02]	[-.20, .09]	[-.32, -.04]	[.69, .81]	[.46, .65]	
7. Openness to ethical influence	3.19	1.07	-.15*	-.06	-.19**	.77***	.62***	.79***
			[-.29, -.01]	[-.20, .08]	[-.32, -.05]	[.71, .82]	[.52, .70]	[.73, .84]

Note:  $N = 206$ ; Values in square brackets indicate the 95% confidence interval. Cronbach's alpha appears on the diagonal.

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

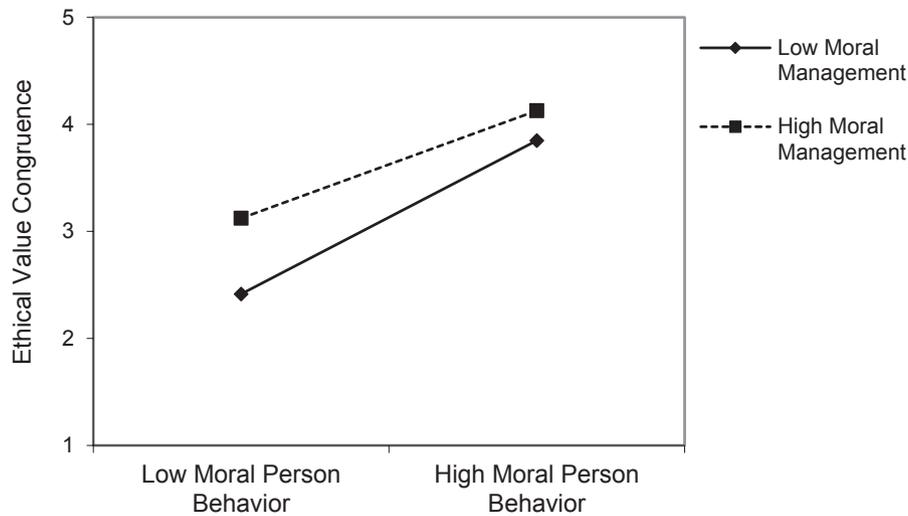
**TABLE 3** Moderated mediation analysis (Study 1)

Predictors	Model 1			Model 2		
	Ethical value congruence			Openness to ethical influence		
	<i>b</i>	<i>SE</i>	95% CI (LL, UL)	<i>b</i>	<i>SE</i>	95% CI (LL, UL)
Ethical value congruence				.42***	.06	(.30, .64)
Moral person behavior	1.26***	.19	(.88, 1.65)	.51***	.18	(.16, .86)
Moral management	.86***	.29	(.29, 1.43)	.29	.24	(-.19, .77)
Moral person behavior × moral management	-.17*	.08	(-.32, -.01)	-.01	.07	(-.14, .12)
Tenure with leader	-.01	.01	(-.04, .02)	-.01	.01	(-.03, .02)
<i>R</i> <sup>2</sup>	.61			.73		
<i>F</i>	72.44***			96.89***		

Note: *N* = 206, all coefficients are unstandardized, Bootstrap sample size = 5,000.

Abbreviations: CI, confidence interval; LL, lower limit; UL, upper limit.

\**p* < .05; \*\*\**p* < .001.



**FIGURE 2** The moderation role of moral management for ethical value congruence (Study 1)

**TABLE 4** Conditional effects of moral person behavior on ethical value congruence at different values of moral management (Study 1)

Moral management	<i>b</i>	<i>SE</i>	95% CI (LL, UL)
1.80	.97***	.09	(.80, 1.14)
2.60	.83***	.08	(.67, 1.00)
3.60	.67***	.13	(.41, .93)

Note: *N* = 206, the values of the moderator refer to the 16th, 50th and 84th percentiles, all coefficients are unstandardized, Bootstrap sample size = 5,000.

Abbreviations: CI, confidence interval; LL, lower limit; UL, upper limit.

\*\*\**p* < .001.

statistically significant at different values of moral management (see Table 4). Regarding the overall model, in line with the negative interaction effect on ethical value congruence, the index of moderated mediation (Hayes, 2015) was negative (-.07, *SE* = .03, 95% CI [-.13, -.01]).

The conditional indirect effect of moral person behavior on openness to ethical influence at different values of the moderator (i.e., moral management) through ethical value congruence is depicted in Figure 3.

#### 4.4 | Brief discussion

Consistent with our hypothesized theoretical model, leaders' moral person behavior was positively related to followers' perceived ethical value congruence, which in turn predicted followers' openness to ethical influence. As an exploratory result we found that for both outcomes, moral person behavior drove the prediction to a much higher extent, as compared to moral management. Interestingly, with regard to the proposed moderation effect, moral management had a negative effect on the relationship between leaders' moral person behavior and ethical value congruence, which is contrary to what we hypothesized. We therefore deemed it appropriate to see whether this unexpected result could be replicated in a separate study.

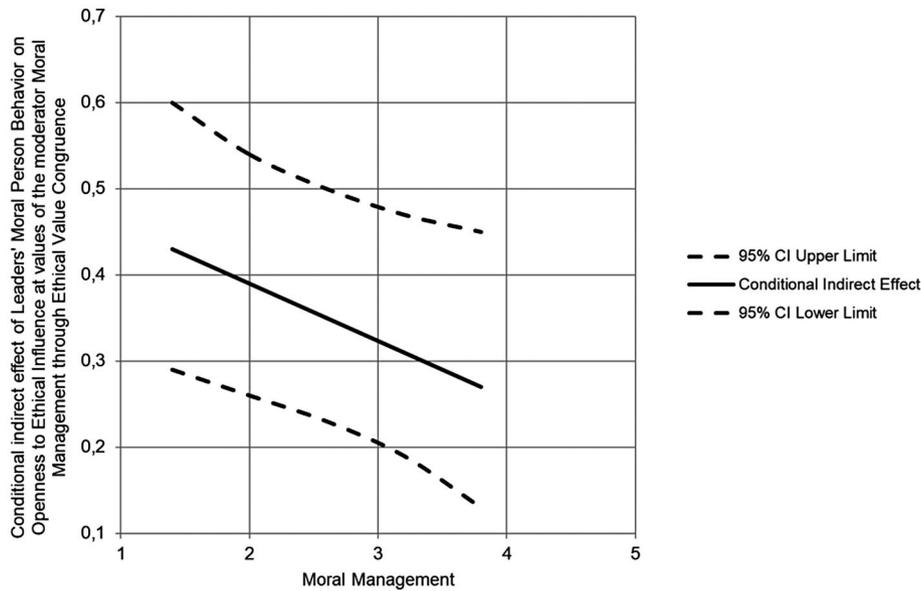


FIGURE 3 Conditional indirect effect (Study 1)

## 5 | STUDY 2

Study 2 was designed to see whether the patterns found in the previous study can be replicated in a separate sample. Furthermore, we sought to test whether the effects of leaders' moral person behavior would hold when controlling for the effects of transformational leadership as a competing correlated leadership style. With its strong focus on charisma as well as visionary and inspirational communication, transformational leadership is a highly prominent and established approach in the field of positive leadership (Bass, 1999; Hoch et al., 2018). Yet, although transformational leaders are typically portrayed as ethical role models, it has consistently been noted that the transformational leadership model lacks an explicit moral dimension (Hoch et al., 2018). Therefore, testing ethical leadership against transformational leadership is particularly suited to demonstrate its unique contribution.

### 5.1 | Sample and procedure

Data for this study came from employees working in various industries in Germany. We gathered 125 responses via a professional provider of international access panels. In addition, 36 responses came from the network of a graduate student, who was involved in data collection, resulting in a total of 161 valid responses for data analysis. Importantly, there were no statistically significant differences regarding the study variables between the two sample sources. Instead of including an affect measure, responses were collected at two points in time, separated by approximately two weeks, in order to reduce common method bias (Podsakoff et al., 2003).

The mean age of the participants was 35.59 ( $SD = 13.07$ ); 49% were male and 28% had a university degree. The majority of the participants worked in the for-profit sector (70%). With regard to

the occupational background, 14% worked in the public/government sector, 9% each came from commerce and consumer affairs, education, and building and construction industry, and 8% worked in financial services (51% other sectors). The average tenure with the current leader was 5.55 years ( $SD = 6.19$ ).

### 5.2 | Measures

The same measures and response formats as in Study 1 were used. In addition, transformational leadership was measured using parts of the instrument developed by Rafferty and Griffin (2004). Specifically, we used three subscales, consisting of three items each, to capture the features of transformational leadership, that is, vision, intellectual stimulation, and inspirational communication. Following Conway and Lance (2010), the two remaining subscales, that is, supportive leadership and individualized consideration, were not included because they show substantially high item overlap with the humane orientation subscale of the moral person behavior measure, which can bias relationships.

At Time 1, respondents were asked to rate their immediate leader in terms of transformational leadership and moral person behavior, and to provide personal information. At Time 2, respondents provided ratings of moral management and self-reports on the focal outcome variables (i.e., perceived ethical value congruence and openness to ethical influence).

### 5.3 | Results

#### 5.3.1 | Measurement issues

As in Study 1, we first tested the factorial validity of the 12-item moral person behavior measure via CFA. Again, a single-factor model

showed a poorer fit ( $\chi^2 = 161.30, df = 54, p < .001, \chi^2/df = 3.00, CFI = .906, RMSEA = .11$ ) compared to a second-order model ( $\chi^2 = 112.33, df = 50, p < .001, \chi^2/df = 2.24, CFI = .945, RMSEA = .09, \Delta\chi^2 = 48.97, df = 4, p < .00, \Delta CFI = .039$ ) and a first-order model ( $\chi^2 = 101.23, df = 48, p < .001, \chi^2/df = 2.11, CFI = .953, RMSEA = .08, \Delta\chi^2 = 60.7, df = 6, p < .001, \Delta CFI = .047$ ). The second-order solution was slightly inferior to the first-order structure ( $\Delta\chi^2 = 11.10, df = 2, p < .01, \Delta CFI = .008$ ), which is in line with our notion of global moral person behavior as an “aggregate” construct (Law et al., 1998).

Next, we conducted a series of CFAs to examine the integrity of the overall measurement model and to see whether the study variables captured distinct constructs versus common source effects. Five constructs were included: moral person behavior, transformational leadership, moral management, ethical value congruence, and openness to ethical influence. Again, we formed four item parcels

for moral person behavior (i.e., justice, moderation, humane, and responsibility/sustainability orientation) and, in addition, three item parcels for transformational leadership (i.e., vision, intellectual stimulation, and inspirational communication).<sup>5</sup> For all other variables, items were used as indicators. The results of this procedure are shown in Table 5, providing solid support for discriminant validity.<sup>6</sup>

### 5.3.2 | Hypothesis testing

The descriptive statistics and correlations among the study variables are presented in Table 6. For hypothesis testing, the same procedures as in Study 1 were used and we again controlled for tenure with the leader in all analyses. Also, variables were not centered and all coefficients reported here are unstandardized.

**TABLE 5** Measurement models (Study 2)

Model	$\chi^2$	df	$\chi^2/df$	CFI	RMSEA	$\Delta\chi^2_{(df)}$	$\Delta CFI$
Model 1 (proposed 5-factor model)	277.64***	160	1.73	.944	.07		
Model 2 (4-factor model: moral person behavior and moral management as combined factor)	391.46	164	2.38	.891	.09	113.82 <sub>(4)</sub> ***	.053
Model 2 (4-factor model: moral person behavior and transformational leadership as combined factor)	290.83***	164	1.77	.939	.07	13.19 <sub>(4)</sub> *	.005
Model 3 (4-factor model: ethical value congruence and openness to ethical influence as combined factor)	366.17***	164	2.23	.904	.09	88.53 <sub>(4)</sub> ***	.040
Model 4 (single factor model)	589.17***	170	3.46	.800	.12	311.19 <sub>(10)</sub> ***	.144

Note:  $N = 161$ ,  $\Delta\chi^2$  and  $\Delta CFI$  represent the difference in  $\chi^2$  and CFI values between the respective model and Model 1 (i.e., the proposed 5-factor model).

\* $p < .05$ ; \*\*\* $p < .001$ .

**TABLE 6** Descriptive statistics and correlations (Study 2)

Variable	M	SD	1	2	3	4	5	6	7	
1. Age	35.59	13.07								
2. Sex	-	-	.00							
			[-.15, .16]							
3. Tenure with leader	5.55	6.19	.44***	-.07						
			[.30, .55]	[-.23, .08]						
4. Moral person behavior	3.37	0.81	-.03	.09	.02	(.92)				
			[-.19, .12]	[-.07, .24]	[-.13, .18]					
5. Transformational leadership	3.27	0.73	.03	.10	.03	.75***	(.85)			
			[-.12, .19]	[-.06, .25]	[-.12, .19]	[.68, .81]				
6. Moral management	2.63	0.89	.06	.12	.10	.62***	.52***	(.82)		
			[-.10, .21]	[-.03, .27]	[-.06, .25]	[.51, .70]	[.40, .62]			
7. Ethical value congruence	3.40	1.05	.06	.02	-.02	.73***	.55***	.58***	(.95)	
			[-.10, .21]	[-.14, .17]	[-.17, .14]	[.64, .79]	[.44, .65]	[.47, .68]		
8. Openness to ethical influence	3.21	1.18	-.02	.03	.01	.78***	.63***	.56**	.80***	(.94)
			[-.18, .13]	[-.13, .18]	[-.15, .16]	[.71, .83]	[.53, .72]	[.44, .66]	[.74, .85]	

Note:  $N = 161$ , Values in square brackets indicate the 95% confidence interval. Chronbach's alpha appears on the diagonal.

\* $p < .05$ ; \*\*\* $p < .001$ .

Before testing the complete moderated mediation model, the unconditional effect of leaders' moral person behavior on followers' openness to ethical influence (Hypothesis 1) via perceived ethical value congruence (Hypothesis 2) was tested, while controlling for transformational leadership. To determine the unique value of moral person behavior in this prediction, we first entered transformational leadership in the regression analysis and then assessed the change in  $R^2$  when moral person behavior was added to the model. The results of this procedure are reported in Table 7, indicating that moral person behavior offers significant additional predictive power over transformational leadership, especially with regard to the prediction of perceived ethical value congruence. This is reflected in a substantial change in  $R^2$  in the total effect: When only transformational leadership was entered in the analysis, the total effect model yielded an adjusted  $R^2$  of .42 and  $F(2, 157) = 58.02, p < .001$ . The inclusion of moral person behavior yielded an adjusted  $R^2$  of .62 and  $F(3, 156) = 84.57, p < .001$ , producing a change in  $R^2$  of .20. The total effect of moral person behavior on openness to the leader's ethical influence was .98, 95% CI [.76, 1.19].

As shown in Table 7, when both transformational leadership and moral person behavior were included in the analysis, tenure with the

leader had neither an effect on ethical value congruence ( $b = -.01, p = .51$ ) nor on followers' openness to ethical influence ( $b = .00, p = .87$ ). While the effect of transformational leadership was not statistically significant ( $b = .06, p = .61$ ), moral person behavior predicted ethical value congruence ( $b = .89, p < .001$ ) which in turn was related to followers' openness to ethical influence ( $b = .54, p < .001$ ). The unconditional indirect effect of moral person behavior on followers' openness to ethical influence was positive and statistically significant,  $ab = .48, 95\% \text{ CI } [.31, .70]$ . Controlling for the mediator (i.e., ethical value congruence), the direct effect of moral person behavior on followers' openness to ethical influence was  $-.49 (p < .001)$ , while the effect of transformational leadership was only marginally significant ( $b = .19, p = .07$ ). These results confirmed Hypotheses 1 and 2. At this point, we recognize that the high correlation between transformational leadership and moral person behavior ( $r = .75$ ) may have resulted in less precise estimates of regression coefficients (Cohen, Cohen, West, & Aiken, 2003). Therefore, we followed the procedures suggested by Lorenzo-Seva, Ferrando, and Chico (2010) and conducted relative importance analysis to obtain a more precise understanding of the specific role of each predictor. Results (Table 8) clearly confirmed that for all outcomes, ethical value congruence

**TABLE 7** Predictors of ethical value congruence and openness to ethical influence (Study 2)

Predictors	Model 1			Model 2		
	Ethical value congruence			Ethical value congruence		
	<i>b</i>	<i>SE</i>	95% CI (LL, UL)	<i>b</i>	<i>SE</i>	95% CI (LL, UL)
Tenure with leader	-.01	.01	(-.03, .01)	-.01	.01	(-.02, .01)
Transformational leadership	.82	.09	(.63, 1.00)	.06	.12	(-.17, .30)
Moral person behavior				.89***	.11	(.68, 1.11)
$R^2$	.33			.53		
<i>F</i>	38.16***			59.43***		
$\Delta R^2$				.20		
$\Delta F$				21.27		
Predictors	Model 1			Model 2		
	Openness to ethical influence			Openness to ethical influence		
	<i>b</i>	<i>SE</i>	95% CI (LL, UL)	<i>b</i>	<i>SE</i>	95% CI (LL, UL)
Tenure with leader	.00	.01	(-.01, .02)	.00	.01	(-.01, .02)
Ethical value congruence	.71***	.06	(.59, .83)	.54***	.07	(.40, .67)
Transformational leadership	.47***	.09	(.30, .64)	.19 <sup>†</sup>	.10	(-.01, .39)
Moral person behavior				.49***	.11	(.27, .71)
$R^2$	.69			.73		
<i>F</i>	117.45***			103.38***		
$\Delta R^2$				.04		
$\Delta F$				14.07		

Note:  $N = 161$ , all coefficients are unstandardized, Bootstrap sample size = 5,000.

Abbreviations: CI, confidence interval; LL, lower limit; UL, upper limit.

<sup>†</sup> $p < .10$ ; \*\*\* $p < .001$ .

**TABLE 8** Relative importance analysis (Study 2)

Predictors	Ethical value congruence		Openness to ethical influence	
	Relative weight	95% CI (LL, UL)	Relative weight	95% CI (LL, UL)
Moral person behavior	68.40	(56.00, 78.60)	64.20	(54.30, 73.50)
Transformational leadership	31.60	(21.40, 44.00)	35.80	(26.50, 45.70)

Note: *N* = 161, Relative weights indicate the percentage of explained variance in the outcome, Bootstrap sample size = 5,000.

Abbreviations: CI, confidence interval; LL, lower limit; UL, upper limit.

and openness to ethical influence, leaders' moral person behavior drove the prediction to a higher extent.

Next, the proposed conditional effects through moral management (Hypotheses 3 and 4) were tested. The results of the moderated mediation analysis are reported in Table 9 and, taken together, replicate the results of Study 1. Results confirmed the effect of leaders' moral person behavior on perceived ethical value congruence ( $b = 1.24, p < .001$ )<sup>7</sup> which in turn predicted followers' openness to ethical influence ( $b = .56, p < .001$ ). Whereas moral management had no moderating effect on the direct path from moral person behavior to followers' openness to ethical influence ( $b = .07, p = .31$ ), it had an effect on the path to ethical value congruence ( $b = -.20, p < .01$ ), as visualized in Figure 4. Consistent with Study 1, simple slopes analysis revealed this effect was statistically significant at different values of moral management (see Table 10). Also, the index of moderated mediation (Hayes, 2015) was again negative ( $-.11, SE = .04, 95\% CI [-.21, -.04]$ ). The conditional indirect effect of ethical leadership on openness to ethical influence at different values of the moderator (i.e., moral management) through ethical value congruence is depicted in Figure 5.

### 5.4 | Brief discussion

This study supports the pattern of results found in the previous study, while controlling for the effects of transformational leadership. It is noteworthy that we again found moral management to exert a negative moderating effect on the relationship between leaders' moral person behavior and ethical value congruence.

## 6 | GENERAL DISCUSSION

The purpose of this research was to examine whether and through which mechanisms leaders gain followers' openness to their ethical influence. In two separate studies we found support for our predictions: Leaders' moral person behavior (i.e., having and exhibiting a humane, fairness, moderation as well as responsibility and sustainability orientation) was positively related to followers' perceived ethical value congruence, which in turn predicted followers' openness to ethical influence. In contrast to what we expected, moral management had a negative moderating effect on the relationship between moral person behavior and ethical value congruence.

### 6.1 | Theoretical implications

The general picture that emerges from this research suggests that the conceptual basis of ethical leadership may be more complex than it is often assumed in the pertinent literature. As a rather straightforward implication, our results indicate that it is worthwhile to extend the behavioral foundations of the moral person dimension of ethical leadership by incorporating a broader set of normatively appropriate behaviors. We thereby add to initial empirical evidence that moral person behavior goes beyond principles of care and justice and include leadership behaviors referring to moderation and temperance as well as responsibility and concern for the greater good (Eisenbeiss, Van Knippenberg, & Fahrbach, 2015). With this, we now have a clearer understanding of the behavioral complexity in ethical leadership and what it means to lead by example. The positive relationship between these leader behaviors and followers' increased openness to and acceptance of the leader's ethical influence suggests that the four normative foundations that we took from Eisenbeiss (2012) are indeed valid proxies for the moral goodness of a leader (Chiu & Hackett, 2017). Furthermore, we find that ethical value congruence mediates the relationship between leaders' moral person behaviors and followers' openness to the ethical influence of leaders. This fills a gap in the pertinent literature because it verifies a link that has been implicated in many previous studies as an important explanatory factor of leadership in general and moral forms of leadership in particular (Brown & Mitchell, 2010). The examination of ethical value congruence represents a particularly meaningful asset of our study, since prior research in this field has usually examined general value congruence which, however, does not necessarily entail congruent ethical values (Tang et al., 2015). An important empirical contribution that is related to this is that the effects of moral person behaviors on followers' ethical value congruence and openness to ethical influence go beyond what transformational leadership offers. This finding is particularly meaningful in light of the recent meta-analysis by Hoch et al. (2018), according to which moral forms of leadership are generally not effective as a measure to augment transformational leadership, unless specific outcomes, such as workplace deviance or job satisfaction are the focus. Our results add to this picture by showing that leader behavior that embodies genuine ethical orientations uniquely predicts more "theoretically-specific" criteria (Lemoine et al., 2019), that is, ethical value congruence and followers' openness to ethical influence. Overall, our results support

TABLE 9 Moderated mediation analysis (Study 2)

Predictors	Model 1			Model 2		
	Ethical value congruence			Openness to ethical influenc		
	<i>b</i>	<i>SE</i>	95% CI (LL, UL)	<i>b</i>	<i>SE</i>	95% CI (LL, UL)
Ethical value congruence				.56***	.07	(.41, .70)
Moral person behavior	1.24***	.20	(.84, 1.64)	.32	.20	(-.09, .72)
Moral management	.91***	.25	(.42, 1.40)	-.22	.23	(-.69, .39)
Moral person behavior × moral management	-.20**	.07	(-.34, -.06)	.07	.07	(-.06, .20)
Transformational leadership	.023	.11	(-.20, .25)	.19	.10	(-.02, .39)
Tenure with leader	.00	.01	(-.02, .02)	.00	.01	(-.02, .01)
<i>R</i> <sup>2</sup>	.58			.73		
<i>F</i>	42.92***			69.67***		

Note: *N* = 161, all coefficients are unstandardized, Bootstrap sample size = 5,000.

Abbreviations: CI, confidence interval; LL, lower limit; UL, upper limit.

\*\**p* < .01; \*\*\**p* < .001.

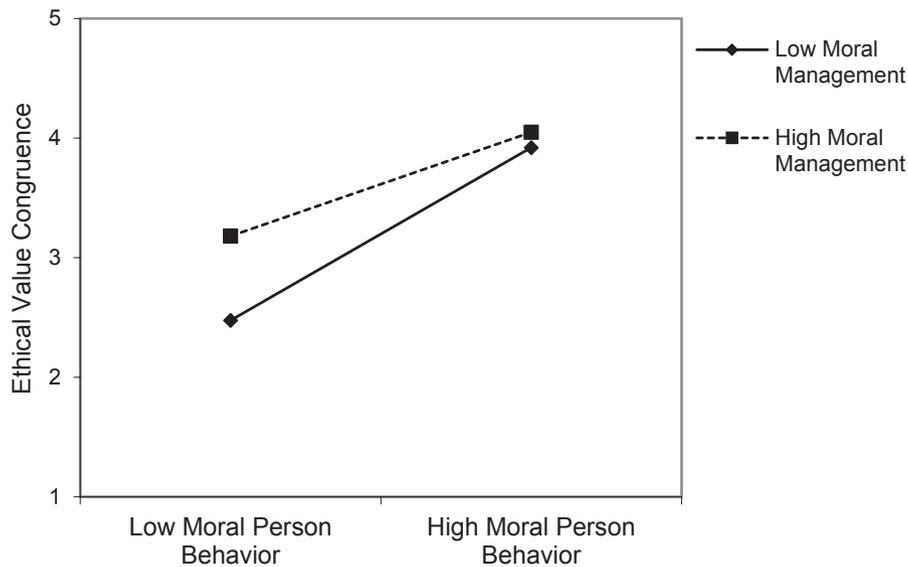


FIGURE 4 The moderation role of moral management for ethical value congruence (Study 2)

TABLE 10 Conditional effects of moral person behavior on ethical value congruence at different values of moral management (Study 2)

Moral management	<i>b</i>	<i>SE</i>	95% CI (LL, UL)
1.55	.93***	.12	(.68, 1.18)
2.70	.70***	.11	(.48, .92)
3.60	.52***	.14	(.25, .79)

Note: *N* = 161, the values of the moderator refer to the 16th, 50th and 84th percentiles, all coefficients are unstandardized, Bootstrap sample size = 5,000.

Abbreviations: CI, confidence interval; LL, lower limit; UL, upper limit.

\*\*\**p* < .001.

the notion that highly correlated leadership constructs can still have distinct effects and in particular, they confirm that ethics-centric leader behaviors are uniquely important when compared with classical, more task- and goal-focused leader behaviors (Lemoine et al., 2019).

An important theoretical implication of the present effort refers to the relationship between moral person behaviors and moral management. Our results substantiate the notion that these two features of ethical leadership represent analytically and empirically distinct types of leader behavior (Páez & Salgado, 2016; Rowold et al., 2009). This is not only reflected in the CFA results; they both also relate differently with our focal outcomes. Specifically, when looking at their effects in our data in isolation, they both predict ethical

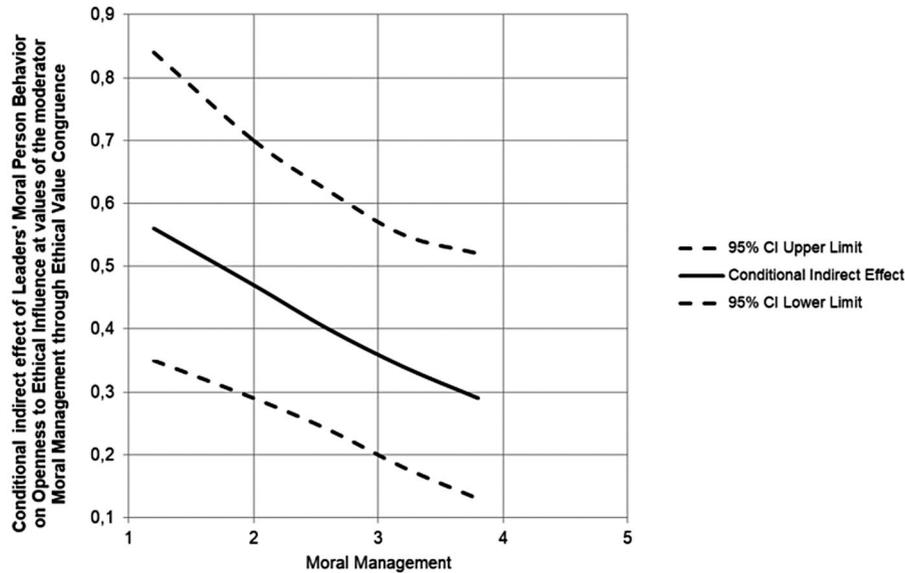


FIGURE 5 Conditional indirect effect (Study 2)

value congruence and followers' openness to ethical influence; yet, moral person behavior has the strongest impact on followers. This is in line with more general research on how organizations can foster employee adherence to organizational rules and policies. Tyler and Blader (2005) found that employees' compliance with and voluntary deference to organizational policies were strongly influenced by their views about whether management follows ethical principles. These moral evaluations had a stronger impact than legitimacy, that is, the acceptance of authority, and, importantly, they were also more effective than expected rewards or punishments on rule-related behaviors. Our study supports this pattern with regard to the leader follower relationship: voluntary, willing acceptance of the ethical influence of their leader depends more strongly on followers' perceptions of ethically desirable behaviors and judgments about whether their leaders have ethical values similar to their own. Moral management, emphasizing expected rewards and punishment, seems to be less important in this context, thus supporting the notion that leaders' actions speak louder than their words (Páez & Salgado, 2016).

Related to the above, our research identifies moral management as a moderator in the effect of leaders' moral person behavior on ethical value congruence. Whereas we initially reasoned that moral management would increase the effect of moral person behaviors on ethical value congruence, we found that the effect was attenuated, although with a small effect size. Once again, this permits a more differentiated view on the relationship between moral person behavior and moral management. Technically speaking, the negative moderation effect means that moral management flattens the predictor (i.e., moral person behaviors)- criterion (i.e., ethical value congruence) relationship. However, when viewed the other way around, this indicates that moral person behaviors result in a lower impact of moral management but higher criterion levels. This is in line with the notion of moderator variables reflecting substitutes for certain leader behaviors (Howell, Dorfman, & Kerr, 1986). In other words, if leaders engage in normatively appropriate leader behaviors, less

moral management is needed to persuade followers. This does certainly not mean that moral management is not important; it merely indicates that its impact is limited. Accordingly, if leaders show lower levels of moral management, they need to be stronger moral persons to influence followers in terms of shared ethical values. Overall, these results sharpen our understanding of what it means to be an ethical leader. On the one hand, they conform with the notion that leaders who do not visible engage in moral person behaviors but who attempt to make ethics a salient topic in the workplace are likely to be perceived as hypocrites (Trevino et al., 2000), or at least that such leaders are not regarded as attractive role models. At the other hand, however, they challenge the assumption that leaders who engage in moral person behaviors without actively putting ethics on the leadership agenda may be perceived as ethically neutral (Trevino et al., 2000). While Trevino et al. (2000) describe the interplay of being a moral person and a moral manager more in terms of an all or nothing phenomenon (i.e., exhibiting the qualities of a moral person or a moral manager either completely or not at all), our data indicate that this is more a matter of degree. That is, leaders who exhibit a high level of visible ethical traits and behaviors are influential as moral exemplars, even if they do not speak much about ethics. With this, we add to the growing discussion in the literature about how different leader behaviors interact in a mutually consistent manner (e.g., Kearney, Shemla, van Knippenberg, & Scholz, 2019).

## 6.2 | Practical implications

The first practical implication is rather simple: Our results suggest that leaders' moral person behavior is instrumental in promoting ethical value congruence, which may then foster leadership effectiveness. We know from prior research that value congruence may foster actual ethical performance, such as reduced organizational deviance (Brown & Trevino, 2006). Apart from the usual suggestion

that ethical leadership training is beneficial in general, the patterns presented herein also highlight the importance of teaching leaders to explicitly consider the ethical values of their followers if they want to be credible role models. Leaders can strongly benefit from actively seeking feedback from their followers on how they are perceived in terms of values and value-based behaviors. By integrating such active feedback seeking and analysis in both self-reflective practice and classic leadership training leaders may more efficiently tailor their behavior to followers. In fact, leaders often invest much energy when trying to set a good ethical example and to actively send ethics messages to their followers. Although this should of course remain an important practical consideration, leaders can be more efficient by providing tailored attention to each follower's needs. By proactively assessing and considering value congruence they can determine whether moral person behaviors or moral management should be the priority. Importantly, this is certainly not an all or nothing proposition but one of prudent balance that, as a basic prerequisite, is rooted in the awareness that the influence of ethical management has its limits.

### 6.3 | Limitations and directions for future research

Despite its contributions, the present research is not without limitations and there are questions this study cannot answer about the variables under investigation. Most notably, with cross-sectional data we do not have genuine proof that ethical value congruence is truly intermediate in a causal sequence linking leaders' moral person behavior to followers' openness to ethical influence. Yet, the proposed relationship is highly plausible from a theoretical perspective. Although ethical value congruence can promote attributions of moral leadership (Fehr, Yam, & Dang, 2015), the process is more likely to emanate from the leader in that followers use the perceived leader behaviors as a benchmark for determining ethical value congruence. In a similar vein, it seems doubtful that openness to ethical influence would cause ethical value congruence. Such a scenario would require followers who are ethically "neutral" and then submissively adopt the values of their leaders. Yet, we recognize that the relatively high correlation between these two variables in both studies also allow for alternative interpretations. Following the work of Le, Schmidt, Harter, and Lauver (2010) about empirical construct redundancy, it is conceivable that there is a general "ethical assessment" construct underlying both variables. However, since our CFA results do not indicate that, it could be that the two constructs are reciprocally causally related. It would thus be interesting to examine in longitudinal studies with newcomers how ethical value congruence and openness to ethical influence develop and influence each other over time. Such studies would also benefit from including interviews with followers to gain a deeper perspective on when and how they actually adopt the ethical values of their leaders.

Another issue refers to the measurement of moral person behaviors, specifically the justice component. While our measure focuses

on perceived adherence to justice rules (e.g., the leader analyzes relevant data before making a decision), it also captures global fairness perceptions (i.e., the leader is perceived as generally making fair and balanced decisions). Although perceptions of justice rule adherence are likely to trigger a more general sense of appropriateness (Ambrose & Schminke, 2009), we recognize that this may, to some extent, vary across individuals and contexts. Thus, future studies in this field should measure a broader range of justice rules leaders may adhere to, most notably distributive and procedural justice aspects. Following the research by Samara and Paul (2019), such studies would also permit to investigate whether and to what degree different contexts (e.g., family businesses or employee-owned companies) produce distinct notions of what is normatively appropriate leader behavior.

Furthermore, also with regard to measurement precision, it would be useful in future research to consider alternative forms of ethical value congruence. Future research could measure more objective forms of ethical value congruence (Kristof-Brown et al., 2005) to determine whether there is more definitive support for the role of ethical value congruence within this context. Also, researchers might use inventories of specific ethical values, such as the Schwartz Value Survey (Schwartz & Boehnke, 2004), to examine whether specific patterns of congruence exert distinct effects on followers' openness to and acceptance of the ethical influence of their leaders.

A final limitation of our research refers to the cultural context. Ethics scholars have stressed that "real-life perceptions of ethicality are pluralistic and culturally determined" (Chiu & Hackett, 2017, p. 32). In a similar vein, as indicated above, it is possible that also organizations differ in their endorsement of specific ethical orientations (Fehr et al., 2015; Samara & Paul, 2019). Thus, future research should test our predictions not only in more culturally diverse settings but also take the organizational culture into account.

## 7 | CONCLUSION

Ethical leadership makes only sense, if followers seek and accept the ethical influence of leaders. The empirical results from this research elucidate theoretical work on ethical leadership and support the suggestion that ethical leaders, by engaging in ethically desirable leader behaviors, represent strong ethical examples. Moreover, it indicates that such leaders represent an important source of intrinsic, moral-based motivation. By balancing moral person behaviors with moral management, leaders can shape perceptions of ethical value congruence among followers and thus eventually stimulate the intrinsic desire of followers to accept their ethical influence.

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## ENDNOTES

- <sup>1</sup> We wish to note that, consistent with much prior research in this field, we use the terms *ethical* and *moral* synonymously.
- <sup>2</sup> Some of these instruments were included in a previous data collection which the authors of this research conducted in a separate organization. These data are not part of the present research. Three experts (i.e., the first author of this study as well as a doctoral student and a graduate assistant in the field of leadership research) assigned the pertaining items to the four ethical orientations of Eisenbeiss (2012). Then, items were selected based on statistical (i.e., factor loadings) and theoretical (i.e., semantics, conceptual fit) grounds. Because this procedure did not result in an item pool that adequately covered all four ethical orientations, the three experts identified and included theoretically suitable items from additional instruments.
- <sup>3</sup> The same pattern of discriminance was obtained when items are used as indicators for all latent variables. The model fit of the proposed four-factor model ( $\chi^2 = 561.14$ ,  $df = 269$ ,  $p < .001$ ,  $\chi^2/df = 2.08$ , CFI = 0.92, RMSEA = .07) was preferable over all competing models.
- <sup>4</sup> It is important to note that in this equation, the direct effect of moral person behavior on both ethical value congruence and openness for ethical influence is conditional (i.e., it restricts the values of the moderator to zero). The same applies to the direct effects of the moderator variable on the outcomes (i.e., it restricts the values of independent variable to zero, see Hayes, 2018). To facilitate interpretation, we estimated the direct effects when the moderator was excluded. This yielded the following results: Ethical value congruence was more strongly predicted by moral person behaviors ( $b = .90$ ,  $p < .001$ ) relative to moral management ( $b = .28$ ,  $p < .001$ ). Also openness to ethical influence was more strongly predicted by moral person behaviors ( $b = .86$ ,  $p < .001$ ) relative to moral management ( $b = .36$ ,  $p < .001$ ).
- <sup>5</sup> A separate CFA for transformational leadership, consisting of three correlated factors yielded an excellent model fit ( $\chi^2 = 30.13$ ,  $df = 24$ ,  $p = .18$ ,  $\chi^2/df = 1.25$ , CFI = .99, RMSEA = .04).
- <sup>6</sup> The same pattern of discriminance was obtained when items are used as indicators for all latent variables. The model fit of the proposed 5-factor model ( $\chi^2 = 912.16$ ,  $df = 517$ ,  $p < .001$ ,  $\chi^2/df = 1.76$ , CFI = .88, RMSEA = .07) was preferable over all competing models.
- <sup>7</sup> To facilitate interpretation, we again estimated the direct effects when the moderator was excluded. This yielded the following results: Ethical value congruence was more strongly predicted by moral person behaviors ( $b = .75$ ,  $p < .001$ ) relative to moral management ( $b = .25$ ,  $p < .01$ ). Moreover, openness to ethical influence was more strongly predicted by moral person behaviors ( $b = .66$ ,  $p < .001$ ) as compared to moral management ( $b = .31$ ,  $p < .001$ ).

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**How to cite this article:** Pircher Verdorfer A, Peus C. Leading by example: Testing a moderated mediation model of ethical leadership, value congruence, and followers' openness to ethical influence. *Business Ethics: A Eur Rev.* 2020;29:314–332. <https://doi.org/10.1111/beer.12255>

## APPENDIX

TABLE A1 Items included in the 12-item measure of leaders' moral person behavior

Code	Item	Source
	My leader...	
Jus1	makes fair and balanced decisions	ELS
Jus2	objectively analyzes relevant data before making a decision	ALI
Jus3	carefully listens to alternative perspectives before reaching a conclusion	ALI
Hum1	works hard at finding ways to help others be the best they can be	SLI
Hum2	makes the personal development of followers a priority	SLI
Hum3	considers followers' individual needs, abilities, and aspirations	MLQ
Mod1	his/her decisions are influenced by followers' input	SLI
Mod2	tries to reach consensus among followers on important decisions	SLI
Mod3	goes beyond self-interest for the good of the group	MLQ
RS1	would like to work in an environmentally friendly manner	ELW
RS2	shows concern for sustainability issues	ELW
RS3	emphasizes the societal responsibility of our work	SLS

Abbreviations: ALI, authentic leadership inventory (Neider & Schriesheim, 2011); ELS, ethical leadership scale (Brown et al., 2005); ELW, ethical leadership at work questionnaire (Kalshoven et al., 2011); Hum, humane orientation; Jus, justice orientation, MLQ, multifactor leadership questionnaire (Avolio et al., 1999); Mod, moderation orientation, RS, responsibility/sustainability orientation; SLI, servant leadership instrument (Ehrhart, 2004); SLS, servant leadership survey (Van Dierendonck & Nuijten, 2011).