MORAL LEADERSHIP: 
EXPLICATING THE MORAL 
COMPONENT OF AUTHENTIC 
LEADERSHIP 

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ABSTRACT 

Authentic leadership is defined in large part by evidence of morality in the leadership influence process. A highly developed moral leader is expected to act in concert with his or her self-concept, to achieve higher levels of agency to make the “right” and “ethical” decisions. Moral leadership is developed through a highly developed self-concept, and supported by heightened abilities of meta-cognitive and emotional regulation. These cognitive structures and abilities help leaders to activate moral solutions cross-situationally during leadership episodes. Moreover, we posit that a leader who is perceived by followers as morally authentic and imbued by altruism and virtuousness will be afforded greater influence and have increased positive effects on followers and organizations.
The goal of this chapter is to clarify what we see as constituting moral leadership, with a particular focus on the moral component of authentic leadership. We draw from two key conceptual frameworks – moral agency (Bandura, 1999, 1991) and the self-concept (Kihlstrom, Beer, & Klein, 2003; Lord & Brown, 2004; Markus & Wurf, 1987) – and explore the various subcomponents of these frameworks to provide a roadmap to guide future research. We define the moral component of authentic leadership as the exercise of altruistic, virtuous leadership by a highly developed leader who acts in concert with his or her self-concept to achieve agency over the moral aspects of his or her leadership domain.

We argue here that the developmental experiences and processes that facilitate authenticity, such as heightened cognitive complexity and self-awareness in the leader, foster higher levels of moral reasoning and reflection, which in turn positively influence the leader and ultimately the followers’ moral behavior. Such developed moral capacities increase the leader’s ability to assume ownership, or “self-authorship” (Kegan, 1994), over a lifetime.

We begin this chapter with a broad ontological discussion of moral leadership and ethics with the purpose of clarifying their properties and providing construct definitions. Next, we introduce the agency framework and specifically link it to morality; our purpose here is to clarify how, with respect to authentic leadership, agency and morality are intertwined. We then present a model for viewing moral leadership through the framework of a moral self-concept that we propose authentic leaders activate when faced with a moral dilemma, albeit in varying degrees, to exercise their moral agency. Later, we discuss how leaders explicate their self-concepts as moral self-structures; here our intent is to not only elaborate how leaders develop and activate components of the self to act morally, but also how they clarify their moral behavior to themselves during the moral reasoning and decision-making process. Next, we outline moral and emotional self-regulation and explain how those concepts relate to authentic leadership, focusing on the role of the moral working self-concept. Our purpose here is to expand on the linkages between the moral self-concept, and how it results in consistent (and self-consistent) moral behaviors being exhibited by the authentic leader. Finally, we close by discussing the tangible influence that the authentic leader’s moral decision making and behavior exert at the leader, follower, and organizational levels.
The Moral Self-Concept as a Developed Entity

We propose that moral standards are primarily developed via cultural and societal influences and can be best explained via social learning theory/processes (Bandura, 1977). Ethics are learned and part of one’s culture, and thus morality is only generalizable across cultures inasmuch as there are universal moral truths between cultures. Further, ethics are formed not only at the societal level, but also at the organizational, group, and individual levels through social learning, social enactment, and meaning-making processes (Bartunek, 1984; Bartunek & Moch, 1987; Weick, 1979).

We propose that the adaptability that allows the leader to develop morally and to execute moral control over the leadership influence process in large part stems from the plasticity of schemas and scripts that evolve over time through defining developmental “trigger events” (e.g., high-impact moral dilemmas) (Bandura, 2002; Kolb & Whishaw, 1998). As leaders internalize their environment and form their self-concept over the life span, a moral component is formed as part of, and developed in parallel with, that self-concept. A given leader’s moral development will differ from that of other leaders in terms of its robustness and complexity. We will argue that such moral development depends largely upon both the quality and quantity of ethical experiences a leader faces through life-long learning and the moral meaning-making taken away from those experiences that end up shaping the leader’s development (Kohlberg, 1981).

Kohlberg’s (1981) model of cognitive moral development (CMD) similarly proposed that moral reasoning capabilities are malleable, and that life experiences or trigger events will move a person through various moral stages across the life span. Trigger events may be viewed as critical incidents in a given leader’s life that result in deep introspection and a change in his or her implicit theories about the linkage between leadership and morality. Evidence of this state-like and developmental approach is provided by the positive correlations of age and education level with CMD levels (Rest, 1986).

Through such social learning processes, leaders not only form a global self-concept of themselves as leaders (Lord & Brown, 2004), but also form a specific dimension of the self-concept as it relates to their self-views of their own morality. In other words, a leader may consider him- or herself a
“good” leader but not necessarily a “moral” leader. We propose that authentic leaders have a highly developed self-concept, with a particularly complex and evolved moral dimension. We view this moral dimension of the self-concept as a primary enabler behind moral perception and decision making. Specifically, if sufficiently developed and complex, this moral self-concept, as shown in Fig. 1, sets the conditions for leaders to make moral decisions through the activation of and concordance between their current selves (i.e., who they perceive themselves to be), possible selves (i.e., who they want to be), and current goals (i.e., what they want to accomplish proximally).

Viewed using the self-concept framework, morality is in part a function of one’s memories as encoded and stored from one’s moral experiences and reflections. As we explicate the construct of a moral leader, we must therefore look at: (1) the mental models and representations stored in semantic memory, which contain general schematic moral knowledge; and (2) the autobiographical moral experiences stored in episodic memory. The interaction of these memory structures ultimately drives the leader’s moral behavior through both automatic and controlled processes (Ashcroft, 2002). Moreover, they include not only the knowledge one holds of oneself (e.g., the self-concept), but also one’s knowledge of moral concepts (e.g., what is
mortality?), and the hypotheses that are formed from interlinking concepts in memory to establish causality (Lord & Foti, 1986).

Agentic Morality

Agency is central to the linkages between authenticity and ethical leadership, representing the leadership processes that influence and control the leader’s and followers’ moral environment. Consistent with the theoretical frameworks of Bandura (1999) and Rottschaefer (1986), we define moral leadership agency as the exercise of control over a leader’s moral environment through the employment of forethought, intentionality, self-reactiveness, and self-reflectiveness to achieve positive moral effects through the leadership influence process. As shown in Fig. 1, the influence of moral agency spans from the leader’s self-concept, as just discussed, to follower outcomes.

Leaders achieve authenticity as they develop and become aware of a core moral self, and then manifest that true self in control of their environment through the exercise of moral agency. Below we argue that at the most basic levels of authentic leadership, moral agency ultimately leads to ownership; this ownership is not only reflected in the individual leader’s behavior, but also in followers’ behavior and outcomes derived from authentic leadership as a result of the leader’s exercise of agency through followers, referred to as proxy agency (Bandura, 2000). In short, authentic leaders are moral agents who take ownership of, and therefore responsibility for, the end results of their moral actions and the actions of their followers.

We believe that leaders with heightened levels of complex moral domain content held in long-term memory will have an increased propensity for agentic control over their moral experiences. One’s moral reasoning, however, is linked to moral conduct through self-regulatory mechanisms where moral agency is employed (Bandura, 2002; Rottschaefer, 1986). We must point out that individuals who employ cognitive reasoning processes to determine what is right and wrong may still fail to act morally for a variety of reasons including enormous external pressures to make the “wrong” decision.

Moral agency in our model spans from personal agency, whereby leaders manifest their authentic moral-self during leadership episodes, through to proxy agency to positively influence followers through their manifestation of morality. This agency over the self and the environment is further reinforced by the leader’s altruism and virtue, as discussed later in this chapter.
Central Components of Moral Agency

Having outlined the basis for moral agency in authentic leadership, we turn our attention to further explain the moral agency construct. Agency is embedded in social cognitive theory (SCT) (Bandura, 1999, 2001), which models the capacity for individuals to exercise control over the nature and quality of their lives. Through reciprocal interactions between leaders, their behavior, and the environment, leaders become both producers and products of their moral environment. Specifically, they exercise the agentic capacities of: (1) intentionality (acts of agency are done intentionally), (2) forethought (agents anticipate likely consequences of actions and select courses of action that produce desired outcomes and avoid detrimental ones), (3) self-reactiveness (the ability to self-motivate and self-regulate), and (4) self-self-reflectiveness (the capability to reflect upon oneself and the adequacy of one’s thoughts and actions) (Bandura, 2001). The moral component of agency also includes both refrain power, which is viewed as an inhibition against acting immorally, and proactive power, or the ability to proactively behave morally (Bandura, 1991). We view these agentic capacities as central components of authentic leadership and draw on them throughout the remainder of this chapter.

Taken together, it appears that the link between authenticity and moral agency is, as suggested by Chan, Hannah, and Gardner (2005), a question of ability and motivation. By this we mean that authentic leaders have not only the ability to think morally by employing the agentic capacities of forethought, self-reaction, and self-reflection, but they also have the motivation to behave morally through the use of intentionality and the employment of refrain and proactive power. And, as we discuss below, choosing to become a moral agent has many positive outcomes for not only the leader and follower, but also for the organization.

Influences of Moral Agency

Authentic leadership theory (Gardner, Avolio, Luthans, May, & Walumbwa, 2005) holds that a leader with high levels of self-awareness and commitment-to-self behaves in a manner consistent with his or her true self. Through processes of self-regulation and self-determinism (Deci & Ryan, 1985; Ryan & Deci, 2003), the authentic leader obtains a level of self-concordance (Sheldon & Elliot, 1999) by satisfying inherent needs; this in turn increases leader well-being. We propose that a highly developed moral
self-concept facilitates self-determinism in moral behavior. External requirements will often challenge the leader’s self-concept and strain his or her authenticity and morality. We propose that moral leaders, through higher levels of agentic ownership, will be more likely to reach a level of self-concordance or balance. Agentic moral leaders achieve this balance by: (1) positively altering the moral environment through the exercise of proxy agency and (2) internalizing and integrating the processes of self-determination (Deci & Ryan, 1995) to achieve equilibrium with the altered environment through personal agency.

Agency and efficacy are highly intertwined (Bandura, 2001) and we believe that moral efficacy will help explain why one leader will act upon his or her moral judgments while another will fail to do so. Similarly, Kohlberg (1969) proposed that moral reasoning does not link directly to moral conduct, but that there are ego-strength factors that may limit moral conduct. These factors are self-reflective in nature (including perceived lack of competence regarding the intelligence, physical, or problem-solving capabilities to achieve moral ideals) and are thus related to efficacy beliefs.

Virtuousness and Altruism as Qualities of Agency

Any moral behavior that is not supported by genuine virtue and moral altruism (as a motivational concept) is by definition inauthentic. In short, we must differentiate impression-management behaviors from the concept of authenticity. Additionally, any behaviors that are reinforced primarily through external or organizational controls that are not consistent with or that betray the leader’s self-concept are also inauthentic. When discussing authentic leadership, therefore, we must separate calculative or socially imposed moral behaviors from moral behaviors that stem from higher levels of leader moral development, genuine virtue, and altruistic motivation to help others.

Virtuousness

Leaders with highly developed moral capacity exercise agency over their moral domain, with their actions supported by a sense of virtuousness. An agentic sense of morality requires a leader to view him- or herself as a moral actor behaving in concordance with his or her true self. The moral content held in the self-concept must therefore support such a self-view when accessed by the leader through self-reflection. Altruism and virtue are activated as part of the moral working self-concept (Markus & Wurf, 1987) and are exhibited during leadership episodes as behaviors, as shown in Fig. 1.
Virtues are defined here as a “psychological process that consistently enables a person to think and act so as to yield benefits to him- or herself and society” (McCullough & Snyder, 2000). They are embedded and nurtured in culture in a similar fashion as ethics and morality, rather than simply being deduced through reasoning (Jordan & Meara, 1990; Sandage & Hill, 2001). Though often confused with values, virtues reference the integration of moral discussion and action into life (Prillenltensky, 1997), or in essence, the exercise of moral agency.

Virtues are based on the understanding of rational, connected thought. Such thought can be on a level internal to an individual, such as the ability to reason, or on a universal level, such as the laws and rationality that govern the universe (Aurelius, 2002). More recent research has centered upon six core virtues: wisdom, courage, humanity, justice, temperance, and transcendence (e.g., Peterson & Seligman, 2004). These core virtues are conceptualized as moral strengths that offer resiliency in meeting the challenges of life (Sandage & Hill, 2001), or as embodied traits of character (Cohen, 1994; Nicholas, 1994). We believe these core virtues are highly salient in the self-concept of the authentic leader; and through cybernetic self-regulatory processes, these virtuous core values drive leaders to positively influence their leadership domain. Over time, consistently virtuous behavior will make a leader’s virtue appear as a predisposition to act in ways that produce recognizable human excellence, as proposed by Yearley (1990).

Virtuousness as an Enabler of Commitment-to-self

To fully understand our conception of moral behavior, it is critical to recognize the construct of commitment-to-self, which is inherent to authentic leadership (Chan et al., 2005). This commitment is reflective of both moral development and personal virtue. By definition, authenticity is self-referential and “exists wholly by the laws of its own being” (Trilling, 1972). A commitment to the self is inherently virtuous and is a key characteristic of what it means to be authentic. As suggested by Chan et al. (2005), authenticity involves both owning one’s personal experiences (thoughts, emotions, needs, and wants) and then behaving in accordance with the true self. This commitment to one’s identity and values (Erickson, 1995) is what translates knowledge of oneself into self-regulation, which lies at the core of what we call authentic leadership.

An authentic leader, therefore, has both internally and externally focused virtues and ethical processes. Internal virtue sponsors commitment-to-self and a willingness to conduct moral behavior consistent with one’s beliefs, regardless of the social costs of such virtuousness. These internal moral
processes then enable external ethical processes associated with moral leadership to sponsor altruistic behavior toward others. We propose that these external processes will become manifest in the morally uplifting leader proposed by Burns (1978) and Bass (1985, 1998).

Altruism

In continuing to highlight the difference between calculative or externally reinforced moral behaviors from authentic moral behaviors, we introduce the construct of altruism. In contrast to egoism, altruism involves the motivation to increase another person’s welfare (Batson, 1998). Batson suggests that theories of pro-social behavior based upon behavioral social learning, norms and roles, exchange or equity, attributions, esteem enhancement/maintenance, or moral reasoning fail to fully explain anomalous acts of prosocial behavior or anomalous failures to act prosocially. We argue that these anomalous acts must be driven by high levels of virtuousness and agency held core to the leader’s self-concept.

Batson (1998) suggests that empathy can create pro-social emotions such as sympathy, compassion, and tenderness toward individuals that, as proposed in the empathy-altruism hypothesis, will lead to altruistic motivation (see Batson, 1991 for an overview of the empathy-altruism hypothesis and supporting empirical studies). We propose that authentic leaders will hold moral ownership (agency) and altruistic empathy salient in their self-concept. Through activation of these aspects in their working self-concept, authentic leaders raise their levels of moral engagement through heightened propensity to form moral intentions. If sufficiently strong, such engagement can extend beyond the leader’s personal realm and motivate him or her to intervene during unethical situations that are witnessed, but do not directly affect him or her. Included among these situations are acts of charity, “by-stander” engagement, and other altruistic behavior.

We propose that moral leaders who are also authentic will hold heightened levels of virtue and altruism. Together, these levels will build their capacities for forethought, intentionality, self-reflectiveness and self-reactiveness, and foster increased levels of personal and proxy moral agency with their followers.

Thus far, we have presented authentic leadership as a process that: (1) emanates from a leader; (2) is driven by the abilities and motives inherent in a highly developed moral self-concept; and (3) is fueled by leader virtue and an altruistic desire to exercise agentic control over the leadership domain. The authenticity of this process can be assessed by aligning the moral self-concept, altruistic intentionality as activated in the working self-concept,
and resulting behavior as modeled in Fig. 1. This leads us to our first set of propositions:

**Proposition 1a.** More as opposed to less morally attuned leaders will incorporate higher levels of altruism and virtue into their core self-concept.

**Proposition 1b.** Leaders who incorporate higher levels of altruism and virtue in their core self-concept will exercise higher levels of moral agency over their leadership domain.

**Proposition 1c.** Moral leaders who are also authentic will reach higher levels of self-concordance, through the exercise of agency, by achieving better alignment between their self-concept, their working self-concept, and self-consistent moral behaviors.

### THE MORAL SELF

In this section, we explicate the structure and functioning of the dynamic moral self-concept and describe how it enables and drives moral agency and virtuous leadership. We view the self as an elaborate and highly accessible memory structure containing one’s domain of self-knowledge (Kihlstrom & Klein, 1994; Markus, 1977), organized into schematic structures, and interlinked to form a multidimensional self-concept. The increased salience and accessibility of self-relevant information causes it to be processed more efficiently and competently than other forms of information (Markus & Wurf, 1987). Self-knowledge is more salient and familiar than other knowledge structures, and thus more easily activated during processing (Markus, 1977), producing what is known as the self-reference effect (Rogers, 1977). Through the social learning processes outlined previously, leaders acquire *meta-knowledge* about themselves (such as “I know how to influence others to act morally”) that is integrated into their self-concept (Kihlstrom et al., 2003). Meta-knowledge can be accessed through both controlled and automatic procedures during moral processing, such as when a leader analyzes options for action when facing a moral dilemma.

The influence of meta-knowledge on leaders’ subsequent moral processing is critical. The more robust and central moral knowledge is held within the leader’s self-concept, the more likely the leader will be to activate this knowledge and be guided by its moral content to make decisions during leadership role episodes. Later in this chapter we will define how portions of
The ability of leaders to explicate their moral-self is predicated on the quantity and quality of moral content held in memory. Moral content is created through the formation of well-developed schemata by increasing the pure magnitude and accessibility of stored moral knowledge held in
long-term memory. Such content is stored, however, not only as schemas held in semantic memory, but also in episodic (autobiographical) memories that can be activated during moral dilemmas. In other words, highly developed leaders have knowledge structures that not only illuminate how they should act in a present situation, but also how they acted in previous situations and the outcomes of those actions. Both types of knowledge structures influence: (1) the decision a leader will make based upon agentic forethought and (2) the ultimate behavior displayed by the leader based upon agentic intentionality. Additionally, as they guide perceptual processes, they impact both, (3) agentic self-reflectiveness, and (4) self-reactiveness during moral processing.

Development of such a robust content of self-schema parallels the development process as outlined by multistage theories of CMD (Kohlberg, 1976, 1981; Piaget, 1948). Kohlberg (1981) proposes that at postconventionalist (transcendent) levels of cognitive moral development, individuals are more enlightened and strive for universal values and principles. They transcend the norms and authority of groups or individuals to seek what they deem as proper through their own self-regulatory processes. We have proposed that authenticity is measured on a continuum and developed in parallel to moral capacity. This capacity, as represented by higher postconventionalist levels, enables the leader to conduct complex assessments of moral information against a robust domain of moral content to achieve optimal moral solutions. As leader-moral schemas develop, they contain more viable and accessible moral information, thereby increasing the probability that the leader will make a positive moral decision.

The number and types of events experienced by leaders will affect the content of their self-schema. Leaders are captive to the information they can retrieve from memory during processing. Therefore, greater robustness of moral content will raise leaders’ efficacy in the moral meaning-making process because they simply know more, and feel prepared to face moral dilemmas. Likewise, greater robustness of moral content will influence the leader’s quality of agentic self-reflectiveness insofar as such a leader has more knowledge to process, assess, and select from when making moral decisions. This of course assumes that the leader chooses to self-reflect.

Additionally, memory development research has shown that more experienced and thus cognitively richer individuals have multifaceted and better organized schemas. The linkages between concepts allow individuals to make better sense of information and acquire new knowledge (Bower & Hilgard, 1981; Hersey, Walsh, Read, & Chulef, 1990; Lurigio & Carroll, 1985), thus spending more time interpreting new information (Dollinger,
Research on attitudes (e.g., Eagly & Chaiken, 1998) also informs us that the comprehensiveness of one’s beliefs will determine the extremity or polarity of one’s attitudes during moral processing. With respect to morality and leadership, this polarity should be viewed as the limits of information a leader will be able to access in guiding moral behavior – be it his or her own behavior or the behavior of others.

In their work with adolescents, Swanson and Hill (1993) called this increased ethical information capacity meta-moral knowledge, which they defined as all the knowledge and beliefs about morality that are stored in a person’s long-term memory. This view is similar to Rest’s (1986) assertion that moral knowledge is a specific domain or component of stored general knowledge that can be automatically or intentionally accessed during cognitive moral processing. Swanson and Hill found that increased levels of meta-moral knowledge were accompanied by higher levels of moral reasoning and increased moral behavior.

Thus, we propose:

**Proposition 2.** Holding altruistic motivation constant, leaders with more as opposed to less developed content in their leader-moral schemas and episodic memories are more likely to exhibit positive moral reasoning and conduct.

**Structure of the Moral Self**

We turn now to self-structure as the next construct in the self-explication process shown in Fig. 1. Beyond the sheer moral content held in long-term memory, the way that content is structured in memory will also affect the leader’s moral reasoning process. Self-complexity and self-concept clarity are both subsumed under this structural view of the epistemological approach to the self (Campbell & Lavallee, 1993). Self-structure is then further delineated into measures of pluralism and measures of unity (Campbell & Lavallee, 1993; Zajonc, 1960). Pluralism reflects the diversity of the self and has been operationalized as self-complexity (Bieri et al., 1966; Linville, 1985, 1987; Woolfolk, Gara, Allen, & Beaver, 2004), self-differentiation (Zajonc, 1960), and self-concept compartmentalization (Showers, 1992). These constructs are similar in that they all assess the number of self-aspects a person holds in memory and the level of redundancy between the contents (self-knowledge) contained in each of those aspects (Campbell & Lavallee, 1993).
Self-concept Unity

Self-concept unity references the extent to which one holds coherent, integrated selves continuous across various roles and situations (Block, 1961). Unity has been operationalized as self-concept differentiation (a somewhat misleading title) (Donahue, Robins, Roberts, & John, 1993), self-concept clarity (Campbell et al., 1996), and self-discrepancy (Higgins, 1987). Note that pluralism and unity are not by definition related to one another. A person can have few or many self-aspects (low or high pluralism), but these aspects can be either highly correlated (high unity) or independent (low unity) (Campbell et al., 2003).

Most contemporary theorists view the self as a multidimensional cognitive structure (Kihlstrom et al., 1988; Kihlstrom & Klein, 1994; Lord & Brown, 2004; Markus & Wurf, 1987). We posit that authentic leaders have complex selves, but hold a central unified self-structure of core beliefs (high unity) that transcend the situation. In other words, we view authentic leader behavior, as it relates to core self-aspects, as being fairly consistent from one situation to the next. Thus, the variance in morally inconsistent behavior is marginalized because an authentic leader with high unity in the moral domain acts morally both within and across environments/situations. This consistency is due to the chronic activation of core moral meta-knowledge into the working self-concept across numerous situations (e.g., as father, leader, friend, etc.). Tying this assertion back to the agency framework, we see this consistent moral behavior manifested through the (proper) use of both refrain and proactive powers as leaders interact with their environment and organizational members.

Complexity of the Moral-self

The construct of self-complexity (Woolfolk et al., 2004) is the second component of self-structure and is used to assess the pluralism aspects of the self. We assert that cognitively complex leaders develop broader knowledge sets within the moral leadership domain, and this knowledge is integrated by underlying principles that are readily accessible (Ericsson & Charness, 1994). Hence, such leaders are able to exercise greater agentic forethought, self-reflection, and self-reaction during moral processing.

Cognitive complexity is defined as the capacity to construe social behavior in a multidimensional way (Bieri et al., 1966). Hence, the capacity to change cognitive information is necessary for both moral complexity development and for the expansion of the breadth of information available for altruistic moral judgments. Furthermore, self-complexity has been dichotomized by some researchers into the categories of positive and negative complexity.
Therefore, a distinction can be made between leaders who have high representations of attributes with positive (e.g., I am “virtuous, and empathetic”) as opposed to negative connotations (e.g., I “lack conviction” and I am “easily swayed”) in their self-concepts. The implication is that leaders with positive as opposed to negative self-complexity may exhibit different responses when processing moral issues.

Cognitive complexity enables the leader to view moral dilemmas through multiple lenses to determine optimal moral solutions. As society becomes more complex, thereby making it more difficult for moral patterns to emerge, cognitive complexity becomes more important (Kegan, 1994). Hunt and Vitell (1986) likewise posit that individuals may use multiple lenses in forming moral judgments. By reviewing moral issues through multiple lenses over the life span, authentic leaders develop and reinforce various moral schemas, thus enhancing over time their level of moral complexity. Moral leaders have a developed capacity to analyze moral issues through various logic-based lenses such as deontological (laws, rules, duties, or norms), teleological (utilitarian, consequence, or goal-based), and areteological (the inherent virtuousness of a moral actor or issue) lenses.

We suggest that authentic leaders analyze and arbitrate between these logic frameworks or sources of analysis to achieve the best moral fit. Such analysis is incorporated into the leader’s views on agentic self-reflectiveness, self-reactiveness, and forethought to help narrow decision making. We further propose that the influence of these three classes of ethical frameworks may vary in differing contexts and dilemmas. Initial empirical support has been found for this assertion in the work of May and Pauli (2002). For instance, although a moral dilemma about whether or not to call in sick to watch a mid-afternoon baseball game on television may have little estimated harm for others (low teleological impact), such behavior may violate the virtuousness of an authentic leader (high areteological impact). Nevertheless, we propose that as leaders achieve higher levels of moral complexity (and are imbued by agency), these leaders will exhibit a greater propensity to use many – if not all – of these lenses to assess moral dilemmas.

Moral Self-clarity

Self-concept clarity is the next component of self-structure that will affect the leader’s ability for moral self-explication. Self-concept clarity reflects the unity aspects of the self, and refers to “the extent to which self-beliefs (e.g., perceived personal attributes) are clearly and confidently defined, internally consistent, and stable” (Campbell et al., 1996). As with complexity, self-concept clarity is a structural phenomenon. It is distinct from the contents of
the self-structure, and reflects instead the belief that a leader has in the level of clarity they hold over that content area. Additionally, it is important to note that self-awareness has often been used erroneously to represent the level of accuracy of self-knowledge. As originally conceptualized, however, self-awareness is an attentional state, referring to those times that an individual directs his or her conscious attention to some aspect of the self (Duvall & Wicklund, 1972). Although attentional states are distinct from evaluative clarity, they often lead to self-assessment, such as is reflected in cybernetic control processes (Carver & Scheier, 1982) or self-discrepancy theory (Higgins, 1987); such self-assessment may result in enhanced self-clarity if sufficient time and motivation are available for cognitive expenditure.

Self-concept clarity is conceptualized to have both trait and state properties (Campbell et al., 1996; Conley, 1984). The linkages proposed between self-concept clarity and the activation of self-evaluation portions of the working self-concept (Campbell et al., 1996) are informative to the understanding of the self-reflectiveness component of moral agency. For example, Campbell et al. (1996) have established preliminary linkages between self-concept clarity and state-like attention to the self. Additionally, self-attention (such as self-consciousness) has also been shown to result in more clearly articulated self-schema (Kernis & Grannemann, 1988; Nasby, 1989), and higher awareness of internal states (Setterlund & Niedenthal, 1993), which together may raise the salience and articulation of core moral content in the leader. Using an agency lens, high self-awareness may influence an authentic leader’s ability to self-reflect upon and activate their core moral values and beliefs and to be in tune with their internal states.

Our discussion of the explication of the moral-self has described how the sheer content of the moral meta-knowledge a leader possesses – as developed through social learning and developmental trigger events and stored into self-concept structures – will affect the capacity and ability for authentic leadership. We further discussed how that content is structured in its complexity, and how the clarity and confidence the leader holds over that content will affect the activation and processing of moral information during leadership role episodes. This discussion provides support for our next set of propositions.

**Proposition 3a.** More as opposed to less authentic leaders will possess higher levels of complexity of moral content stored in long-term memory, more self-concept clarity over that content, and that such content will reflect higher unity as it relates to core moral aspects.
**Proposition 3b.** Higher levels of moral content, moral complexity and unity, and self-concept clarity will enhance the leader’s ability to explicate his or her moral self during leadership role episodes, leading to improved moral reasoning and behaviors.

**Moral Processing Ability**

Thus far, we have described the central role of a highly developed moral self-concept in the exercise of agency by an authentic moral leader. Additionally, the robustness of the content and structure of the self-concept was presented to explore what may differentiate a highly developed authentic leader from a less-developed inauthentic leader. As shown as the second part of the self-explication process in Fig. 1, we now propose that leaders will have differing levels of ability to process this domain content of moral self-knowledge. Specifically, we posit that leaders will possess varying levels of: (1) meta-cognitive abilities and motivation to process and explicate this moral information through dedicated and controlled processing and (2) abilities for emotional regulation. As suggested by the double arrows in Fig. 1, we propose that the capacity for meta-cognition and emotional regulation interacts with the leader’s moral content and structure to enable the leader to explicate his or her moral self-concept (current self, current goals, and possible self).

**Depth of Moral Processing**

The level or depth at which a moral dilemma is processed will result in higher understanding and retention of experiences, as well as higher abilities for personal and interpersonal reference (Craik & Lockhart, 1972). Meta-cognitive processing (Brown, 1987; Flavell, 1987) is the pinnacle of processing depth (Velichkovsky, 2002); it fulfills the two main functions of monitoring and control (regulation) of human cognitions and processes (Metcalfe & Shimamura, 1994; Nelson & Narens, 1990). Meta-cognition is critical to moral processing and regulation of complex moral dilemmas – in short, meta-cognition allows leaders to think about their thinking, and thus possibly change the content of what they think. As proposed by Flavell (1979), meta-cognition allows for self-transformation and interpenetration of the self-concept, which we propose facilitates more transparent processing of self-referential information during moral dilemmas. Further, Swanson and Hill (1993) found that the self-referential and executive-control functions of
meta-cognition have a significant relationship with moral reasoning and moral actions, suggesting that meta-cognition influences moral agency.

Such meta-moral ability, which we view as a leader’s ability to monitor and control his or her moral thinking, enables an authentic leader to monitor and adjust his or her moral reasoning processes toward issue-specific outcomes. Further, meta-moral ability allows a leader to control the selection and activation of moral content (schemas) during mental processing. Given the earlier discussion of script-based and automatic moral processing and behaviors, it is critical to note the significant role played by meta-cognition. Individuals can usually recall what strategies they use for task performance, but the meta-cognitive process used to select those strategies may often be implicit (Gollwitzer & Schaal, 1998; Reder & Schunn, 1996).

Dual-processing models such as the elaboration likelihood model (ELM) (Petty, Cacioppo, & Goldman, 1981; Petty & Cacioppo, 1986) and the heuristic–systematic model (Chaiken, 1980) provide additional insight into the conditions under which a moral dilemma may be processed via a deeper and controlled mode, commonly referred to as a central or systematic mode. These models state that both motivation and ability are required to increase the amount of elaborative message-relevant thinking a person applies. Paralleling the agency framework, deep processing allows for meta-cognitive introspection and may alter leaders’ schemas based on new information received. Street and colleagues (Street, Douglas, Geiger, & Martinko, 2001) applied the elaboration concept to moral processing and found that deep or systematic processing resulted in greater recognition of moral issues versus peripheral processing.

Finally, we concur with Chan et al.’s (2005) assertion that authentic leaders possess heightened levels of meta-cognitive ability gained through developmental cognitive experiences throughout their lifetime. We have also proposed that authentic leaders develop a heightened sense of ownership or agency over their moral experiences and are intent on achieving virtuousness in moral solutions. Together these attributes provide the ability and motivation for deep elaboration and meta-cognitive self-explication and processing of moral dilemmas. This reasoning suggests the following proposition:

**Proposition 4.** More as opposed to less authentic leaders possess higher meta-cognitive abilities and agentic motivation to exercise centralized processing of moral dilemmas, resulting in greater self-explication and recognition of and effective processing of those dilemmas.
MORAL EMOTIONS AND MORAL SELF-REGULATION

Moral Emotions

It is important to recognize that moral processing is not confined to “cold” cognitive processes, as “hot” affective processes have also been shown to strongly influence the self-system, cognitive processing, and self-regulation (Mischel & Morf, 2003). We propose that moral challenges and dilemmas are often affect-laden and that a highly developed authentic leader will have a heightened ability to regulate these influences during moral processing. Specifically, as proposed by Gardner et al. (2005), authentic leaders may possess a higher level of emotional intelligence (Goleman, Boyatzis, & McKee, 2002; Salovey, Mayer, & Caruso, 2002), which provides them with a greater capacity to analyze and regulate their emotions. Hence, they are more likely to invoke attentional processes to assess their emotions during moral processing.

Because moral dilemmas are inherently affect-laden, leaders will often use affect as information just as they use any other criteria to influence attitude change (Albarracin & Kumkale, 2003). Additionally, returning to the dual processing models previously discussed, research has found (e.g., Tiedens & Linton, 2001) that negative mood states may lead to systematic processing, whereas positive mood states may lead to less effective heuristic processing. More specific to moral leadership, Camacho, Higgins, and Luger (2003) applied the concept of regulatory focus (Higgins, 1997) to moral evaluations, discovering that when a person perceived a fit violation, they experienced cognitive disequilibrium and expressed more guilt (Tangney, 2003). When participants experienced a good regulatory fit, however, they were more likely to assess their past actions as morally right. The authors also found that the “feeling right” of achieving fit is transferred to future evaluations of rightness. Leaders must recognize that regulatory fit affects what feels right or wrong, and transfers this feeling to what people experience as being right or wrong.

Because self-aware leaders display higher levels of emotional intelligence, they are able to better understand the activation and influence of emotions upon their cognitive processes and decision making during moral leadership episodes. Viewed through an agency lens, emotional intelligence would most likely manifest itself in an authentic leader’s ability to perceive, understand, and control strong emotions experienced during moral processing to ensure
that both refrain and proactive powers to behave ethically are effectively employed.

Given the demonstrated influence of affect on moral processing, we propose that a highly developed and self-aware authentic leader who is imbued with emotional intelligence will be more likely to effectively understand and control emotions in his or her moral processing during leadership episodes. This leads us to the following propositions.

**Proposition 5a.** More as opposed to less morally developed authentic leaders possess a greater capacity for emotional regulation.

**Proposition 5b.** Leaders with a greater capacity for emotional regulation will more effectively perceive, monitor, and control emotions during moral processing, leading to more virtuous and altruistic moral solutions.

To summarize, we propose that moral capacity is developed in parallel with authenticity. As leaders experience robust moral trigger events, they encode a vast amount of meta-moral knowledge (content) that they can draw upon during future moral reasoning to achieve more virtuous and altruistic moral solutions. Inasmuch as developmental trigger events occur over various permutations of roles and contexts, leaders will structure that content into more complex schemas that allow for greater breadth of analysis and less polarized processing. As leaders subsequently behave morally, achieve success, and reflect upon that success, they increase their self-concept clarity and self-unity, which they can employ cross-situationally as moral leaders. In essence, the end result of these processes is a core moral self that is chronically activated into the moral leader’s temporal working self-concept. The process of self-explication is enabled through the leader’s meta-cognitive abilities and emotional regulation. Ultimately, it is this moral working self-concept, activated during leadership role episodes, that lies at the heart of authentic leadership and enables the leader to exercise the facets of moral agency over his or her leadership domain. We turn now from the self-concept to this *working* self-concept and the self-regulation inherent in the exercise of moral agency.

**Moral Self-Regulation**

 Leaders

*Who they are is how they are.* Any useful framework for moral leadership must bridge the moral self-concept to moral behavior, and so we turn now
to focus on the *self-reactiveness* facet of moral agency. Specifically, having explored the agentic moral self and how individuals explicate this moral-self during leadership episodes, we now define how a highly developed moral self-concept manifests into moral self-regulation.

The domain content and complexity of the moral self-concept is vital as leaders tend to make decisions and act in a fashion consistent with their self-schemas (Lord & Brown, 2004). Specifically, we propose that activation of core moral domains in the leader’s self-concept will manifest into a morally laden *working self-concept* (Markus & Wurf, 1987) that drives moral behavior during leadership role episodes. This working self-concept comprises that part of the leader’s self-concept and domain knowledge activated by internal and external primes in the current environment during leadership episodes.

Activation of a moral working self-concept can be triggered externally, by environmental cues (e.g., another leader framing an issue in moral terms), or internally, by a more experienced and morally aware leader who has a heightened attention to and propensity for recognizing and processing moral dilemmas. Critical to moral leadership, Markus and Wurf (1987) propose that when self-focused aspects of this working self-concept are activated, people attend to goal-related actions and diagnostic, self-relevant information processing. As indicated in our discussion of self-concept unity, authentic leaders will have a greater propensity to activate a moral working self-concept as they hold a core set of beliefs that are chronically activated cross-situationally. A morally self-schematic leader will thus be driven by these activated beliefs into goal-directed and diagnostic cybernetic control processes (Carver & Scheier, 1982) toward moral self-regulation.

Specifically, schema activation heightens peoples’ awareness to attend to schema-relevant and consistent information and to discount schema-inconsistent information (Dutton & Jackson, 1987). Therefore, once an authentic leader becomes confident in his or her moral self-concept, he or she will come to rely upon those salient moral concepts to guide moral behavior. Such self-schemas must be fairly robust and stable to guide such vital functions.

Three theoretical considerations/findings are important here: (1) Rest, Narvaez, Thoma, and Bebeau’s (2000) proposition that cognitive moral development levels reflect varying levels of moral schema development; (2) the findings that individuals prefer to use the highest moral development stage available to them (Trevino, 1992); and (3) the positive relations found between cognitive moral development and moral behavior (Rest, 1994). Therefore, we again propose that levels of schematic moral development will
result in higher instances of moral behavior, regardless of whether these schemas are activated through automatic or controlled processes.

As these schemas impact moral behavior through either automatic or controlled cognitive processing (Lord & Brown, 2004), it is important to note that even complex and attention-intensive events, such as moral processing can become less demanding or even automatic for an experienced leader over time (Logan & Klapp, 1991; Spelke, Hirst, & Neisser, 1976; Zbrodoff & Logan, 1986). Moral self-regulation may be driven by schema-based automatic processes such as scripts, which provide habituated ways for a leader to respond in specific domains, thus allowing cognitive resources to be redirected to more complex processing, or toward unique or unfamiliar events (Abelson, 1981; Gioia & Poole, 1984; Schank & Abelson, 1977). Such scripts constitute a form of temporal event-driven schemas that we propose can be predictive of moral behavior. As a leader uses strategies and behaviors that are repeatedly successful, they become habituated and integrated in memory for later use as standardized responses (Gioia & Poole, 1984; Hair, Anderson, & Tatham, 1987; Wofford & Goodwin, 1994) through priming processes and spreading activation (Collins & Loftus, 1975). Scripts can influence why one leader’s automatic response to workers who arrive extremely late to the office may be to publicly berate them, while another leader’s response is to first inquire as to the reason and possibly offer empathy if there is justification. Due to these schema and script activation processes, the development of a leader’s moral domain content is critical to promoting moral self-regulation.

The influence of learned self-schemas and scripts upon moral leadership is also supported by the work of Wofford and colleagues (Wofford & Goodwin, 1994; Wofford, Goodwin, & Whittington, 1998). Their findings show that as individuals experience leadership role episodes, they develop schemas and scripts that can be defined as either more transformational or transactional in orientation. Similar to authentic leadership theory, transformational leadership theory has an inherent moral component (Bass, 1985), which has been discriminated in empirical testing (Turner, Barling, Epitropaki, Butcher, & Milner, 2002). We propose that leaders will differentially develop moral leadership styles based upon their learned experiences and successful prior performances as they apply to current and/or future anticipated performance challenges, which in turn will largely define their moral leadership behaviors.

Additional insight into the process of schema-activated moral self-regulation can be gained by review of the integrated self-schema model (ISSM) (Peterson, 1994; Stahlberg, Peterson, & Dauenbeimer, 1999). A
self-dimension would be classified as schematic when a leader rates it as being highly important to his or her identity (Markus, 1977). The ISSM has shown that in areas of the self-concept where people are highly elaborated (self-schematic), they tend to have a self-consistency (self-verifying) motive to confirm their self-beliefs, even if those beliefs confirm a negative aspect of their self-schema. In areas where people are less elaborated (aschematic), they tend to show a motive toward self-enhancing information, regardless of its accuracy. As alluded to previously, this model is based upon the proposition that highly schematic self-information is central and highly salient in the cognitive system (Kihlstrom et al., 2003), and is therefore interlinked with many other knowledge structures, which could be greatly disrupted by inconsistent information or dissonance. Higgins, Van Hook, and Dorfman (1988) demonstrated this dependence and found that priming one self-aspect led to automatic activation of many other linked self-aspects. Aschematic dimensions, conversely, are less central in the self-structure.

In summary, the ISSM informs us that if a leader is highly self-schematic on (and has high unity over) core moral aspects of his or her self-concept, the leader will be driven toward self-consistent moral action based upon a self-verification motive (Swann, 1983, 1987). That is, the leader will not be driven to achieve self-enhancement at the cost of immorality. For example, if a leader is highly self-schematic as being empathetic to disabled employees, he or she will likely behave extremely altruistically toward those employees to verify that self-schema.

The theoretical linkages described above suggest the following proposition:

**Proposition 6.** More as opposed to less authentic leaders are more self-schematic on salient and core moral dimensions, resulting in a higher propensity to activate altruistic and virtuous moral working self-concepts, schemas, and scripts, and thus are more likely to engage in moral behavior to obtain self-verification.

**Moral Goals and Self-regulation**

As we explore further the processes of agentic self-reactiveness and moral self-regulation, it is important to discuss the interactions between goals, the self-concept, and goal-directed moral behaviors. As previously noted, Lord, Brown, and Freiberg (1999) proposed that there is a temporal dimension to the self-concept whereby leaders identify not only with their current *self-view*, but also with a more distant image of a *possible self* (Markus & Wurf, 1987). Expanding this model into a self-concept-based cybernetic regulatory control system, Lord and Brown (2004) argue that the leader’s working...
self-concept arises from activation of portions of the self-concept, including his or her current self-views, current goals, and possible selves (as modeled in Fig. 1). Through comparative processes, these components of the working self-concept create motivational forces to regulate behavior by eliciting proximal motivation to reestablish alignment when any discrepancy is found. Any two of these three components can therefore initiate regulatory control processes that drive the leader’s moral behavior, with any one of the components providing the standard and the other the feedback source (Lord & Brown, 2004).

Underlying these effective cybernetic control processes is a heightened level of self-awareness, previously stated as an inherent attribute of an authentic leader (Avolio, Gardner, Walumbwa, Luthans, & May, 2004; Gardner et al., 2005). Self-awareness theory has shown that self-focused attention leads to comparisons between one’s personal standards and current self-views, leading to a motive to reduce any discrepancies found (Duvall & Wicklund, 1972). We propose that due to the high level of moral development reflected in their self-concept, and an enhanced ability to explicate their selves, authentic leaders possess a more efficient and influential cybernetic system that drives goal-directed moral behavior. Additionally, through capabilities for forethought (Bandura, 1997), these leaders can better envision a possible moral-self that drives their goals toward further moral development.

**Proposition 7.** Leaders with more as opposed to less-developed moral self-concepts will be more likely to activate a morally laden working self-concept and execute goal-directed moral behavior through cybernetic self-regulatory processes.

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**EFFECTS OF AUTHENTIC LEADERS ON FOLLOWERS**

The focus of this chapter thus far has been devoted to developing a framework for authentic leadership based upon the leader’s self-concept and the linkages between that self-concept and the ability and motivation to exercise moral behavior through moral agency. We have concentrated our attention on the internal processes of the leader and stressed the activation of complex moral domains in the leader’s working self-concept during role episodes. We
have also shown how this working self-concept is laden with salient altruism, virtuousness, and activated moral goals that drive authentic moral behavior during leadership episodes. The remainder of this paper focuses on authentic leadership as an influence process and the external manifestations of moral leadership.

As modeled on the right of Fig. 1, we propose that as the leader transparently exemplifies moral behavior and displays authentic altruism and virtue during leadership episodes, attributions by and influences upon the follower will result in positive outcomes. Proposed follower outcomes of authentic moral leadership include: (1) greater trust in the leader; (2) higher power and latitude afforded to the leader; (3) increased social identification with the leader and emulation of his or her moral actions; and (4) activation of the follower's moral working self-concept. As previously noted, our view is that authentic leaders are moral actors who are likely to enforce, reinforce, and foster moral behavior within their span of organizational control. And, while we have thus far primarily focused on the leader, the outcomes of authentic leadership are largely manifested through their effects on the follower through the exercise of proxy agency.

The Bottom-Up View

There is little in leadership that is private anymore. Hence, followers are much more likely to recognize gaps between a leader’s espoused values and intentions and their behaviors (Avolio, Kahai, & Dodge, 2000). Inconsistent leader behavior can result in the follower perceiving a break from their psychological contract with the leader, resulting in a downward spiral of progressively higher levels of distrust. Such distrust can eventually block the leader’s efforts to initiate any positive change in the leader/follower relationship (May, Gilson, & Harter, 2004). Indeed, the more authentic the leader is perceived to be, the quicker the leader’s authenticity may unravel if followers witness inconsistent and unethical leader behavior. Thus, hypocritical leadership may contribute to follower cynicism and distrust, as well as unethical follower behavior (Trevino, Hartman, & Brown, 2000).

We propose that authentic leaders will establish a strong base of trust and referent power with their followers. When authentic leaders are faced with an ethical challenge as distinguished by the dimensions of moral intensity (Jones, 1991; May & Pauli, 2002), we expect that they and their followers will proceed with a more open discussion. Furthermore, the exercise of moral discussion is posited to produce a deeper understanding of the issues
and foster moral development by the leaders and their followers. Before going too deeply into the impacts on followers, however, it is important to describe how followers view moral leaders, the concepts that influence these views, and how leaders activate and change these views.

Highly moral leaders will likely see themselves, and be seen by others, as prototypical leaders with a defined role to emerge as a central leader of a given group. Leader categorization theory (Lord, Foti, & De Vader, 1984; Lord & Mayer, 1991) explains this emergence using an information-processing approach. The theory holds that both leaders and followers develop a schema of what they deem to be a prototypical leader, or an implicit leadership theory (ILT). When a leader’s ILT and associated behavior matches followers’ ILTs, the outcome is increased influence and support afforded by followers (Hollander, 1992). And, as previously discussed, the leader will use his or her own ILT to envision a possible-self through agentic forethought that will guide their moral development and goal-directed behaviors (Lord & Brown, 2004).

A contrary view, however, is offered by Michael Hogg and his associates (Hogg, 2001; Hogg, Hains, & Mason, 1998). These authors assert that leader emergence and influence are not a function of matching a schematic implicit theory, but rather involve a process of matching the prototypical attributes of the group. Due to the influence of social identification, whereby individuals identify with social groups to achieve greater self-categorization (Tajfel, 1978) or self-esteem (Hogg & Abrams, 1988; Tajfel, 1972), Hogg et al. (1998) posit that when a group sees the leader’s attributes as prototypically representative of the group members’ attributes, they are more likely to support the leader in his or her emergence and influence (Hogg, 2001).

There is preliminary evidence that group prototypicality effects may diminish the effects of individual-level prototypicality (such as ILT) on leadership outcomes (Hogg et al., 1998). As discussed at the outset of this chapter, however, morality (as a component of humane orientation) is a recurring attribute in leadership across contexts and theories, and is thus proposed to be central to the prototypes envisioned by both leaders and groups (Bass, 1997; House, Hanges, Javidan, Dorfman, & Gupta, 2004).

Although the debate of whether ILTs or group prototypicality have greater effects at the interpersonal level has yet to be resolved, we propose that at the intrapersonal level, leaders with higher levels of authentic morality will see themselves as prototypical to both their own and their followers’ ILTs. Insofar as moral leaders increase the moral identity of the group, they will also increase their prototypicality within that group, thereby further reinforcing both their own and other moral actors’ emergence as
group leaders. Over time, development of such a cycle would foster and reinforce a moral organizational culture.

Research has also shown that leaders’ self-identities can shape followers’ self-identities and schemas (Gardner & Avolio, 1998; Lord & Brown, 2004; Lord et al., 1999). Not only can leaders impact the self-concepts of followers, there is initial evidence that this process may be interactive and reciprocal. Building on earlier investigations into the influence followers exert on leader behaviors (Hollander, 1992; Lord et al., 1999; Shamir, House, & Arthur, 1993), Dvir and Shamir (2003) showed that followers’ level of development (operationalized as self-actualization needs, internalization of moral values, collectivist orientation, and other factors) predicted transformational leadership exhibited by their officers. This dynamic of the leadership process suggests that leaders’ moral self-concepts may be influenced not only by their own supervisors, personal experiences, and development, but also by their followers. Fig. 1 reflects the follower impact on a leader’s self-concept through a reinforcing feedback loop. As shown, leaders will use follower feedback, along with their own self-reflections on leadership episodes, as input for meta-cognitive processing to make meaning of and adapt their self-concepts to the new self-knowledge gained from these experiences.

**Proposition 8a.** More as opposed to less authentic leaders will be more likely to match both their own and followers’ implicit leadership theories, resulting in higher levels of leadership emergence.

**Proposition 8b.** Inasmuch as moral leaders raise the valance and salience of moral aspects of the group’s identity, they will increase the emergence of moral organizational leaders.

**Activation of Moral Domains in Follower’s Working Self-Concepts**

A moral leader can elicit heightened moral behaviors in followers through the activation (priming) of moral domains in followers’ working self-concepts. Research has supported the importance of emphasizing the consequences of moral behavior to moral decision making (Dubinsky & Loken, 1989; Ferrell & Gresham, 1985; Hunt & Vitell, 1986). An authentic leader who is highly developed and self-schematic on moral dimensions will not only be able to self-activate moral schemas, but also promote follower engagement by raising followers’ perceptions of the *moral intensity* of the ethical dilemma (Jones, 1991). Followers’ perceptions can thus be shaped by illuminating the magnitude of consequences, probability of effect,
concentration of effect, and similar elements of a moral issue. Moreover, ample research has shown that by increasing moral intensity, a leader can motivate followers to act morally (e.g., Butterfield, Trevino, & Weaver, 2000; Davis, Johnson, & Ohmer, 1998; Flannery & May, 1994; May & Pauli, 2002; Singhapakdi, Vitell, & Kraft, 1996). In a similar vein, moral intensity can be raised through moral issue-framing (Butterfield et al., 2000; Jones, 1991; Watley & May, 2004). Issue framing concerns the way information about an issue or situation is presented and ultimately interpreted by the presenter and the target audience. Butterfield and his colleagues have proposed that if moral language is used in framing an issue, then it is more likely to trigger (prime) followers’ moral scripts and therefore enhance their level of moral awareness, especially in morally ambiguous contexts. This activation process suggests our next proposition:

**Proposition 9.** Consistent and transparent leader exemplification of altruism and virtue during leadership episodes will enhance activation of a morally laden working self-concept within followers.

**Dyadic Effects of Authentic Moral Leadership**

We believe that authentic leaders who make exemplary moral decisions will elicit emulation of such behavior by followers. Specifically, we predict the development of: (1) follower emulation of the leader’s conduct; (2) stronger bonds of trust between the leader and follower; (3) a higher degree of transparency across the organization; (4) stronger social identification and buy-in by followers; and (5) greater leader latitude to make difficult and potentially unpopular decisions. Below, we discuss each outcome in further detail.

**Emulation of Exemplary Leader Conduct**

We suggest that authentic leaders who make exemplary moral decisions will elicit similar behavior from followers through emulation processes (Jones & Pittman, 1982). Organizations are social entities and followers are quickly socialized into the organizational environment, responding to both implicit and explicit social norms of their peers (Schneider, Smith, & Paul, 2001). As described by Trevino and colleagues (2000), ethical leaders must find ways to infuse their ethics and values into the organization in order to guide future actions by organizational members. As followers learn vicariously by
watching leaders behave within the organizational context, they are more likely to emulate that leader’s actions and, in turn, internalize the shared ethics and values (Trevino et al., 2000). In short, when leaders consistently display high levels of moral conduct, they set a positive ethical standard to be followed across the organization. Provided that an authentic leader attenuates unethical behavior as it occurs and develops a collective ethical culture, followers are likely to emulate such behavior when faced with an ethical dilemma because ethical behavior is now the norm to which they have been socialized (Lord & Brown, 2004).

Similarly, Heifitz (1994) theorized that leaders can use their various powers to motivate followers to decrease the gap between their values-conflicts. Leaders do this first by exercising their expert and position power, then through participatory methods, such as helping followers become more adaptive and reflective when facing competing values. We suggest that because authentic leaders have reputations for ethical leadership, they secure high levels of follower-attributed credibility and trust that in turn promote follower acceptance of their expert power. Along with their obvious referent power and participatory style, such leaders will also encourage the development of followers’ moral capabilities. Heifitz proposed that leaders could create tensions to ensure that followers identify and eliminate their values-conflicts. Authentic leaders can help create such tensions through open moral discussions, and by exemplifying contrasting personal examples of higher-level moral development.

Trust
As the authentic leader’s ethical behavior is infused into organizational norms, trust between the leader and followers rises. Such trust has proven to be an important component in predicting various attitudinal, behavioral, and performance outcomes, such as job satisfaction, organizational commitment, involvement, and justice (Dirks & Ferrin, 2002). As followers come to attribute consistency to the authentic leader’s moral actions, they become more willing to openly communicate with the leader. In the process, they become empowered to assume moral agency and make their own moral decisions without having to contemplate how the leader will respond. Mayer and Gavin (1999) suggest that followers who do not trust their leaders will divert energy toward “covering their backs,” thus adding support to the argument that many organizational-level moral failures can be directly tied to a lack of trust between leaders and followers. If trust between leaders and followers solidifies, most moral failures can be avoided because an unethical decision would run counter to the organizational culture.
Transparency

Another likely outcome of morally positive decisions by authentic leaders is organizational and operational transparency. Authentic leaders are described as promoting transparency with regards to information sharing in their relationships with others, which is therefore expected to foster greater trust and positive interactions (Avolio et al., 2004). By organizational and operational transparency, we mean that the decisions concerning the structure of the organization and its operations are more readily accessible to followers and disseminated widely. For transparency to have a maximum effect, few – if any – secrets (whether positive or negative in nature) should be kept between the leader and his or her followers (Kernis, 2002). The positive effects of transparency will become manifest in part through open discussions of moral dilemmas. We assert that moral leaders are open and invite participation in their deliberations on moral issues. Evidence of the power of such transparent discussions is provided by Rest and Thoma’s (1986) study of 23 ethics training programs. Their results revealed that programs with and without dilemma discussions had average effect sizes of 0.41 and 0.09, respectively.

Stronger Social Identity

As ethical decision making becomes the norm within an organization, it exerts a positive influence in followers with respect to their social identity. In short, the organization – over time – becomes known for making ethically sound decisions that are reflected in not only the conduct of the authentic leader, but also within followers. This social identity ultimately influences who they are because they can identify with doing what is right; moral decision making becomes a tangible outcome, rather than an elusive goal.

Together, prior research suggests that leaders can harness the motivational forces that provide a propensity for organizational members to align their self-concept with the organization’s identity (Hogg, 2001; Hogg & Abrams, 1988; Tajfel, 1978) by enhancing the salience of the organization’s moral identity. If followers are sufficiently motivated to align with an organization’s values, and provided the organization rewards moral actions that reflect these values, followers will be more likely to become moral agents. Such followers would in turn further reinforce that positive environment through social identification processes.

Leader Latitude

Because authentic leaders display consistency in aligning their espoused values with their actions, we believe that followers will reward such leaders
with idiosyncratic credits (Hollander, 1992). Specifically, due to chronic activation of core moral aspects in their working self-concepts, authentic leaders will continually accrue idiosyncratic credits as a result of the cross-situational consistency of their moral actions. Such idiosyncratic credit is a critical enabler for future leader decision making. If a leader has established a high level of credibility among followers, he or she will possess sufficient latitude to make very difficult, often unpopular decisions. Authentic leaders are also well positioned to bring about change as a function of followers’ attributions of competence, loyalty, and trust that have accrued from prior events.

In summary, as authentic leaders display transparency and consistently exemplify altruism and virtue through their actions, perceiver attribution processes will yield positive follower outcomes. Additionally, positive follower behaviors will provide reinforcing feedback to further bolster the leader’s moral self-concept. This reasoning suggests to our final proposition.

**Proposition 10.** Consistent and transparent leader exemplification of altruism and virtue during leadership episodes will yield higher levels of follower trust, moral-emulation, moral social-identification, and latitude afforded to the leader.

**IMPLICATIONS**

The current model attempts to provide a general framework to guide future research on the moral component of authentic leadership by integrating theories of the self-concept (such as moral self-complexity, self-concept clarity, and meta-knowledge), along with the tenets of agency (including altruism, virtue and self-regulatory processes), and by modelling the positive effects of a morally authentic leader on followers and organizations. Inherent in the manifestation of moral leadership is the exercise of personal agency and proxy agency, whereby the leader is both a product of and a producer of the moral context. Future research is needed to investigate how the leader influences – and is influenced by – the context as it pertains to the moral component of authenticity, including the contextual effects on the social learning and developmental processes discussed earlier. Additionally, the propensities of leaders to activate core moral domains cross-situationally in their working self-concept during leadership episodes should be further reviewed as measures of both inter- and intrapersonal authenticity. Potential
moderators that influence how various contexts may either bolster or strain the moral leader’s ability to be true (authentic) to his or her core ethical beliefs likewise merit investigation.

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Fiske (1982).

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Moral Component of Authentic Leadership


Moral Component of Authentic Leadership


Moral Component of Authentic Leadership


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