

# 1

## The Leader's Light or Shadow

### LEARNING OBJECTIVES

- > Illustrate how leaders have the power to cast light or shadow.
- > Defend the importance of examining the dark side of leadership.
- > Categorize the types of negative leadership.
- > Describe the six ethical challenges faced by leaders.
- > Explain how leaders cast shadows when they fail to meet the six ethical challenges of leadership.

*Yet I have something in me  
dangerous, which let thy wiseness fear.*

—WILLIAM SHAKESPEARE (*HAMLET*)

*We know where light is coming from  
by looking at the shadows.*

—HUMANITIES SCHOLAR PAUL  
WOODRUFF

### WHAT'S AHEAD

This chapter introduces the dark (bad, toxic) side of leadership as the first step in promoting good or ethical leadership. The metaphor of light and shadow dramatizes the differences between moral and immoral leaders. Leaders have the power to illuminate the lives of followers or to cover them in darkness. They cast light when they master ethical challenges of leadership. They cast shadows when they (1) abuse power, (2) hoard privileges, (3) mismanage information, (4) act inconsistently, (5) misplace or betray loyalties, and (6) fail to assume responsibilities.

### A DRAMATIC DIFFERENCE/THE DARK SIDE OF LEADERSHIP

In an influential essay titled “Leading from Within,” educational writer and consultant Parker Palmer introduces a powerful metaphor to dramatize the distinction between ethical and unethical leadership. According to Palmer, the difference between moral and immoral leaders is as sharp as the contrast between light and darkness, between heaven and hell:

A leader is a person who has an unusual degree of power to create the conditions under which other people must live and move and have their being, conditions that can be either as illuminating as heaven or as shadowy as hell. A leader must take special responsibility for what's going on inside his or her own self, inside his or her consciousness, lest the act of leadership create more harm than good.<sup>1</sup>

For most of us, *leadership* has a positive connotation. We have been fortunate enough to benefit from the guidance of teachers or coaches, for example, or we admire noteworthy

historical leaders. However, Palmer urges us to pay more attention to the shadow side of leadership. Political figures, parents, clergy, and business executives have the potential to cast as much shadow as they do light. The higher the position, the greater the leader's discretion or latitude to do harm.<sup>2</sup> Refusing to face the dark side of leadership makes abuse more likely. All too often, leaders “do not even know they are making a choice, let alone reflect on the process of choosing.”<sup>3</sup>

Other scholars have joined Palmer in focusing on the dark or negative dimension of leadership. Claremont Graduate University professor Jean Lipman-Blumen uses the term *toxic leaders* to describe those who engage in destructive behaviors and who exhibit dysfunctional personal characteristics.<sup>4</sup> These behaviors and qualities (summarized in Table 1.1) cause significant harm to followers and organizations.

Harvard professor Barbara Kellerman believes that limiting our understanding of leadership solely to good leadership ignores the reality that a great many leaders engage in destructive behaviors.<sup>5</sup> Overlooking that fact, Kellerman says, undermines our attempts to promote good leadership:

I take it as a given that we promote good leadership not by ignoring bad leadership, nor by presuming that it is immutable, but rather by attacking it as we would a disease that is always pernicious and sometimes deadly.<sup>6</sup>

According to Kellerman, bad leaders can be ineffective, unethical, or ineffective and unethical. She identifies seven types of bad leaders:

*Incompetent.* These leaders don't have the motivation or the ability to sustain effective action. They may lack emotional or academic intelligence, for example, or be careless, distracted, or sloppy. Some cannot function under stress, and their communication and decisions suffer as a result. Former Hewlett Packard CEO Carly Fiorina failed as a leader because she isolated herself from employees, lacked operational skills, and battled board members.

*Rigid.* Rigid leaders may be competent, but they are unyielding, unable to accept new ideas, new information, or changing conditions. General George Armstrong Custer was one such leader. The headstrong general refused to listen to his scouts or to wait for the rest of his army. Instead, he attacked thousands of Sioux and Cheyenne warriors with a few hundred troops. Custer and those who charged with him were slaughtered.

*Intemperate.* Intemperate leaders lack self-control and are enabled by followers who don't want to intervene or can't. Former Maine governor Paul LePage demonstrates intemperate leadership in action. LePage gained national attention by comparing the Internal Revenue Service to the Gestapo, saying he wanted to tell President Obama “to go to hell,” blaming people of color for the opioid crisis, and challenging a lawmaker to a duel in a vile voice mail message. LePage served two terms as governor despite his outrageous statements.

*Callous.* The callous leader is uncaring or unkind, ignoring or downplaying the needs, wants, and wishes of followers. Venezuelan president Nicolas Maduro personifies the

**TABLE 1.1**

## The Behaviors and Personal Characteristics of Toxic Leaders

Destructive Behaviors	Toxic Qualities
Leaving followers worse off	Lack of integrity
Violating human rights	Insatiable ambition
Feeding followers' illusions; creating dependence	Enormous egos
Playing to the basest fears and needs of followers	Arrogance
Stifling criticism; enforcing compliance	Amorality (inability to discern right from wrong)
Misleading followers	Avarice (greed)
Subverting ethical organizational structures and processes	Reckless disregard for the costs of their actions
Engaging in unethical, illegal, and criminal acts	Cowardice (refusal to make tough choices)
Building totalitarian regimes	Failure to understand problems
Failing to nurture followers, including successors	Incompetence in key leadership situations
Setting constituents against one another	
Encouraging followers to hate or destroy others	
Identifying scapegoats	
Making themselves indispensable	
Ignoring or promoting incompetence, cronyism, and corruption	

Source: Adapted from Lipman-Blumen, J. (2005). *The allure of toxic leaders: Why we follow destructive bosses and corrupt politicians—and how we can survive them*. Oxford, England: Oxford University Press, pp. 19–23.

callous leader. He refuses to accept food shipments from humanitarian organizations even as many of his citizens slowly starve.

**Corrupt.** These leaders and (at least some of their followers) lie, cheat, and steal. They put self-interest ahead of the public interest. Brazil's ex-president Lula da Silva is an

example of this type of leader. At one time one of the most powerful people in Latin America, he is now serving prison time. He and his wife received over a million dollars in free home improvements from a construction company in exchange for contracts with Petrobras, Brazil's state-run oil company.

*Insular.* The insular leader draws a clear boundary between the welfare of his or her immediate group or organization and outsiders. Australian senator Fraser Anning expressed insular sentiments when he called for a ban on all immigrants of non-European descent. He singled out Muslims in particular, declaring that a vote to ban Muslims would be “the final solution to the immigration problem.” His words echoed that of the Nazis, whose plan to eliminate Jews was called “The Final Solution to the Jewish Question.”

*Evil.* Evil leaders commit atrocities, using their power to inflict severe physical or psychological harm. Abu Bakr al-Baghdadi is one example of an evil leader. He heads ISIS, the Middle Eastern terrorist group known for beheading male captives and turning female captives into sex slaves for ISIS soldiers. Al-Baghdadi told his followers that Muslim believers have the right to enslave all nonbelievers.

Lipman-Blumen and Kellerman developed their typologies based on case studies of prominent leaders. Other investigators focus on ordinary leaders, particularly in organizational settings. In one project, two researchers at Bond University in Australia (along with a colleague from the United States) asked employees to explain why they would label someone as a bad leader, describe how a bad leader made them feel, and describe the impact bad leaders had on them and the organization as a whole.<sup>7</sup> Respondents reported that bad leaders are incompetent (they are unable to use technology, for example, and can't work with subordinates or plan strategy) and unethical (they demonstrate poor ethics as well as poor personal and interpersonal behavior). Such leaders made respondents angry and frustrated while lowering their self-esteem. Individual and collective performance suffered as a result. Those working under bad leaders reported feeling more stress at home. They had trouble sleeping, for instance, and felt fatigued. Negative emotions toward their leaders consumed their thoughts and hurt their family relationships. According to the survey, bad leaders often go unpunished; instead, many are promoted or rewarded.

Using information generated by this study, the researchers developed a tool to measure destructive organizational leadership. They discovered that demonstrating just a couple of bad behaviors was enough to label a leader as destructive, even though he or she might also have lots of positive qualities. The Bond scholars identified seven clusters of destructive leader behaviors:<sup>8</sup>

*Cluster 1:* This type of leader makes poor decisions (often based on inadequate information), lies and engages in other unethical behavior, cannot deal with new technology, and typically fails to prioritize and delegate.

*Cluster 2:* This type of leader lacks critical skills. She or he is unable to negotiate or persuade and cannot develop or motivate subordinates.

*Cluster 3:* This type of leader makes good decisions and has the necessary leadership skills but is overly controlling and micromanages followers.

*Cluster 4:* This type of leader can't deal with conflict but plays favorites and behaves inconsistently.

*Cluster 5:* This type of leader isn't all that bad but isn't all that good either. Leaders in this category don't seek information from others, don't change their minds, and don't do a good job of coordinating followers.

*Cluster 6:* This type of leader isolates the group from the rest of the organization.

*Cluster 7:* This type of leader creates a situation of significant misery and despair. Leaders in this group are brutal and bullying, frequently lying and engaging in other unethical behavior.

Ståle Einarsen and his Norwegian colleagues offer an alternative classification of bad leadership based on its negative effects either on the organization or on followers. Destructive leaders can be antiorganization, antisubordinates, or both.<sup>9</sup> *Tyrannical leaders* reach organizational goals while abusing followers. *Supportive-disloyal leaders* care for the welfare of subordinates at the expense of organizational goals. They may tolerate loafing or stealing, for example. *Derailed leaders* act against the interests of both subordinates and the organization. As they bully, manipulate, deceive, and harass followers, they may also be stealing from the organization, engaging in fraudulent activities, and doing less than expected. *Laissez-faire leaders* engage in passive and indirect negative behavior. They occupy leadership positions but don't exercise leadership, therefore hurting followers and their organizations. *Constructive leaders*, on the other hand, care about subordinates and help the organization achieve its goals while using resources wisely. Einarsen and his fellow researchers found a high rate of bad leadership in Norwegian organizations, with 61% of respondents reporting that their immediate supervisors engaged in ongoing destructive behavior over the past six months. Laissez-faire behavior was by far most common form of bad leadership, followed by supportive-disloyal leadership, derailed leadership, and tyrannical leadership.<sup>10</sup> (Turn to Self-Assessment 1.1 at the end of this chapter to determine whether your leader engages in destructive leadership behavior.) The negative effects of destructive leadership lasted longer than the positive effects of constructive leadership.<sup>11</sup>

Evidence that bad leaders can cause significant damage continues to grow. In an analysis of the results of 57 studies, investigators found that destructive leader behavior is linked to a wide range of negative outcomes.<sup>12</sup> Those serving under destructive leaders have negative attitudes toward their superiors, resist their leaders' influence attempts, and engage more frequently in counterproductive work behaviors. In addition, these followers have negative attitudes toward their jobs and their organizations. Their personal well-being also suffers as they experience negative emotions and stress.

In sum, Palmer was right to emphasize the importance of the shadow side of leadership. Followers from around the world have lots of firsthand experience with bad leaders and report that such leaders cause significant, long-lasting damage. When it comes to leadership, "the bad overcomes the good."<sup>13</sup> It apparently takes only a few destructive behaviors to overcome a leader's positive qualities. In addition, the shadows cast by destructive leaders extend beyond the workplace; the home lives of followers are damaged as well.

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## THE LEADER'S SHADOWS

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When we function as leaders, we take on a unique set of ethical burdens in addition to a set of expectations and tasks. These involve issues of power, privilege, information,

consistency, loyalty, and responsibility. How we handle the challenges of leadership determines whether we cause more harm than good or, to return to Palmer's metaphor, whether we cast light or shadow. Unless we're careful, we're likely to cast one or more of the shadows described in this section. (See the Focus on Followers box for more information on the ethical challenges facing followers.)

## The Shadow of Power

Power is the foundation for influence attempts. The more power we have, the more likely others are to comply with our wishes. Power comes from a variety of sources. One typology, for example, divides power into two categories: hard and soft.<sup>14</sup> *Hard power* uses inducements (bonuses, raises) and threats (arrests, firings) to get people to go along. *Soft power* is based on attracting others rather than forcing them or inducing them to comply. Leaders use soft power when they set a worthy example, create an inspiring vision, and build positive relationships with subordinates. Typically, those without formal authority rely more heavily on soft power, but even those in formal leadership positions, such as military officers, try to attract followers by acting as role models and emphasizing the group's mission. Effective leaders combine hard and soft power into *smart power* to achieve their goals. For instance, a manager may try to persuade an employee to follow a new policy while at the same time outlining the penalties the subordinate will face if he or she does not comply.

The most popular power classification system identifies five power bases.<sup>15</sup> *Coercive power* is based on penalties or punishments such as physical force, salary reductions, student suspensions, or embargoes against national enemies. *Reward power* depends on being able to deliver something of value to others, whether tangible (bonuses, health insurance, grades) or intangible (praise, trust, cooperation). *Legitimate power* resides in the position, not the person. Supervisors, judges, police officers, drill sergeants, instructors, and parents have the right to control our behavior within certain limits. A boss can require us to carry out certain tasks at work, for example, but in most cases, he or she has no say in what we do in our free time. In contrast to legitimate power, *expert power* is based on the characteristics of the individual regardless of that person's official position. Knowledge, skills, education, and certification all build expert power. *Referent (role model) power* rests on the admiration one person has for another. We're more likely to do favors for a supervisor we admire or to buy a product promoted by our favorite sports hero.

Leaders typically draw on more than one power source. The manager who is appointed to lead a task force is granted legitimate power that enables her to reward or punish. Yet in order to be successful, she'll have to demonstrate her knowledge of the topic, skillfully direct the group process, and earn the respect of task force members through hard work and commitment to the group.

The use of each power type has advantages and disadvantages. For instance, the dispensing of rewards is widely accepted in Western culture but can be counterproductive if the rewards promote the wrong behaviors (see Chapter 10) or go to the wrong people. U.S. workers are more satisfied and productive when their leaders rely on forms of power that are tied to the person (expert and referent) rather than forms of power that are linked to the position (coercive, reward, and legitimate).<sup>16</sup> In addition, positional power is more susceptible to abuse. Coercive tactics have the potential to do the most damage,

threatening the dignity as well as the physical and mental health of followers. Leaders, then, have important decisions to make about the types of power they use and when. (Complete Self-Assessment 1.2 to determine the types of power you prefer to use.)

## Focus on Follower Ethics

### The Ethical Challenges of Followership

Followers, like leaders, face their own set of ethical challenges. Followers walk on the dark side when they fail to meet the moral responsibilities of their roles. Important ethical challenges confronted by followers include those described below.

**The Challenge of Obligation.** Followers contribute to a shadowy atmosphere when they fail to fulfill their minimal responsibilities by coming to work late, taking extended breaks, not carrying out assignments, undermining the authority of their leaders, stealing supplies, and so on. However, they can also contribute to an unethical climate by taking on too many obligations. Employees forced to work mandatory overtime and salaried staff at many technology and consulting firms work 70–80 hours a week, leaving little time for family and personal interests. They experience stress and burnout, and their family relationships suffer.

Followers also have ethical duties to outsiders. Carpenters and other tradespeople involved in home construction have an obligation to buyers to build high-quality houses and to meet deadlines, for example. Government employees owe it to taxpayers to spend their money wisely by working hard while keeping expenses down.

These questions can help us sort out the obligations we owe as followers:

- Am I doing all I reasonably can to carry out my tasks and further the mission of my organization? What more could I do?

- Am I fulfilling my obligations to outsiders (clients, neighbors, community, customers)? Are there any additional steps I should take?
- Am I giving back to the group or organization as much as I am taking from it?
- Am I carrying my fair share of the workload?
- Am I serving the needs of my leaders?
- Am I earning the salary and benefits I receive?
- Can I fulfill my organizational obligations and, at the same time, maintain a healthy personal life and productive relationships? If not, what can I do to bring my work and personal life into balance?

**The Challenge of Obedience.** Groups and organizations couldn't function if members refused to obey orders or adhere to policies, even the ones they don't like. As a result, followers have an ethical duty to obey. However, blindly following authority can drive followers to engage in illegal and immoral activities that they would never participate in on their own. Obeying orders is no excuse for unethical behavior. Therefore, deciding when to disobey is critical. To make this determination, consider the following factors: Does this order appear

to call for unethical behavior? Would I engage in this course of action if I weren't ordered to? What are the potential consequences for others, and for myself, if these directions are followed? Does obedience threaten the mission and health of the organization as a whole? What steps should I take if I decide to disobey?

**The Challenge of Cynicism.** There is a difference between healthy skepticism, which prevents followers from being exploited, and unhealthy cynicism, which undermines individual and group performance. Followers darken the atmosphere when they become organizational cynics. That's because cynicism destroys commitment and undermines trust. Collective performance suffers as a result. Few give their best effort when they are disillusioned with the group. Cynical employees feel less identification with and commitment to their employers while being more resistant to change; they are less likely to go beyond their job duties to help their colleagues and their organizations. The greater the degree of cynicism, the more effort is directed toward attacking the organization at the expense of completing the task at hand.

**The Challenge of Dissent.** Expressing disagreement is an important ethical duty of followership. Followers should take issue with policies and procedures that are inefficient, harmful, or costly and with leaders who harm others or put the organization at risk. Doing so serves the mission of the organization while protecting the rights of its members and the larger community. Although followers contribute to a shadowy environment when they fail to speak up, they can go too far by generating a constant stream of complaints. Ethical followers know when to speak up (not every issue

is worth contesting) and when to wait until a more important issue comes along. They must also determine whether the problem is significant enough to justify going outside the organization (becoming a whistle-blower) if leaders don't respond.

**The Challenge of Bad News.** Delivering bad news is risky business. Followers who tell their bosses that the project is over budget, that sales are down, or that the software doesn't work as promised may be verbally abused, demoted, or fired. Organizations and leaders pay a high price when followers hide or cover up bad news, deny responsibility, or shift blame. Leaders can't correct problems they don't know exist. Failure to address serious deficiencies such as accounting fraud, cost overruns, and product contamination can destroy an organization. Leaders who don't get feedback about their ineffective habits—micromanaging, poor listening skills, indecisiveness—can't address those behaviors. When leaders deny accountability and shift blame, this undermines trust and diverts people's focus from solving problems to defending themselves.

To avoid contributing to a shadowy environment, followers must deliver bad news and accept responsibility for their actions. They also need to pay close attention to how they deliver bad tidings, selecting the right time, place, and message channel. Significant problems should be brought to the leader's attention immediately, when he or she is most receptive, and delivered face-to-face whenever possible, not through e-mail, faxes, and other, less personal channels.

*Source:* Adapted from Johnson, C. E. (2015). *Organizational ethics: A practical approach* (3rd ed.). Thousand Oaks, CA: Sage, Ch. 9.

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The fact that leadership cannot exist without power makes some Americans uncomfortable. We admire powerful leaders who act decisively but can be reluctant to admit that we have and use power. Sadly, our refusal to face up to the reality of power can make us more vulnerable to the shadow side of leadership. Cult leader Jim Jones presided over the suicide–murder of 909 followers in the jungles of Guyana. Perhaps this tragedy could have been avoided if cult members and outside observers had challenged Jones’s abuse of power.<sup>17</sup> Conversely, ignoring the topic of power prevents the attainment of worthy objectives, leaving followers in darkness. Consider the case of the community activist who wants to build a new shelter for homeless families. He can’t help these families unless he skillfully wields power to enlist the support of local groups, overcome resistance of opponents, raise funds, and secure building permits.

I suspect that we are suspicious of power because we recognize that power has a corrosive effect on those who possess it. We’ve seen how U.S. president Richard Nixon used the power of his office to order illegal acts against his enemies and how Russian president Vladimir Putin used military force to take over part of the neighboring country of Ukraine while, at the same time, he allegedly ordered the killing of opposition figures and journalists. Many corporate leaders have been intoxicated by their power, using their positions to abuse their subordinates. One such boss wouldn’t grant time off so an employee could be with her dying grandmother, saying, “Well she’s not dead yet so I don’t have to grant your leave.” Another called the paramedics when an employee had a heart attack and then ordered everyone else to go back to work even as the victim was still lying on the floor. Another wouldn’t let an injured employee get treatment for a broken ankle until she had first finished processing invoices. Yet another berated and humiliated a subordinate who suffered an emotional breakdown and had to be hospitalized. His response? “I can’t help it if she is overly sensitive.”<sup>18</sup> (Case Study 1.1 describes a corporate leader who used his power to cover up sexual abuse.)

Unfortunately, abuse of power is an all-too-common fact of life in modern organizations. A survey commissioned by the Workplace Bullying Institute found that 1 out of every 5 Americans have been targets of bullying. In another survey, nearly 75% of respondents had either been a target or a witness of such behavior. According to one estimate, workplace bullying costs the U.S. economy \$360 billion in lost productivity every year.<sup>19</sup> “Brutal” bosses regularly engage in the following behaviors, some of which will be discussed in more detail later in the chapter:<sup>20</sup>

- *Deceit*: lying and giving false or misleading information
- *Constraint*: restricting followers’ activities outside work, such as telling them whom they can befriend, where they can live, with whom they can live, and the civic activities they can participate in
- *Coercion*: making inappropriate or excessive threats for not complying with the leader’s directives
- *Selfishness*: blaming subordinates and making them scapegoats
- *Inequity*: supplying unequal benefits or punishments based on favoritism or criteria unrelated to the job
- *Cruelty*: harming subordinates in such illegitimate ways as name-calling or public humiliation
- *Disregard*: ignoring normal standards of politeness, obvious disregard for what is happening in the lives of followers
- *Deification*: creating a master–servant relationship in which bosses can do whatever they want because they feel superior

The cost of the petty tyranny of bad bosses is high. Victims suffer low self-esteem, psychological distress and poorer health, are less satisfied with their jobs and lives, are less productive, and are more likely to quit. The work unit as a whole is less trusting and cohesive, reducing collective performance.<sup>21</sup> Researchers have yet to report any positive outcomes of abusive supervision. Instead, studies conducted in a several different countries link oppressive supervision to depression, emotional exhaustion, counterproductive work behavior, job tension, and feelings of injustice.<sup>22</sup> Workers respond to tyranny by surrendering their personal beliefs, keeping a low profile, engaging in revenge fantasies, taking indirect revenge (i.e., not supporting the boss at a critical moment), challenging the supervisor directly, or bringing in outsiders (such as the human resources department or the boss’s boss) to get help in dealing with the abusive leader.<sup>23</sup> They also spend a lot of time bemoaning how they are being treated. The majority of employees in one project reported spending 10 or more hours every month complaining about abusive and other kinds of bad bosses or listening to the complaints of fellow workers.<sup>24</sup>

The greater a leader’s power, the greater the potential for abuse. This prompted Britain’s Lord Acton to observe that “power corrupts, and absolute power corrupts absolutely.” The long shadow cast by absolute power, as in the case of North Korea’s Kim Jong-Il, can be seen in censorship, repression, torture, imprisonment, murder, and starvation. (Box 1.1

describes another leader who ruled by terror.) Businesses and other organizations foster centralization of power through top-down structures that emphasize status differences, loyalty, dependence, fear, and obedience while celebrating “tough” bosses and business practices like hard bargaining and aggressive marketing tactics.<sup>25</sup>

Psychologists offer several explanations for why concentrated power is so dangerous.<sup>26</sup> First, power prompts people to pursue their goals without considering the needs of others. They are likely to justify their actions by claiming that their personal rights and interests take priority over obligations to others. Second, those in power protect their positions by attacking those they perceive as threats. Third, powerful leaders tend to make biased judgments.<sup>27</sup> Because they generally make little attempt to find out how followers think and feel, they’re prone to hold and act on faulty stereotypes that justify their authority. Powerful people believe that they deserve their high status because powerless people aren’t as capable as they are. They are also more likely to believe that others like them (even when they don’t). Fourth, possessing power makes individuals more resistant to feedback from others.

Power deprivation exerts its own brand of corruptive influence. Followers with little power become fixated on what minimal influence they have, becoming cautious, defensive, and critical of others and new ideas. In extreme cases, they may engage in sabotage, such as when one group of fast-food restaurant employees took out their frustrations by spitting and urinating into the drinks they served customers.

To wield power wisely, leaders have to wrestle with all the issues outlined here. They have to consider what types of power they should use and when and for what purposes. In particular, they have to meet social, not personal needs, when exercising power. Destructive leaders want to power *over* followers to meet their selfish interests. Ethical leaders desire power in order to work *through* followers to help the group achieve its collective goals.<sup>28</sup> They also have to determine how much power to keep and how much to give away. Finally, leaders must recognize and resist the dangers posed by possessing too much power while making sure that followers aren’t corrupted by having too little.

Fortunately, there is evidence, when it comes to power, that a number of leaders are casting light rather than shadow. They recognize that sharing power prevents power abuses and improves organizational performance. Executives at Zappos, Johnsonville Sausage, Patagonia, food processor Morning Star, and other successful organizations have relinquished much of their legitimate, coercive, award, and expert power bases to lower-level leaders. At a great many other companies, self-directed work teams have taken over functions—hiring, scheduling, quality control—that used to be the province of mid- and lower-level managers.

## Box 1.1

### Leadership by Terror

Leaders ruling through terror cast the darkest shadows. Clinical psychologist and leadership scholar Manfred Kets de Vries set out to discover what makes despotic leaders like Robert Mugabe, Kim Jong-un and Bashar al-Assad “tick” by examining the

life of Shaka Zulu. Between 1817 and 1824, Shaka Zulu conquered much of southern Africa through military genius and ruthless brutality, creating a kingdom that spread over 100,000 miles. Anyone who opposed his army, including married couples, children, and even

dogs, were slaughtered. The victorious warrior then made himself the center of absolute power as king and created his own secret service to eliminate possible enemies. He would randomly select victims for execution and order the deaths of the elderly and the sick. Shaka's rule ended when he was assassinated by his half-brothers in 1828.

Kets de Vries attributes Shaka Zulu's brutal behavior to a number of related personality disorders that were magnified as he gained power. Shaka was a malignant narcissist who fought off feelings of low self-worth and depression through the belief that he was someone special. Narcissism became an addiction once he took total command of the kingdom. He demanded constant adoration and claimed to be all powerful and invincible. Shaka was paranoid, constantly seeing threats when none existed. He was also a sociopath who lacked empathy for others and took sadistic pleasure in such acts as burning elderly women prisoners, putting out eyes,

and killing those who offended him by what they wore or how they looked. His ruthless, unpredictable violence broke the will of his followers who knew that no one was safe from his wrath.

Professor Kets de Vries concludes his study by noting that Shaka should serve as a warning to all would-be leaders. All of us have a shadow side that can spring to life when we are given access to power.

*we all have a Shaka Zulu in the attic. We all have a darker side, a violent streak ready to erupt as circumstances dictate. Shaka is not just a quaint illustration of perverted leadership of bygone years. He is a reminder of what every leader, every individual, can become. (p. 166)*

*Source:* Kets, de Vries, M.F.R. (2004). *Lessons on leadership by terror: Finding Shaka Zulu in the attic*. Cheltenham, England: Edward Elgar.

## The Shadow of Privilege

Leaders almost always enjoy greater privileges than followers do. The greater the leader's power, generally the greater the rewards he or she receives. Consider the earnings of corporate CEOs, for example. Top business leaders in the United States are the highest paid in the world. The average pay for chief executives of large U.S. firms skyrocketed to \$13.9 million (including salary, bonuses, stock, and stock option grants), up a 1000% since the 1950s.<sup>29</sup> In a recent salary survey, the highest-paid CEOs were Discovery Communications David Zaslav (\$156.1 million), followed by Google's Sundar Pichai (\$150 million), Michael Fries of Liberty Global (\$111.9 million), and Nick Woodman of GoPro (\$77.4 million). Amazon founder Jeff Bezos became the richest person in world history, with a net worth of nearly \$110 billion.

A number of CEOs receive generous payouts when they retire, are fired, or if their companies are taken over. AT&T's Ed Whitacre retired with a \$230 million package along with such perks as use of the company jet and payment of his home security and country club fees. Pfizer CEO Hank McKinnel, who was forced to step down, walked away with over \$188 million even though the company lost \$140 billion under his leadership. CVS CEO Tom Ryan took home over \$185 million after his firm combined with Caremark. As the pay of top leaders soared, the paycheck of the average American was left in the dust. The wages of typical U.S. workers have stagnated since the 1970s. The top 1% of Americans now averages 40 times more income than the bottom 90% of the population.

Nonprofit leaders can also abuse the perks that come from their positions of influence. According to a report in *The Wall Street Journal*, 2,700 nonprofit executives earned

over \$1 million, up over one third in a three-year period. The highest paying nonprofits were largely in health care, followed by private colleges and universities. Five nonprofits, including the organization managing Harvard University's endowment, paid executives \$10 million or more.<sup>30</sup>

Most of us would agree that leaders deserve more rewards than followers do because leaders assume greater risks and responsibilities; many would also agree that some leaders get more than they deserve. Beyond this point, however, our opinions are likely to diverge. Americans are divided over questions such as these: How many additional privileges should leaders have? What should be the relative difference in pay and benefits between workers and top management? How do we close the large gap between the haves and the have-nots? We will never reach complete agreement on these issues, but the fact remains that privilege is a significant ethical burden associated with leadership. Leaders must give questions of privilege the same careful consideration as questions of power. The shadow cast by the abuse of privilege can be as long and dark as that cast by the misuse of power. (Turn to the Leadership Ethics at the Movies case in the student study site for evidence of the dangers of privilege.) Conversely, sharing privilege can cast significant light. Every year, for example, thousands of Americans (often members of religious congregations) leave their comfortable homes to spend their vacations serving in developing nations. There they build schools and homes, dig wells, and provide medical care. Some of the world's richest people, including Warren Buffet, Bill and Melinda Gates, Sheryl Sandberg, Mark Zuckerberg, and Paul Allen, have pledged to give the vast majority of their wealth to philanthropic causes.

## The Shadow of Mismanaged Information

Leaders have more access to information than do others in an organization. They are more likely to participate in decision-making processes, network with managers in other units, review personnel files, and formulate long-term plans. Knowledge is a mixed blessing. Leaders must be in the information loop in order to carry out their tasks, but possessing knowledge makes life more complicated. Do they reveal that they are in the know? When should they release information and to whom? How much do they tell? Is it ever right for them to lie?

No wonder leaders are tempted to think ignorance is bliss! If all these challenges weren't enough, leaders face the very real temptation to lie. For instance, Ohio State football coach Urban Meyer publicly denied he knew about domestic violence allegations against an assistant coach. Later he admitted that he was aware of the possible abuse but kept the assistant on his staff. Managers at the Veterans Administration falsified patient access records to disguise the long wait times facing veterans seeking medical treatment.<sup>31</sup> At other times, leaders are eager to hide the truth. The Panama Papers, a massive data leak, revealed that political leaders and wealthy individuals from around the world are secretly sheltering billions in assets in offshore companies. Other leaders don't want to reveal that their judgment might be clouded by conflicts of interest. President Trump refuses to entirely divest himself from his real estate business and reports little about income generated by foreign customers. As a result, there are concerns that he might favor countries who stay at Trump hotels and golf clubs when visiting the United States.<sup>29</sup>

The issues surrounding access to information are broader than deciding whether to lie, to hide the truth, or to tell the truth. Although leaders often decide between lying and truth telling, they are just as likely to be faced with questions related to the release of information. Take the case of a middle manager who has learned about an upcoming merger that will mean layoffs. Her superiors have asked her to keep this information to herself for a couple of weeks until the deal is completed. In the interim, employees may make financial commitments—such as home and car purchases—that they would postpone if they knew that major changes were in the works. Should the manager voluntarily share information about the merger with such employees despite her orders? What happens when a member of her department asks her to confirm or deny the rumor that the company is about to merge? (Turn to Case Study 1.2 to see how leaders disagree about how much information to release.)

Privacy issues raise additional ethical concerns. Ancestry.com, 23andMe, and other DNA-testing companies are building databases that can be accessed by drug companies and law enforcement. (The suspected Golden State killer was identified through genetic profiles housed at GEDmatch.) Information collected from high school students on college-planning surveys is sold to colleges and those marketing educational programs.<sup>33</sup> Hundreds of thousands of cameras track our movements at automated teller machines, in parking lots, at stores, and in other public places (and even in not-so-public places, such as high school bathrooms and hospital rooms). Drones now make it possible for law enforcement officials and private citizens to secretly film our homes and backyards from the sky. Our interactions with police officers are likely to be recorded now that body cameras are becoming standard equipment for many police departments. The Transportation Safety Administration employs air marshals to secretly monitor airline passengers who are not on any terrorist database, looking for suspicious behaviors—excessive sweating and nervousness, frequent bathroom visits—that could signal that someone poses a danger.<sup>34</sup>

Employers are also gathering more and more information about employee behavior both on and off the job. Technology allows supervisors to monitor computer keystrokes and computer screens, phone calls, website use, voice mail, and e-mail. According to one survey, at least 66% of U.S. companies track employee Internet use, 45% log keystrokes, and 43% track employee e-mails.<sup>35</sup> One digital program tracks every move of every waiter and every order at restaurants. Sociometric Solutions conducts research in the banking, pharmaceutical, health care, and technology industries using sensors embedded in ID badges. These microphones, location sensors, and accelerometers track the communication behaviors of workers—tone of voice, posture, body language, and which employees talk to other employees and for how long. Employers also monitor worker behavior outside the workplace. Employees have been fired for posting offensive comments and pictures on blogs and social networking sites. Employers use personal information on Facebook and other social networking sites to screen out job applicants.

Companies have a right to gather information in order to improve performance and eliminate waste and theft. Organizations are also liable for the inappropriate behavior of members, such as when they send sexist or racist messages using their companies' e-mail systems. Investigators discovered that the restaurant monitoring not only reduced employee theft but increased revenue substantially as staff, knowing they were being observed, encouraged more patrons to order drinks and dessert. Truck sensors enabled

UPS to deliver 1.4 million additional packages a day with 1,000 fewer drivers. And monitoring can also lead to better working conditions. Bank of America added a 15-minute shared coffee break after a Sociometric Solutions study revealed that employees who took breaks together were more productive and less likely to quit.<sup>36</sup> However, efforts to monitor employee behavior are sometimes done without the knowledge of workers and are inconsistent with organizational values such as trust and community. Invading privacy takes away the right of employees to determine what they reveal about themselves; unwanted intrusion devalues their worth as individuals.<sup>37</sup>

In conclusion, leaders cast shadows not only when they lie but also when they mismanage information and engage in deceptive practices. Unethical leaders

- deny having knowledge that is in their possession,
- hide the truth,
- fail to reveal conflicts of interest,
- withhold information that followers need,
- use information solely for personal benefit,
- violate the privacy rights of followers,
- release information to the wrong people, and
- put followers in ethical binds by preventing them from releasing information that others have a legitimate right to know.

Patterns of deception, whether they take the form of outright lies or the hiding or distortion of information, destroy the trust that binds leaders and followers together. Consider the popularity of conspiracy theories, for example. Many Americans are convinced that the U.S. Air Force is hiding the fact that aliens landed in Roswell, New Mexico. Many also believe that law enforcement officials are deliberately ignoring evidence that John F. Kennedy and Martin Luther King Jr. were the victims of elaborate assassination plots. Conspiracy theorist Alex Jones drew millions of visitors monthly to his website and radio show before they were shut down. He accused federal officials of faking mass shootings and bombings at Oklahoma City, the Boston Marathon, Sandy Hook Elementary, and Columbine. These theories are farfetched, but they flourish in part because government leaders have created a shadow atmosphere through deceit. Consider all the falsehoods surrounding the wars in Iraq and Afghanistan, for instance. It wasn't until after the first Gulf War that we learned that our "smart bombs" weren't really so smart and missed their targets. The president and other cabinet officials overstated the danger posed by Saddam Hussein in order to rally support for the second Gulf War. The military covered up the fact that NFL star Pat Tillman was killed by friendly, not enemy, fire.

University of California, Davis history professor Kathryn Olmsted argues that many Americans believe that the government is out to get them in large part because government officials have previously engaged in secret conspiracies.<sup>38</sup> In 1962, for example, the Joint Chiefs of Staff cooked up a plan to get citizens to support a war on Fidel Castro's Cuba by sending a drone plane painted to look like a passenger airliner over the island to be shot

down. Fortunately, this plot (dubbed “Operation Northwoods”) never went into effect. However, many others were implemented. According to Olmsted,

By the height of the Cold War, government agents had consorted with mobsters to kill a foreign leader, dropped hallucinogenic drugs into the drinks of unsuspecting Americans in random bars, and considered launching fake terrorist attacks on Americans in the United States. Public officials had denied potentially life-saving treatment to African American men in medical experiments, sold arms to terrorists in return for American hostages, and faked documents to frame past presidents for crimes they had not committed. . . . Later, as industrious congressmen and journalists revealed these actual conspiracies by the government, many Americans came to believe that the most outrageous conspiracy theories about the government could be plausible.<sup>39</sup>

Leaders must also consider ethical issues related to the image they hope to project to followers. In order to earn their positions and to achieve their objectives, leaders carefully manage the impressions they make on others. Impression management can be compared to a performance on a stage.<sup>40</sup> Leader-actors carefully manage everything from the setting to their words and nonverbal behaviors in order to have the desired effects on their follower audiences. For example, presidential staffers make sure that the chief executive is framed by visual images (Mount Rushmore, the Oval Office, enthusiastic crowds of supporters) that reinforce his (or her) messages, popularity and presidential standing. Like politicians, leaders in charge of such high-risk activities as mountain climbing and whitewater kayaking also work hard to project the desired impressions. In order to appear confident and competent, they stand up straight, look others in the eye, and use an authoritative tone of voice.

Impression management is integral to effective leadership because followers have images of ideal leaders called *prototypes*.<sup>41</sup> We expect that the mountain climbing guide will be confident (otherwise, we would cancel the trip!), that the small-group leader will be active in group discussions, and that the military leader will stay calm under fire. The closer the person is to the ideal, the more likely it is that we will select that person as leader and accept her or his influence. Nonetheless, some people (including a number of students) find the concept of impression management ethically troubling. They particularly value integrity and see such role-playing as insincere because a leader may have to disguise his or her true feelings in order to be successful.

There is no doubt that impression management can be used to reach immoral ends. Disgraced financier Bernie Madoff, for example, convinced investors that he was a financial genius even as he was stealing their money in a gigantic fraud scheme. Careerists who are skilled at promoting themselves at the expense of others are all too common.<sup>42</sup> It would be impossible to eliminate this form of influence, however. For one thing, others form impressions of us whether we are conscious of that fact or not. They judge our personality and values by what we wear, for instance, even if we don't give much thought to what we put on in the morning. Most of us use impression management to convey our identities accurately, not to conceal them or to manipulate others.

When considering the morality of impression management, we need to consider its end products. Ethical impression managers meet group wants and needs, not just the needs of the leaders. They spur followers toward highly moral ends. These leaders use impression



management to convey accurate information, to build positive interpersonal relationships, and to facilitate good decisions. Unethical impression managers produce the opposite effects, subverting group wishes and lowering purpose and aspiration. These leaders use dysfunctional impression management to send deceptive messages, to undermine relationships, and to distort information, which leads to poor conclusions and decisions.<sup>43</sup>

## The Shadow of Inconsistency

Leaders deal with a variety of constituencies, each with its own set of abilities, needs, and interests. In addition, they like some followers better than others. Leader–member exchange (LMX) theory is based on the notion that a leader develops a closer relationship with one group of followers than with others.<sup>44</sup> Members of the “in-group” become the leader’s advisers, assistants, and lieutenants. High levels of trust, mutual influence, and support characterize their exchanges with the leader. Members of the “out-group” are expected to carry out the basic requirements of their jobs. Their communication with the leader is not as trusting and supportive. Not surprisingly, members of in-groups are more satisfied and productive than members of out-groups. For that reason, LMX theorists encourage leaders to develop close relationships with as many of their followers as possible.

Situational variables also complicate leader–follower interactions. Guidelines that work in ordinary times may break down under stressful conditions. A professor may state in a syllabus that five absences will result in a student’s flunking the class, for instance. However, she may have to loosen that standard if a flu epidemic strikes the campus.

Diverse followers, varying levels of relationships, and elements of the situation make consistency an ethical burden of leadership. Should we, as leaders, treat all followers equally even if some are more skilled and committed or closer to us than others? When should we bend the rules and for whom? Shadows arise when leaders appear to act arbitrarily and unfairly when faced with questions such as these, as in the case of a resident assistant who enforces dormitory rules for some students but ignores infractions committed by friends. Of course, determining whether a leader is casting light or shadow may depend on where you stand as a follower. If you are the star player on your team, you may feel justified taking it easy during practices. If you are less talented, you probably resent the fact that the team’s star doesn’t have to work as hard as you.

Too often, inconsistency arises between what a leader advocates and how he or she behaves, such as when rabbis and pastors have affairs at the same time they are encouraging members of their congregations to build strong marriages. Managers at Britain’s EDF energy company sparked a union strike after installing meters in employee company cars to track their location and performance. The issue wasn’t so much the meters as the refusal of managers to put the same tracking devices in their own company vehicles. Duncan Selbie, head of Britain’s National Health Service, was criticized for hiring a taxi to travel less than a mile after giving a lecture on the importance of exercise (particularly brisk walking).<sup>45</sup>

In recent years, a number of prominent figures seem to have taken inconsistency to a new level. Former Speaker of the House Dennis Hastert advocated for stronger punishment for sex crimes and sexual abuse of children while paying hush money to a man he molested when working as a high school wrestling coach. Comedian Bill Cosby criticized fellow African Americans for not taking personal responsibility and bad parenting even as he was allegedly drugging and raping a series of women. (He was convicted on three counts of sexual assault.)

Issues of inconsistency can also arise in a leader's relationships with those outside the immediate group or organization. Misgivings about the current system of financing political elections stem from the fact that large donors can buy access to elected officials and influence their votes. Take the rollback of banking regulations, for example. Congress passed the Dodd-Frank Act in 2010 to curb the excesses that caused the global financial crash. Eight years later, the House and Senate eliminated many of the provisions of Dodd-Frank, reducing regulation of the banking industry. Banks and credit unions gave twice as much to senators supporting the rollback than to those opposing the bill.<sup>46</sup>

## The Shadow of Misplaced and Broken Loyalties

Leaders must weigh a host of loyalties or duties when making choices. In addition to their duties to employees and stockholders, they must consider their obligations to their families, their local communities, their professions, the larger society, and the environment. Noteworthy leaders put the needs of the larger community above selfish interest. For example, outdoor clothing manufacturer Timberland receives praise for its commitment to community service and social responsibility. Company leaders pay employees for volunteer service, partner with community groups, and support nonprofit organizations through the sale of selected products. In contrast, those leaders who appear to put their own interests first (see Case Study 1.3) are worth of condemnation.

Loyalties can be broken as well as misplaced. If anything, we heap more scorn on those who betray our trust than on those who misplace their loyalties. Many of history's villains are traitors: Judas Iscariot, Benedict Arnold, Vidkun Quisling (he sold out his fellow Norwegians to the Nazis), and Tokyo Rose, a U.S. citizen who broadcast to American troops on behalf of the Japanese during World War II. More recent examples of leaders who violated the trust of followers include the leaders of Lehman Brothers, who told investors that the firm was strong even as it was struggling to raise money to stave off bankruptcy during the financial crisis, and cyclist Lance Armstrong. Armstrong betrayed his team sponsors, fans, and fellow cancer survivors by doping (and then vehemently denying he had done so) in order to win seven Tour de France races.

Employees are often victimized by corporate betrayal motivated by the bottom line. Individuals commonly develop deep loyalties to their coworkers and to their employers. As a consequence, they may do more than is required in their job descriptions, turn down attractive job offers from other employers, and decide to invest their savings in company stock.<sup>47</sup> Unfortunately, companies and their leaders often fail to respond in kind. During economic downturns, they are quick to slash salaries and benefits and to lay off even the most loyal workers. Even if business is good, they don't hesitate to merge with other firms, eliminating positions, or to shut down domestic plants and research facilities in order to move their operations overseas, where labor costs are lower. Organizational leaders admit that their organizations aren't as loyal as they used to be. One survey of senior level North American managers found that only 13% believe that their organizations are more loyal than they were five years ago.<sup>48</sup> In response growing corporate disloyalty, many younger workers limit the length of their commitment to their employers, with over 40% expecting to leave in two years or less.

The most egregious cases of betrayal are cases where adults take advantage of children. Catholic priests in the United States, Brazil, Chile, Australia, Ireland, Germany, and

elsewhere used their positions as respected spiritual authorities to gain access to young parishioners for sexual gratification.<sup>49</sup> Church leaders failed to stop the abusers or themselves engaged in abuse. In far too many instances, they let offending priests continue to minister and to have contact with children. Often, church officials transferred pedophile priests without warning their new congregations about these men's troubled pasts. Officials at Michigan State, USA Gymnastics, and the United States Olympic Committee turned a blind eye to complaints that team doctor Larry Nassar was sexually molesting young female gymnasts. Over 300 girls and young women were victimized.<sup>50</sup>

Philosopher George Fletcher argues that we define ourselves through our loyalties to families, sports franchises, companies, and other groups and organizations.<sup>51</sup> Fellow philosopher Josiah Royce contends that loyalty to the right cause produces admirable character traits like justice, wisdom, and compassion.<sup>52</sup> Loyalty is a significant burden placed on leaders. In fact, well-placed loyalty can make a significant moral statement. Such was the case with Pee Wee Reese. The Brooklyn Dodger never wavered in his loyalty to Jackie Robinson, the first black player in baseball's major leagues. In front of one especially hostile crowd in Cincinnati, Ohio, Reese put his arm around Robinson's shoulders in a display of support.<sup>53</sup>

## The Shadow of Irresponsibility

Earlier, we observed that breadth of responsibility is one of the factors distinguishing between the role of leader and that of follower. Followers are largely responsible for their own actions or, in the case of a self-directed work team, for those of their peers. This is not the case for leaders. They are held accountable for the performance of entire departments or other units. However, determining the extent of a leader's responsibility is far from easy. Can we blame a college coach for the misdeeds of team members during the off-season or for the excesses of the university's athletic booster club? Are clothing executives responsible for the actions of their overseas contractors who force workers to labor in sweatshops? Do employers owe employees a minimum wage level, a certain degree of job security, and safe working conditions? If military personnel are punished for following unethical orders, should those who issue those orders receive the same or harsher penalties?

Leaders act irresponsibly when they fail to make reasonable efforts to prevent misdeeds on the part of their followers, ignore or deny ethical problems, don't shoulder responsibility for the consequences of their directives, deny their duties to followers or try to deflect blame onto others. We don't hold coaches responsible for everything their players do. Nonetheless, we want them to encourage their athletes to obey the law and to punish any misbehavior. Most of us expect Gap, Nike, JC Penney, Walmart, and Banana Republic to make every effort to treat their overseas labor force fairly, convinced that the companies owe their workers (even the ones employed by subcontractors) decent wages and working conditions. When an organization's employees break the law or make mistakes, we want the group's leader to take accountability. Penny Lawrence, a top Oxfam executive, accepted blame for failing to stop sexual misconduct by the charity's staff in Chad and Haiti. "I am ashamed that this happened on my watch," she said in her resignation statement, "and I take full responsibility."<sup>54</sup>

Unfortunately, far too many leaders try to pin the blame on others for their misdeeds or the unethical behavior of their organizations. Richard Sackler, president and part owner of Purdue Pharma, tried to deny responsibility for his company's role in the opioid crisis. The firm aggressively marketed OxyContin, encouraged doctors to prescribe the

highest amounts of the powerful painkiller, and failed to alert authorities that the drug was being abused and sold on the street. Instead of accepting accountability, Sackler pushed the blame onto addicts. In a company e-mail he said, “We have to hammer on abusers in every way possible. They are the culprits and the problem. They are reckless criminals.”<sup>55</sup> Facebook’s Sheryl Sandberg also deflected blame by hiring a public relations firm to attack critics of the company.<sup>56</sup>

Many corporate scandals demonstrate what can happen when boards of directors fail to live up to their responsibilities. Far too many boards in the past functioned only as rubber stamps. Made up largely of friends of the CEO and those doing business with the firm, they were quick to approve executive pay increases and other management proposals. Some board members appeared interested only in collecting their fees and made little effort to understand the operations or finances of the companies they were supposed to be directing. Other members were well intentioned but lacked expertise. Now federal regulations require that the chair of a corporation’s audit committee be a financial expert. The compensation, audit, and nominating committees must be made up of people who have no financial ties to the organization. These requirements should help prevent future abuses, but only if board members take their responsibilities seriously. (I’ll have more to say about effective corporate governance in Chapter 10.)

These, then, are some of the common shadows cast by leaders faced with the ethical challenges of leadership. Identifying these shadows raises two important questions: (1) *Why is it that, when faced with the same ethical challenges, some leaders cast light and others cast shadows?* (2) *What steps can we take as leaders to cast more light than shadow?* In the next chapter, we will explore the forces that contribute to the shadow side of leadership and outline ways to meet those challenges.

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## IMPLICATIONS AND APPLICATIONS

- Understanding the dark (bad, toxic) side of leadership is the first step in promoting good or ethical leadership.
- The contrast between ethical and unethical leadership is as dramatic as the contrast between light and darkness.
- Toxic or bad leaders engage in destructive behaviors. They may be ineffective, unethical, or both. Common types of bad leaders include incompetent, rigid, intemperate, callous, corrupt, insular, and evil.
- Certain ethical challenges or dilemmas are inherent in the leadership role. If you choose to become a leader, recognize that you accept ethical burdens along with new tasks, expectations, and rewards.
- Followers face their own set of ethical challenges. When filling a follower role, you will need to determine the extent of your obligations to the group, decide when to obey or disobey, combat cynicism, offer dissent, and deliver bad news to your leaders.
- Power can have a corrosive effect on values and behavior. You must determine how much power to accumulate, what forms of power to use, and how much power to give to followers.
- If you abuse power, you will generally overlook the needs of followers as you take advantage of the perks that come with your position.
- Leaders have access to more information than do followers. In addition to deciding whether or not to hide or tell the truth, as a leader,

you'll have to determine when to reveal what you know and to whom, how to gather and use information, and so on.

- A certain degree of inconsistency is probably inevitable in leadership roles, but you will cast shadows if you are seen as acting arbitrarily and unfairly. You must also attempt to match your behavior with your words and values—to “walk your talk.”
- As a leader, you'll have to balance your needs and the needs of your small group or organization

with loyalties or duties to broader communities. Expect condemnation if you put narrow, selfish concerns first.

- Leadership brings a broader range of responsibility, but determining the limits of accountability may be difficult. You will cast a shadow if you fail to make a reasonable attempt to prevent abuse or to shoulder the blame, deny that you have a duty to followers, or deflect blame onto others.

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### FOR FURTHER EXPLORATION, CHALLENGE, AND SELF-ASSESSMENT

1. Create an ethics journal. In it, describe the ethical dilemmas you encounter as a leader and as a follower, how you resolve them, how you feel about the outcomes, and what you learn that will transfer to future ethical decisions. You may also want to include your observations about the moral choices made by public figures. Make periodic entries as you continue to read this text.
2. Harvard professor Rosabeth Kanter argues that “powerlessness corrupts and absolute powerlessness corrupts absolutely.” Do you agree? What are some of the symptoms of powerlessness?
3. What does your score on the Destructive Leader Behavior Scale (Self-Assessment 1.1) reveal about your leader? How can you use this information to become a more effective follower? As an alternative, reflect on your Personal Power Profile (Self-Assessment 1.2). What do your scores reveal about your attitude toward power and the ethical issues you might face in exercising power? Would you like to change your power profile? How can you do so?
4. What factors do you consider when determining the extent of your loyalty to an individual, a group, or an organization?
5. Debate the following propositions in class:
  - The federal government should set limits on executive compensation.
  - Coaches should be held accountable for the actions of their players in the off-season.
  - Corporate leaders have an obligation to be loyal to their employees.
  - Married politicians and religious figures who have extramarital affairs should be forced to resign.
  - Employers have the right to monitor the behavior of workers when the workers are not on the job.
6. Evaluate the work of a corporate or nonprofit board of directors. Is the board made up largely of outside members? Are the members qualified? Does the board fulfill its leadership responsibilities? Write up your findings.
7. Write a research paper on the privacy issues surrounding drones, police body cameras, or the use of DNA databases in criminal investigations. Conclude with a set of recommendations on how these issues should be resolved.
8. Look for examples of unethical leadership behavior in the news and classify them according to the six shadows. What patterns do you note?

As an alternative, look for examples of ethical leadership. How do these leaders cast light instead of shadow?

9. What is the toughest ethical challenge of being a follower? How do you meet that challenge?

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## STUDENT STUDY SITE

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### Case Study 1.1

## Keeping Harvey Weinstein's Dark Secrets

Powerful leaders are not only more tempted to abuse their power; they have the means to cover up their abuse when they do. For decades, there were rumors that movie mogul Harvey Weinstein was a sexual predator. In fact, Seth MacFarlane joked with the Best Supporting Actress nominees at the 2013 Oscar nomination ceremony, telling the women, "Congratulations, you five ladies no longer have to pretend to be attracted Harvey Weinstein."<sup>1</sup> Weinstein, the co-founder of Miramax and Weinstein pictures, would pressure young actresses into sexual encounters in return for casting them in his movies. Victims included Gwyneth Paltrow, Angelina Jolie, Ashley Judd, and Rose McGowan. Weinstein's abuses came to light in *New York Times* and *New Yorker* articles. Multiple accusers claim that the producer made constant sexual propositions, exposed himself, masturbated in front of them, and forced them into sex. Weinstein apologized for his behavior and was removed from his company.

Producer Weinstein used his wealth and influence as a Hollywood superstar to silence his accusers. In some cases, complainants reached nondisclosure agreements (NDAs) where, in return for a cash payment, they

agreed to not further pursue or even to discuss their cases. If they did talk about their settlements, they would have to repay the money they received. In other instances, Weinstein hired private security companies to dig up dirt about the women to use against them. In the case of model Ambra Battilana Gutierrez, false information (i.e., charges she was a prostitute) from these investigations was published in the *New York Post* tabloid. Investigators, some of them former Mossad agents, also investigated reporters and tried to identify their sources with the goal of stopping the *New Yorker* and *New York Times* stories. The producer also enlisted the help of former employees to gather information and to stop possible press stories.

Weinstein's position as a Hollywood gatekeeper made it hard for his victims to speak up. Challenging him could mean being blackballed from the movie industry. On the other hand, "Everyone knew if you were in a Harvey movie, chances are you were going to win or be nominated for an Oscar."<sup>2</sup> Miramax earned best picture awards for *The English Patient*, *Shakespeare in Love*, and *Chicago*; the studio notched 58 Oscar wins in all, grossing over \$3 billion. The Weinstein Company, founded in

(Continued)

(Continued)

2005, produced *The King's Speech*, *Inglorious Bastards*, *The Fighter*, *The Artist*, *The Iron Lady*, and *Undeclared*, all which took home awards.

Many were complicit in keeping Weinstein's dark secrets. His staff—assistants, drivers, and executives—kept quiet in order to keep their jobs. Politicians like Hilary Clinton (who was reportedly warned about Weinstein) apparently looked the other way because he was a major donor and recruited other celebrity contributors. Prosecutors may have decided not to file charges because they received information and donations from Weinstein's legal team. Journalists didn't actively pursue leads because they had book deals and other business dealings with Weinstein. Ronan Farrow, who helped break the story, reports that he received push-back from many news outlets for revealing the allegations. Commenting on how the press self-censored when it came to Weinstein, one editor noted, "People don't want to report on the table; they want a seat at the table."<sup>3</sup>

The Weinstein scandal prompted California and New York legislators to introduce legislation banning nondisclosure settlements. Other states could challenge these settlements given that these agreements might hide "public hazards." Zelda Perkins, a former assistant to Harvey Weinstein, decided to speak up despite signing an NDA. (The producer wanted her in the room while he bathed and often tried to pull her into his bed.) Perkins hopes to draw attention to the harm done by these settlements:

Unless somebody does this there won't be a debate about how egregious these agreements are and the amount of duress that victims are put under. My entire world fell in because I thought the law was there to protect those who abided by it. I discovered that it had nothing to do with right and wrong and everything to do with money and power.<sup>3</sup>

There are victims' advocates who defend NDAs, however. They believe that some women will be more reluctant to come forward if their cases are publicized. Victims may fear negative publicity and retaliation; settlement amounts may drop.

The Weinstein scandal could mark the beginning of a dramatic change in film industry culture. In the past, sexual misbehavior was tolerated. Polish director Roman Polanski received an academy award for *The Pianist* even though he fled the United States after being convicted of having sex with a 13-year-old. Until recently, major actors would work for reduced rates in Woody Allen films even though Allen had an affair with, and then married, the adopted daughter of ex-partner Mía Farrow and is accused of molesting another stepdaughter. The Weinstein revelations set off a tsunami of other sexual misconduct complaints in the movie industry, involving Amazon producer Ray Price, and actors Kevin Spacey, Dustin Hoffman, Casey Affleck, Jeremy Piven, and others. Former Weinstein assistant Perkins hopes that the focus will shift from the producer's misbehavior to reforming the system: "Money and power enabled, and the legal system has enabled. Ultimately, the reason Harvey Weinstein followed the route he did is because he was allowed to, and that's our fault. As a culture, that's our fault."<sup>4</sup>

### Discussion Probes

1. How can we keep superstars in any field from abusing their power and covering up their actions? How can we protect the powerless?
2. Should nondisclosure agreements be banned? Why or why not?
3. Do you think that the Weinstein scandal marks a significant shift in Hollywood culture?
4. Do you consider the reputation of actors, directors, and producers when deciding which movies or television shows to view?

Would you refuse to go to a movie or watch a television show if you knew that an important actor, director, or producer was a sexual harasser or predator?

5. How much responsibility do we, as entertainment consumers, have for empowering the bad behavior of movie and television stars and recording artists?

### Notes

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## Case Study 1.2

### Do-It-Yourself Guns

In 2013, Cory Wilson of the group Defense Distributed ignited a protracted legal battle. After test firing a plastic gun made with a 3-D printer, he posted the blueprints for making the gun online. The plans were downloaded 100,000 times before the State Department forced Wilson to remove the blueprints, claiming that he violated U.S. law forbidding Americans from exporting sensitive military technology. Wilson then sued the federal government for infringing on his free speech rights. In 2018, the State Department settled the suit and paid a portion of Wilson's legal expenses. State department officials withdrew their objections because they no longer believed that the blueprints posed a security threat.

Wilson's legal victory was short lived. The attorneys general from 19 states and Washington D.C. quickly sought to keep the plans off-line. Federal judge Robert Lasnik ruled in their favor by issuing a temporary restraining order. In his ruling, Judge Lasnik declared that Wilson's First Amendment free speech rights "are dwarfed by the irreparable harms the states are likely to suffer if the existing restrictions are withdrawn."<sup>1</sup> But the judge's ruling didn't stop dissemination of the blueprints. Defense Distributed made the files available for purchase to customers in states not covered by the ban. Wilson urged others who had the plans to submit their own files to his platform and receive half of the sales price. While Wilson

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resigned from Defense Distributed after being charged with having sex with a minor, the new director vows to continue the legal fight.

Those who support the release of 3-D gun plans argue that “code is speech.”<sup>2</sup> They compare computer code to the words in books, arguing that the Internet is like a library. Banning the blueprints, then, is a form of censorship. Utah Senator Mike Lee notes that publishing a design for a gun is not the same as possessing such a gun and that plastic guns are already banned by the Undetectable Firearms Act of 1988. Others point out that making a 3-D gun is expensive and time consuming. A good 3-D printer can cost \$10,000 or more and manufacturing a gun can take hours or even days. Criminals who want to arm themselves will likely find it much cheaper and easier to buy illegal weapons. Then, too, current 3-D plastic guns are unreliable because the plastic can’t handle the pressure generated when firing a bullet: “Without technical expertise on how 3D printers work, you’re more likely to end up with an exploding gun than a working one.”<sup>3</sup> Even if the gun fires, it is unlikely to shoot a second time.

Those who oppose the release of the plans point to the dangers of 3-D guns. Not only are such weapons hard for security devices to detect but they are untraceable, making it impossible for law enforcement to identify their owners. Terrorists could use printers to make weapons to use in their attacks. Gun printers don’t have to go through the background checks required of other gun owners. Bills were introduced in both houses of Congress to ban 3-D guns nationwide. California Senator Dianne Feinstein and three colleagues asked Internet firms to stop hosting 3-D gun blueprints because “doing so will make all of our communities safer.”<sup>4</sup> 3-D weapons are already illegal in Australia, the United Kingdom, and Japan.

The longer the legal battle continues, the higher the stakes. That’s because printer technology continues to evolve. The cost of 3-D printers

is likely to drop, making them more affordable. 3-D guns are becoming increasingly durable with the use of metal parts and stronger plastic that enable them to be fired multiple times.

### Discussion Probes

1. Do you think that computer code is a form of free speech? Why or why not?
2. What should take priority—freedom of speech or public safety?
3. Should plans for 3-D guns be banned from all websites? Why or why not?
4. Is it too late for any ban to be effective?
5. What kind of information (if any) should be kept off the Internet?

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## Case Study 1.3

### Looking Out for Number One at the EPA

Former EPA administrator Scott Pruitt may have set the modern record for the greatest number of scandals by a member of a president's cabinet. Pruitt served as director of the Environmental Protection Agency during the first two years of the Trump administration. He became the subject of at least 13 civil and criminal investigations during his tenure. Just as outcry from one scandal began to subside, another would surface. Pruitt's missteps included

- frequently traveling to his home in Oklahoma and around the state at taxpayer expense, sometimes flying on private planes and military jets
- flying first class instead of coach when on commercial flights
- spending \$20,000 for four-day trip to Morocco to promote natural gas exports, a subject unrelated to the work of his agency
- assigning EPA staffers to find a job for his wife paying at least \$200,000, including reaching out to the Chick-Fil-A CEO to secure a franchise. Others were tasked with purchasing a used mattress from the Trump International Hotel and picking up snacks and dry cleaning for him.
- hiring a 24/7 security detail at a cost of \$3.5 million a year and then asking security personnel to run personal errands for him, including picking up his favorite lotion from the Ritz Carlton Hotel.
- purchasing a \$43,000 soundproof security booth for his office
- spending \$10,000 to remodel his office

- paying \$1560 for a dozen fountain pens
- staying in the apartment of a lobbyist with business before the EPA while paying very little rent
- accepting Rose Bowl tickets from a PR firm representing oil and gas companies
- refusing to keep records of official meetings and ordering an aide to alter his calendar records, which is against federal law. He fired the scheduler when she refused to comply with his request.

Pruitt's abuse of power and privilege drew fire from both sides of the aisle. Democratic New York Congressman Paul Tonka told Pruitt, "You have failed as a steward of American taxpayer dollars and of the environment."<sup>1</sup> Both Republican Senators from Iowa (a state that supported Trump in the 2016 election) publicly criticized the EPA director. Conservative Fox News commentator Laura Ingraham, referring to Trump's pledge to drain the swamp of corruption in Washington, commented, "Pruitt is the swamp. Drain it."<sup>2</sup>

Pruitt's misplaced loyalties apparently drove him to misuse his office. The former director continually put his personal interests ahead of his obligations to his agency, his followers, the American taxpayer, and the environment. Highly ambitious, many of his trips to Oklahoma were to drum up support for a possible race for statewide office. According to one official, his foreign travel was designed to bolster his resume to qualify him to be secretary of state. Pruitt once told staffers that he would be a "great secretary of state" should Rex Tillerson leave the administration. (Tillerson was fired

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but Trump chose Mike Pompeo to replace him.) The EPA chief's lavish spending and misuse of personnel reflected a sense of entitlement. Hiding his schedule was a way to protect himself from public scrutiny.

Pruitt's ties to the gas and oil industry apparently took precedence over his agency's mission, which is protecting the nation's air, land, and water. Loyalty to friends and staff members from his home state overrode any obligation to long-term agency employees. He placed two of his business partners in high agency positions and gave 50% raises to two aides who came with him from Oklahoma. In addition, he frequently ignored the findings and recommendations of career agency scientists and staff.

At the same time he was abusing those below him, Pruitt was serving his ambitions by skillfully "managing up." He regularly praised the president—though he had earlier criticized candidate Trump—and took every opportunity to keep in touch with the chief executive. In hopes of running into the president, for example, he would eat regularly at the White House mess. (Eventually he was asked to stop coming so often.) He acted as a confidant to Trump, participating in discussion of topics ranging from trade agreements to the Russia investigation. He also joined the president in criticizing attorney general Jeff Sessions. Pruitt reportedly was jealous of Sessions and wanted to be appointed attorney general if he didn't get the secretary of state position. Most importantly, the EPA director faithfully carried out President Trump's directives. As Oklahoma attorney general, he frequently sued the EPA. At the agency, he initiated massive regulatory rollbacks, including, for instance, lowering mileage requirements for the automobile industry. Pruitt helped convince Trump to back out of the Paris climate treaty to address global warming.

In the end, broken loyalties laid the groundwork for Pruitt's downfall. During an appearance before Congress, the director

blamed his top aides for many of his extravagant purchases, including the secure phone booth. He claimed that he did not push for pay raises for the two aides from Oklahoma. He also denied retaliating against those who challenged his spending on travel and office renovations. Feeling betrayed, most of his closest advisors, including the loyal supporters who came with him from Oklahoma, then resigned. According to one former Pruitt loyalist, "He didn't have much of anybody left."<sup>3</sup> The disillusioned staffers refused to defend their former boss when they were called upon to testify before Congressional committees. Instead, they defended themselves and clearly spelled out what Pruitt had asked them to do. Their damning testimony, along with the growing bipartisan chorus of critics, apparently forced the president (who was reluctant to fire Pruitt despite the mounting scandals) to act. Ever mindful of the importance of demonstrating his loyalty to those above him, Pruitt wrote the following in his resignation letter:

Mr. President, it has always been an honor to serve you in the Cabinet as Administrator of the EPA. Truly, your confidence in me has blessed me personally and enabled me to advance your agenda. My desire in service to you has always been to bless you as you make important decisions for the American people.<sup>4</sup>

### Discussion Probes

1. Did Pruitt's misplaced and broken loyalties lead to his abuse of power and privilege or did his desire for power and privilege lead to his misplaced and broken loyalties?
2. What should be the most important obligations of government leaders? How do these differ from the obligations of leaders in business and other fields?

3. What can we do to ensure that the government officials serve the interests of taxpayers and the missions of their agencies rather than themselves?
4. How do you determine if a leader is worthy of your loyalty? How do you determine when she or he no longer deserves that loyalty?

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## SELF-ASSESSMENT 1.1

### Destructive Leader Behavior Scale

*Instructions:* Think of a leader, supervisor, or manager you have worked with in the past five years. Rate this individual on each of the following items. A rating of 1 indicates that this person *never* engages in this behavior; a rating of 5 indicates that he or she engages in this behavior *very often*.

1	2	3	4	5
Never				Very Often

1. Avoids addressing important issues
2. Denies subordinates things they are entitled to (e.g., lunch breaks, vacation time)
3. Disciplines subordinates a long time after the rule infraction occurs

4. Discounts feedback or advice from subordinates
5. Fails to defend subordinates from attacks by others
6. Fails to give subordinates credit for jobs requiring a lot of effort
7. Falsely accuses or punishes subordinates for something they were not responsible for
8. Ignores phone calls and/or e-mails
9. Inadequately explains performance reviews
10. Insults or criticizes subordinates in front of others
11. Invades subordinates' privacy

12. Is confrontational when interacting with subordinates
13. Says one thing and does another
14. Shows no clear standards for administering rewards and punishments
15. Accepts financial kickbacks
16. At times, appears to be under the influence of alcohol or recreational drugs while at work
17. Breaks the law while at work
18. Falsifies documents
19. Lets violations of company policy slide
20. Litters the work environment
21. Steals company funds
22. Steals company property and resources
23. Tells people outside the job what a lousy place he or she works for
24. Uses company property for personal use
25. Violates company policy/rules
26. Brings inappropriate sexual material to work (e.g., pornography)
27. Engages in romantic and/or sexual relationships with others from work
28. Hints that sexual favors will result in preferential treatment

*Scoring:* Possible score ranges from 28 to 140. The higher the score, the greater your leader's destructive behavior. You can also determine the leader's tendency to engage in three types of destructive behavior. Items 1–14 measure subordinate-directed behavior. Items 15–25 measure organization-directed destructive behavior. Items 26–28 measure sexual harassment behaviors.

*Source:* Thoroughgood, C. N., Tate, B. W., Sawyer, K. B., & Jacobs, R. (2012). Bad to the bone: Empirically defining and measuring destructive leader behavior. *Journal of Leadership & Organizational Studies*, 19, 230–255, p. 241. Used with permission of the publisher.

## SELF-ASSESSMENT 1.2

### Personal Power Profile

*Instructions:* Below is a list of statements that describe possible behaviors of leaders in work organizations toward their followers. Read each statement carefully

while thinking about *how you prefer to influence others*. Mark the number that most closely represents how you feel.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
<b>I prefer to influence others by</b>					
1. increasing their pay level.	1	2	3	4	5
2. making them feel valued.	1	2	3	4	5
3. giving undesirable job assignments.	1	2	3	4	5

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
4. making them feel like I approve of them.	1	2	3	4	5
5. making them feel that they have commitments to meet.	1	2	3	4	5
6. making them feel personally accepted.	1	2	3	4	5
7. making them feel important.	1	2	3	4	5
8. giving them good technical suggestions.	1	2	3	4	5
9. making the work difficult for them.	1	2	3	4	5
10. sharing my experience and/or training.	1	2	3	4	5
11. making things unpleasant here.	1	2	3	4	5
12. making work distasteful.	1	2	3	4	5
13. helping them get a pay increase.	1	2	3	4	5
14. making them feel they should satisfy job requirements.	1	2	3	4	5
15. providing them with sound job-related advice.	1	2	3	4	5
16. providing them with special benefits.	1	2	3	4	5
17. helping them get a promotion.	1	2	3	4	5
18. giving them the feeling that they have responsibilities to fulfill.	1	2	3	4	5
19. providing them with needed technical knowledge.	1	2	3	4	5
20. making them recognize that they have tasks to accomplish.	1	2	3	4	5

**Scoring:** Record your responses to the 20 questions in the corresponding numbered blanks below.

Total each column, then divide the result by 4 for each of the five types of influence.

	Reward	Coercive	Legitimate	Referent	Expert
	1	3	5	2	8
	13	9	14	4	10
	16	11	18	6	15
	17	12	20	7	19
Total					
Divide by 4					

**Interpretation:** A score of 4 or 5 on any of the five dimensions of power indicates that you prefer to influence others by using that particular form of power. A score of 2 or less indicates that you prefer not to employ this particular type of power to influence others. Your power profile is not a simple addition of each of the five sources. Some combinations are more synergistic than the simple sum of their parts. For example,

referent power magnifies the impact of other power sources because these other influence attempts are coming from a respected person. Reward power often increases the impact of referent power because people generally tend to like those who can give them things. Some power combinations tend to produce the opposite of synergistic effects. Coercive power, for example, often negates the effects of other types of influence.

**Source:** Modified version of Hinken, T. R., & Schriesheim, C. A. (1989). Development and application of new scales to measure the French and Raven (1959) bases of social power. *Journal of Applied Psychology, 74*, 561–567. Reprinted with permission.

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