ETHICAL LEADERSHIP AND LEADER EFFECTIVENESS: THE ROLES OF MACHIAVELLIANISM, NARCISSISM, AND ETHICAL CONTEXT

by

SARAH E. STRANG

(Under the Direction of Karl W. Kuhnert)

ABSTRACT

The purpose of this study is to empirically investigate Machiavellianism and narcissism as antecedents of ethical leadership and leader effectiveness; in addition the role of ethical context in these relationships is examined. Although no significant effects are found for Machiavellianism, significant effects are found for narcissism when moderated by ethical context on both leader effectiveness and ethical leadership. Findings suggest that the negative direct effect of narcissism may become more salient in an ethical context; on the other hand, perceptions of the effectiveness and ethical leadership of narcissistic leaders may actually be improved in the presence of an unethical context. Implications for both researchers and practitioners are discussed.

INDEX WORDS: Ethics, Leadership, Effectiveness, Organization, Ethical Context, Machiavellianism, Narcissism

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SARAH E. STRANG

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SARAH E. STRANG

Major Professor: Karl W. Kuhnert

Committee: W. Keith Campbell
Brian Hoffman
Wendy Ruona

Electronic Version Approved:

Maureen Grasso
Dean of the Graduate School
The University of Georgia
May 2008

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CHAPTER 1

INTRODUCTION

Introduction

Recent scandals in business, sports, government, and even religious organizations have raised important questions about the role of ethics in shaping the conduct of today's leaders. Narcissism and Machiavellianism are two suspected threats to ethical leadership. Machiavellian individuals utilize tactics of manipulation to achieve their goals, generally believing they can get away with anything. Narcissists are notoriously self-forgiving and self-confident, and their lack of empathy enables their tendency toward self-serving behavior. The purpose of this study is to empirically investigate narcissism and Machiavellianism as antecedents of ethical leadership and leader effectiveness; in addition the role of ethical context in these relationships will be examined.

Machiavellianism and narcissism are traits that have been found in leaders at the highest levels, including U.S. Presidents (Deluga, 1997; 2001) and CEOs (Maccoby, 2000; Wasylyshyn, 2005). Still, both traits carry a "bad rap"; perhaps this is because Machiavellianism is characterized by behaviors like manipulation, coercion, and lack of empathy, while narcissism has been implicated in studies of leader [lack-of-] integrity (Blair, Hoffman, & Helland, in press), white-collar crime (Blickle, Schlegel, Fassbender, & Klein, 2006), and counterproductive workplace behavior (Judge, LePine, & Rich, 2006; Penney & Spector, 2002). Such evidence may lead one to wonder how it is possible that individuals committing these behaviors could end up in positions of leadership in today's critical world: how are we so easily duped?

Perhaps the tactics and tendencies of narcissistic and Machiavellian leaders draw our attention away from their flaws, encouraging us to focus on their strengths. For instance, it is in the nature of a narcissist to be adept at earning immediate likeability (Oltmanns, Friedman, Fiedler, & Turkheimer, 2003; Paulhus, 1998). Narcissists are also highly self-confident and extroverted (Campbell, Goodie, & Foster, 2004) and excel when there is an opportunity for glory (Wallace & Baumeister, 2002). Machiavellians are tricksters by nature: they are charismatic and persuasive (Deluga, 2001) and adept at forming key political alliances (Pfiffner, 1951). In fact, Machiavellians have been found to be selected more often for leadership positions and lead their groups to greater success (Geis, 1968), and narcissism has been found to relate to leader emergence in leaderless group discussions (Brunell, Gentry, Campbell, Hoffman, & Kuhnert, 2008).

But to what end are we selecting narcissistic and Machiavellian leaders? At face value, their self-serving tactics do not appear to be consistent with the message of ethics needed from today's workplace leaders. The purpose of this study is to investigate narcissism and Machiavellianism as antecedents of ethical leadership and leader effectiveness; the role of ethical context in these relationships will also be examined.

Ethical Leadership

Recent research has conceptualized and developed an "ethical leadership" construct (Brown, Treviño, & Harrison, 2005; Treviño, Brown, & Hartman, 2003; Treviño, Hartman, & Brown, 2000), where ethical leadership is defined as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown et al., 2005, p. 120).

The definition of this construct includes two dimensions of ethical leadership: the moral person and the moral manager (Treviño et al., 2000, 2003; see Table 1). The moral person dimension is the substantive basis of ethical leadership, characterized by perceptions of the leader's personal traits, character, and altruistic motivation, exemplified by honesty and trustworthiness, fair and principled decision-making, consideration for people and the broader society, and behaving ethically in one's own life (Treviño et al.). The moral manager dimension is characterized by a leader's proactive efforts to influence followers' ethical and unethical behavior: moral managers make ethics a part of their leadership agenda by communicating an ethics and values message, by visibly and intentionally modeling ethical behavior, and by using the rewards system (rewards and discipline) to hold followers accountable for ethical conduct (Treviño et al.).

Further development and validation of the ethical leadership construct was conducted by Brown et al. (2005), who rely on social learning theory (Bandura, 1977, 1986) as a lens through which to view the reasons why and how ethical leaders influence their followers. Most people look outside themselves to other individuals for ethical guidance (Kohlberg, 1969; Treviño, 1986): social learning theory maintains that individuals learn by attending to and mimicking attractive, credible role models (Bandura, 1977, 1986); Brown and Treviño (2006) point out that ethical leaders are likely sources of guidance because their attractiveness (demonstration of fairness, care, and concern), credibility (trustworthiness and practicing what they preach), power, and status as role models draw attention to their modeled behavior.

Using the framework provided by social learning theory, Brown et al. (2005) developed a scale to measure perceptions of ethical leadership, the Ethical Leadership Scale. They found that ethical leadership was associated with leader consideration, interactional fairness, leader honesty,

and idealized influence (a dimension of transformational leadership; Bass & Avolio, 2000); however, it was also found to be empirically distinct from these constructs (Brown et al.). In addition, they found ethical leadership to be positively related to affective trust in the leader, negatively related to abusive supervision, and unrelated to rater demographics or demographic similarity between leader and subordinate (Brown et al.). Finally, perceptions of ethical leadership were found to have predictive power above and beyond the idealized influence dimension of transformational leadership (the leadership construct most closely related to ethical leadership) on variables including satisfaction with the leader, perceived leader effectiveness, willingness to exert extra effort on the job, and willingness to report problems to management (Brown et al.).

To summarize the findings of this research, ethical leaders are truthful, considerate, principled individuals who are fair and balanced decision-makers. They communicate frequently and openly with their followers, setting clear ethical standards and using rewards and punishments to ensure that those standards are upheld. Finally, they are proactive role models of ethical conduct who practice what they preach. For the purposes of this study, this conceptualization of ethical leadership will be applied.

Ethical Context

The organization's ethical context or infrastructure may have a broader influence on individuals' ethical leadership within that organization (Tenbrunsel, Smith-Crowe, & Umphress, 2003). Although many conceptualizations of ethical context have been used, most empirical research has focused on ethical climate (Victor & Cullen, 1988) or ethical culture (Treviño, 1990), both of which refer to certain characteristics of the organization which do or do not support ethical attitudes and behaviors (Treviño, Butterfield, & McCabe, 1998).

Ethical climate is "the prevailing perceptions of typical organizational practices and procedures that have ethical content" and includes "those aspects of work climate that determine what constitutes ethical behavior at work" (Victor & Cullen, 1988, p. 101). Victor and Cullen proposed nine types of ethical climate, each of which was hypothesized to be associated with specific normative expectations. Subsequent research has found support for relationships between some of these ethical climate dimensions and outcomes; for example, a benevolent ethical climate has been found to relate to organizational commitment (Cullen, Parboteeah, & Victor, 2003). Ethical climate has been found to positively influence managers' ethical decision-making (Flannery & May, 2000) and negatively impact managers' willingness to lie (Ross & Robertson, 2000).

According to social learning theory, organizations with stronger ethical contexts are likely to provide more models of ethical leadership, establish formal policies and informal norms that support ethical conduct, and reinforce ethical behavior. In this type of environment, leaders have more opportunities to model ethical leadership, and are likely to "learn" that ethical leadership is desirable; as a result, they are more likely to develop and maintain ethical leadership. On the other hand, leaders in organizations lacking a strong ethical context may be more likely to adapt their leadership style to match their environment, adopting a weak ethical or even unethical style. Those who are strong ethical leaders in an unethical environment would experience person-organization misfit, and would be more likely to leave the organization (Resick, Baltes, & Shantz, 2007; Schneider, 1987).

Some research pertaining to ethical climate suggests that a critical determinant of ethical climate is the leader's ethical behavior (Dickson, Smith, Grojean, & Ehrhart, 2001; Logsdon & Corzine, 1999; Sims, 2000; Sims & Brinkman, 2002). This suggests that the relationship

between ethical leadership and ethical climate may in fact be reciprocal. However, this investigation is beyond the scope of this study and should be reserved for future research.

Leader Effectiveness

Subordinate perceptions of leader effectiveness are positively influenced by ethical leadership (Brown et al., 2005). This is consistent with research findings that honesty, integrity, consideration, fairness, and openness are consistently related to perceived leader effectiveness (Den Hartog, House, Hanges, Ruiz-Quintilla, & Dorfman, 1999; Hogan, Curphy, & Hogan, 1994; Yukl, 2002). In addition, it has been found that fair treatment of followers is an important source of legitimacy for ethical leaders (Tyler, 1986; Tyler & Degoey, 1995) and that legitimacy indirectly contributes to perceptions of leader effectiveness (Brown et al., 2005).

On the other hand, perceptions of leader effectiveness are also influenced by traits/factors that are independent of ethical considerations. For example, Bono and Ilies (2006) found that leaders' positive emotional expressions and mood are associated with perceptions of leader effectiveness. In addition, leader effectiveness is influenced by high intelligence, dominance, self-efficacy, and self-monitoring (Foti & Hauenstein, 2007) as well as political skill (Douglas & Ammeter, 2004), each of which could be said to describe a narcissist or a Machiavellian.

Machiavellianism

Niccolò Machiavelli (1469-1527) was an Italian diplomat and political philosopher who coined the well-known idiom, "the end justifies the means"; he is known for his advocacy of manipulative behavior in order to acquire and maintain power. Machiavelli's philosophy has been applied to modern fields including psychology, where Machiavellianism is defined as "the use of guile, deceit, and opportunism in interpersonal relations" (Christie, 1970, p. 1). Machiavellians are convincing liars (DePaulo & Rosenthal, 1979; Geis & Moon, 1981; Lewicki,

1983) with persuasive ability (Christie & Geis, 1970; Huber & Neale, 1986; Sheppard & Vidmar, 1980) who utilize deceptive interpersonal tactics. They tend to be skilled at creating a desired image, including perceptions of charisma and greatness (Deluga, 2001) and are adept at forming political alliances (Pfiffner, 1951). In fact, Presidential Machiavellianism has been found to be associated with the total number of legislative acts passed as well as the total number of legislative victories and defeats (Simonton, 1986). See Table 2 for a brief summary of Machiavellianism.

With regard to its relationship with ethical leadership, some research shows that Machiavellianism is associated with negative effects, such as willingness to pay illegal kickbacks (Hegarty & Sims, 1978), unethical decision-making (Beu, Buckley, & Harvey, 2003; Ross & Robertson, 2003), salespeople's willingness to lie (Ross & Robertson, 2000), and counterproductive behaviors such as absenteeism (Aziz, 2004). Other research found that students who plagiarize invoke Machiavellian justifications (i.e., plagiarism is justifiable if you don't get blamed or caught; Granitz & Loewy, 2007). Machiavellian leaders are willing to manipulate others in order to accomplish their own goals; some interpretations of Machiavelli's writings suggest it is vital that leaders' motivational methods be perceived as inspired by the values of integrity, wisdom, and selflessness, but that these values themselves are not essential for leadership (Harvey, 2001; Julius, Baldridge, & Pfeffer, 1999; McGuire & Hutchings, 2006). Furthermore, the perception of top-management competence and loyalty is seen as critical to Machiavellian leaders (McGuire & Hutchings, 2006); while these individuals may be essentially self-seeking, their self-interest may be harnessed for the common good, where mutual goals are articulated that benefit all organizational members (Jay, 1967). Unlike the aforementioned research suggesting that Machiavellianism is inherently bad, these ideas suggest that while the

"means" may be inconsistent with ethical intentions, the "end" could actually be perceived as ethical.

This brings to mind the topic of ethical context. Machiavelli suggests that it is essential for any leader who desires to retain power to be aware of human nature; in doing so, he/she will be able to calculate whether it is better to be loved rather than be feared (Gutfreund, 2000). This suggests that Machiavellians are tuned-in to the context and situation to determine their method of influence (fear or love). In fact, it has been found that Machiavellians tailor their words and actions to each audience they encounter in order to earn favor with others (Biberman, 1985; Dingler-Duhon & Brown, 1987; O'Conner & Simms, 1990). In addition, Leone and Corte (1994) found that individuals high in Machiavellianism operate similarly to high self-monitors in the experience of self-presentation conflicts. Machiavellian individuals do not consistently operate within a specific framework of ideologies/behaviors (Gutfreund, 2000; McGuire & Hutchings, 2006). If the individual perceives them to be warranted by the current situation, they may adopt positions that appear inconsistent and even opposing (Gutfreund; McGuire & Hutchings); thus, Machiavellianism refers to the utilitarian nature of action, rather than a polarized construct of morality (McGuire & Hutchings).

> *H1*: The relationship between leader Machiavellianism and subordinate perceptions of ethical leadership will be moderated by ethical context, such that in an ethical context, Machiavellianism will be positively related to ethical leadership and in an unethical context, Machiavellianism will be negatively related to ethical leadership.

Machiavellians will be compelled to fulfill others' expectations and act consistently with their environment in order to get people to do what they want.

In social interactions, Machiavellians have an acute sense of timing (Christie & Geis, 1970) and portray an image of confidence, even when uncertain (Pfiffner, 1951). They function well in stressful, unstructured, competitive situations where their ability to remain coolly detached and their aptitude for improvisation are advantageous (Christie & Geis). It follows then, that Machiavellians are likely to emerge as leaders in small groups (Bochner, di Salvo, & Jonas, 1975; Okanes & Stinson, 1974; Rim, 1966) and may explain why individuals high in Machiavellianism are selected more often for leadership positions and lead their groups to greater success (Drory & Gluskinos, 1980). Furthermore, it has been demonstrated that leader effectiveness is related to "Machiavellianesque" traits like self-monitoring (Foti & Hauenstein, 2007) and political skill (Douglas & Ammeter, 2004).

H2: Leader Machiavellianism will be positively related to subordinate perceptions of leader effectiveness.

Narcissism

The concept of narcissism stems from the Greek myth of Narcissus, a man who considered himself so superior that he rebuked the love of others; he then fell in love with his own reflection and died, transfixed. In general, narcissists may be characterized as having a positive and inflated self-view, maintained by distinctive patterns of behavior that hinder interpersonal intimacy. Narcissists believe themselves to be better than others in qualities like attractiveness, intelligence, and extraversion (Campbell et al., 2004; Gabriel, Critelli, & Ee, 1994), exaggerating their abilities and achievements (Farwell & Wohlwend-Lloyd, 1998; John & Robins, 1994). They tend to base predictions of their future performance on falsely-inflated expectations rather than performance history, leading them to be overconfident in success despite

no greater actual success (Campbell et al.). Yet, narcissists are experts in self-love: they are self-forgiving and not prone to guilt or shame (Strelan, 2007).

In fact, narcissists engage in patterns of behavior that allow them to maintain these positive self-views. Narcissists love to be the center of attention, so they are known to brag, show off, and seek attention in social situations (Buss & Chiodo, 1991; Hogan & Hogan, 2001). They are energetic (Raskin & Terry, 1988), extraverted (Oltmanns, et al., 2003; Paulhus & John 1998), socially confident (Watson & Biderman, 1994), and entertaining (Paulhus, 1998). They seek the admiration of others (Campbell, 1999; Morf & Rhodewalt, 2001) and intentionally associate with high-status individuals (Campbell, 1999). The supreme confidence and dominance of narcissists makes them inspirational (Rosenthal & Pittinsky, 2006), and their certainty and confidence in decision-making makes them influential (Hogan, et al., 1990).

While narcissists have honed their attention-grabbing social skills that may make them first appear to be excellent leaders, their methods tend to result in relationships lacking intimacy and have many qualities inconsistent with ethical leadership. Although narcissists are often well-liked in the short-term (Brunell, Campbell, Smith, & Krusemark, 2004; Oltmanns, et al., 2003; Paulhus, 1998), this liking dissipates over time (Campbell & Foster, 2002; Paulhus) resulting in a pattern of frequent, short-term relationships with less emotional intimacy (Foster, Shrira, & Campbell, 2006). Their methods for gaining admiration and affirmation are self-defeating in the long-term because the tactics used (low intimacy, self-aggrandizing, aggression, and derogation) undermine interpersonal relationships (Morf & Rhodewalt, 2001). For example, they are willing to derogate others in order to maintain self-esteem (John & Robins, 1994; Morf & Rhodewalt, 1993). During teamwork, they have been found to overestimate their own contributions, while dismissing the positive input of others (Campbell, Reeder, Sedikides, & Elliot, 2000; Farwell &

Wohlwend-Lloyd, 1998; John & Robins). Narcissism has been found to be associated with counter-productive work behaviors (Penney & Spector, 2002; Penney, 2003) and to be negatively related to leader integrity (Blair et al., in press; Helland & Blair, 2005; Kets de Vries & Miller, 1985; Mumford, Connelly, Helton, Strange & Osburn, 2001). See Table 2 for a brief summary of narcissism.

H3: Leader narcissism will be negatively related to subordinate perceptions of ethical leadership.

Unlike Machiavellianism, ethical context is not proposed as a moderator of the relationship between narcissism and ethical leadership. Narcissists are unlikely to engage in social scanning, believing that they already know the best decision (Kets deVries & Miller, 1985) and are unable to recognize others' feelings (Watson, et al., 1984). In addition, narcissism is associated with less conformity to social norms and low interpersonal commitment (Foster, et al., 2006). This suggests that narcissists should be impervious to organizational context; their tendency toward self-focus and lack of empathy makes them generally indifferent to the environment around them—ethical or not.

The relationship between narcissism and leader effectiveness is likely to be complex. On the one hand, narcissists' over-estimation of success and ability (Campbell, et al., 2004; Farwell & Wohlwend-Lloyd, 1998; John & Robins, 1994) and unwillingness to admit faults (Kets deVries & Miller, 1985) may make them unlikely to calibrate their methods or strategies to improve effectiveness. Furthermore, many of the self-enhancement techniques used by narcissists have a negative impact on interpersonal relationships (Campbell, et al., 2000; Farwell & Wohlwend-Lloyd; John & Robins; Morf & Rhodewalt, 1993), especially in the long-term

(Campbell & Foster, 2002; Paulhus, 1998). This is reason to suspect that narcissism would be negatively related to subordinate perceptions of leader effectiveness.

On the other hand, there is significant evidence suggesting that narcissists would be judged by others to be effective leaders. For example, because narcissists spend time looking for ways to augment the self, they do not remain at status quo and react defensively; this makes them more likely to get results (Campbell, Brunell, & Finkel, 2006). In fact, narcissists are likely to perform well when there is an opportunity for glory (Wallace & Baumeister, 2002) and for this reason they are likely to self-nominate for challenging tasks (Rosenthal & Pittinsky, 2006). A willingness to change or ignore rules that impede their progress (Rosenthal & Pittinsky) may indicate an entrepreneurial spirit. In fact, they have been found to show a propensity for grand vision and innovation, and a focus on the big-picture; they delegate the minutia to others and work to shape the future (Rosenthal & Pittinsky). Furthermore, there is recent evidence that the negative effects of narcissism on interpersonal commitment (arguably, a factor of leader effectiveness; Yukl, 2002) is buffered or reduced when communal concerns (i.e., morality) are activated (Campbell et al., 2006; Campbell, Finkel, Buffardi, Kumashiro, & Rusbult, 2008). This suggests that ethical context may serve as a primer or activator of narcissists' communal concerns, moderating the relationship between narcissism and ratings of leader effectiveness.

> *H4*: The relationship between leader narcissism and subordinate perceptions of leader effectiveness will be moderated by ethical context, such that in an ethical context, narcissism will be more positively related to leader effectiveness.

Summary

In summary, this study is an investigation of the relationships between Machiavellianism and ethical leadership, and between narcissism and ethical leadership. In addition, the role of

ethical context in moderating these relationships is examined. Furthermore, the understanding of the impact of leaders' narcissism and Machiavellianism on their perceived effectiveness is an important purpose of this study because the duality and complex nature of these traits suggests that their relationships to ethical leadership and leader effectiveness may be independent. In other words, given the "bright" and "dark" sides of Machiavellianism and narcissism, it is feasible that leaders with these traits could be both unethical and effective, or vice versa; indeed this would pose an interesting theoretical inconsistency for researchers and dilemma for practitioners. The purpose of the study is to achieve a better understanding of the implications of the Narcissist's charm, the Machiavellian's guile, and the organization's ethical context with regard to subordinate perceptions of ethical leadership and leader effectiveness.

Table 1

The Two Pillars of Ethical Leadership[1]

Moral Person	Moral Manager
Traits Integrity Honesty Trustworthiness	Role Modeling Through Visible Action
Behaviors Do the Right Thing Concern for People Being Open Personal Morality	Rewards and Discipline
Decision-Making Hold to Values Objective/Fair Concern for Society Follow Ethical Decision Rules	Communicating about Ethics and Values

[1]From "Moral Person and Moral Manager: How Executives Develop a Reputation for Ethical Leadership," by L. K. Treviño, L. P. Hartman, & M. Brown, 2000, *California Management Review, 42*, p. 131. Adapted with permission of the authors.

Table 2

Machiavellianism and Narcissism

	Machiavellianism	Narcissism
Characteristics	Use of guile, deceit & opportunism in relationships Convincing liars & persuasive Skilled at creating desired image Adept at forming political alliances	Positive & inflated self-view (attractiveness, intelligence) Exaggerated ability & inflated prediction of success Self-forgiving Attention-seeking, energetic & entertaining
Ethical Leadership	Willingness to pay illegal kickbacks Unethical decision-making Willingness to lie Absenteeism Need to be perceived as inspired by integrity & selflessness May pursue the greater good in order to earn loyalty	Relationships lacking intimacy Well-liked in short-term, but not over time Willing to derogate others to maintain self-esteem Overestimate their own contributions, minimizing the contributions of others Leader integrity (-)
Leader Effectiveness	Excellent timing in social interactions Confident Function well in stressful, competitive situations Aptitude for improvisation Emergent leaders Selected more often for leadership positions Led groups to greater success	Inspirational & influential Poor interpersonal relationships Perform well with opportunity for glory or positive self-presentation Change or ignore rules impeding progress Vision & innovation; big-picture focus
Ethical Context	Attend to context to determine method of influence Experience self-presentation conflict, consistent with high self-monitors Actions/decisions motivated by utility rather than morality	Lack of social scanning Unable to recognize others' feelings Less conformity to social norms Low interpersonal commitment Lack of empathy

CHAPTER 2

METHOD

Participants

Researchers have found that web-based data collection has made self-report surveys less expensive and easier to conduct (Kraut, Olson, Banaji, Bruckman, Cohen, & Couper, 2004). In addition it has been reported that the use of web-based surveys provides better access to more diverse samples.

Data for this study was collected using two web-based samples. The first is a sample of participants who have volunteered to participate in social science research by registering for an online survey service called *StudyResponse*. StudyResponse is an academic, non-profit research project founded for the purpose of improving the feasibility of online research; the researcher pays for this service, and the fee includes prescreening eligible participants, sending a recruitment email to participants (customized by the researcher), and offering incentives for participants who complete the survey (raffle entry to win gift certificates to a popular web retailer). The web-based facilities and databases for the system are hosted by the School of Information Studies at Syracuse University and administration is accomplished by a team of researchers and research assistants. The database of potential participants includes over 80,000 people from many occupations, racial/ethnic groups, ages, and nationalities; the e-mail addresses and identities of eligible participants are maintained by StudyReponse, thus the researcher is blind to these variables. All studies conducted using StudyResponse must be self-report, web-based, anonymous and confidential, and approved by a registered Institutional Review Board.

Over 200 studies have been conducted using samples of StudyResponse participants, from which numerous publications and presentations have resulted (e.g., Dennis & Winston, 2003; Piccolo & Colquitt, 2006; Vodanovich, Wallace, & Kass, 2005). (For details about this sampling method, please see www.studyresponse.com).

The second sample was a random sampling of managers collected using a "snowball" sampling technique (Ruane, 2005). This methodology is often used to survey individuals on sensitive topics (Faugier & Sargeant, 1997). More recently, researchers have found that the snowball methodology is a viable method for conducting organizational research that might involve sensitive issues such as negative attitudes about an organization or an individual's career (Eaton & Struthers, 2002; McCleese, Eby, Scharlau, & Hoffman, in press); this is an important precedent due to the social desirability of the constructs measured in this study. The sampling strategy first involved identifying a number of initial contacts currently employed in a variety of industries. These individuals were sent a recruitment e-mail, explaining the study criteria (currently employed and managing/supervising three or more employees) and asking them to complete the survey and forward the recruitment e-mail to other contacts that fit the study criteria. Demographic questions were asked in the demographic section of the survey to eliminate any respondents that did not meet study criteria.

All surveys were hosted by Survey Monkey. (For details about this data collection method, please see www.surveymonkey.com.) Those that wished to complete the survey using a paper-and-pencil format were able to print off the survey and send it via mail.

Due to the nature of this study, two populations were sampled. All antecedent variables were self-reported by manager respondents. The ethical leadership variable was reported by managers' direct reports, who should be the most proximate observers of these behaviors. To

achieve a complete case, each manager must complete the manager questionnaire; in addition, each manager case must be matched to a minimum of two direct report ratings. Demographic information was collected for all participants, including age, gender, level of education, job level, number of direct reports, organization size, workgroup size, tenure with the organization, and tenure in position; for subordinate respondents, time manager has been known was also collected.

The manager sample includes 43% females and 56% males with a mean age of 38.0 years (*SD* = 7.38). Managers in this sample come from organizations ranging in size from one to 20 employees (19%), 21 to 100 employees (16%), 101 to 500 employees (16%), 501 to 1,000 employees (9%), 1,001 to 10,000 employees (16%), 10,001 to 50,000 employees (13%), 50,001 to 100,000 employees (2%), and up to 100,000 or more employees (9%). Managers in this sample have worked for their current employer for less than three months (1%), three months to one year (7%), one to three years (20%), three to five years (21%), five to 10 years (27%), 10 to 15 years (11%), and 15 or more years (14%). Their job levels include associate (7%), supervisor (22%), manager or senior manager (39%), director or senior director (11%), vice president (5%), and executive (5%). Managers' level of education includes high school or GED (8%), some college (19%), associate's degree (9%), bachelor's degree (29%), some graduate school (8%), master's degree or MBA (21%), and doctorate degree (4%). The sample of managers represents a wide range of real-world managers.

The subordinate sample includes 53% females and 47% males with a mean age of 36.5 years (*SD* = 10.49). Subordinates in this sample have known their managers for less than three months (1%), three months to one year (24%), one to three years (38%), three to five years (17%), five to 10 years (13%), 10 to 15 years (1%), and 15 or more years (4%). Their job levels

include entry-level (21%), associate (28%), supervisor (9%), manager or senior manager (22%), director or senior director (5%), vice president (3%), and executive (1%). Subordinates' level of education includes some high school (1%), high school or GED (8%), some college (19%), associates degree (11%), bachelors degree (37%), some graduate school (3%), masters degree or MBA (17%), and doctorate degree (2%).

Procedure

Ten thousand participants from the StudyResponse database were prescreened for potential participants who are in a managerial/supervisory role (currently employed, and must have three or more subordinates): 2,040 individuals responded, including 779 meeting the study requirements. This refined sample of 779 managers was recruited by StudyResponse via email and provided with a URL that linked them to the online manager questionnaire, hosted by Survey Monkey (www.surveymonkey.com). Each manager was asked to enter his/her individual StudyResponse ID number that would allow StudyResponse to identify who had responded, and distribute the incentives accordingly. In the snowball sample, each manager was asked to self-assign a five-to-nine-digit ID number that would function similarly. In addition, a recruitment e-mail was sent to initial contacts for the snowball sampling method, providing them with a brief description of the study, eligibility requirements, and confidentiality assurances. The 86-item manager questionnaire was estimated to take approximately 20 minutes to complete. A total of 438 managers responded from both the StudyResponse sample and the snowball sample. However, 87 cases were removed due to missing data and 116 cases were removed due to random response (as evident by consistent response patterns regardless of item reverse-scoring); this resulted in 233 viable manager cases.

In the recruitment letter, managers were asked to forward a follow-up recruitment letter containing a link to the subordinate questionnaire to a minimum of three direct reports; subordinates were provided with a URL that linked them to the online subordinate questionnaire, also hosted by Survey Monkey. Subordinate respondents were asked to enter the ID number belonging to their manager, allowing subordinate responses to be matched to manager responses anonymously. The 14-item subordinate questionnaire was estimated to take approximately five minutes to complete. A total of 168 subordinates completed the follow-up survey; however, 17 cases were removed due to missing data. In addition, 165 manager responses had fewer than two matched subordinate responses; these unmatched responses did not qualify as "complete cases" and were and excluded from analyses. The final resulting sample size (manager-subordinate matches) was 68. Of the resulting sample, the mean of subordinate ratings per manager was 2.54 (*SD* = .84).

It was determined whether it was appropriate to aggregate individual responses for an overall subordinate rating of the manager by calculating r_{wg} (James, Demaree, & Wolf, 1984). For ethical leadership, the mean r_{wg} was .95 and the median was .97. For leader effectiveness, the mean r_{wg} was .93 and the median was .95. These results are comparable or better than ratings of interrater agreement found in other leadership studies (e.g., Bliese, Halverson, & Schriesheim, 2002; Judge & Bono, 2000; Schriesham, Cogliser, & Neider, 1995).

Measures

The manager questionnaire used 86 items to measure three variables (see Appendix A). Confirmatory factor analysis verified the factor structure of each dimension using the full range of manager responses (*N* = 233; NFI = .67; TLI = .78; CFI = .79; SRMSR = .12; RMSEA = .09). This test of overall model fit did not meet the suggested standards for several incremental fit

indices: normed fit index (NFI, ≥ .90; Bentler & Bonnett, 1980), Tucker-Lewis Index (TLI, ≥ .95; Hu & Bentler, 1999), comparative fit index (CFI, ≥ .95; Bentler, 1990). However, Raykov (1998) suggested that the use of the root mean squared error of approximation (RMSEA) would be appropriate in personality research, because the RMSEA does not assume a perfect model fit. According to Raykov (1998), a perfect model fit is not realistic in personality research because the personality phenomenon can be considered exceedingly complex and because it is not possible to include all relevant variables in studies on personality. In fact, RMSEAs at or below .10 represent "adequate" fit (Browne & Cudeck, 1993), suggesting that this model is a satisfactory fit for the sample of manager data.

Machiavellianism. Christie and Geis (1970) developed several scales for use in determining the extent to which people believe in Christie and Geis (1970the manipulability of others. One of these scales is the Mach-IV, which uses 20 items to assess themes of interpersonal trust, manipulation, honesty, and lying. Items are listed as assertive statements (e.g., "It's hard to get ahead without cutting corners.") to which the respondent indicates the degree to which this statement represents his/her opinion using a 5-point Likert-type scale where 1 equals Strongly Disagree and 5 equals Strongly Agree. Of the 20 total items, 9 are reverse-scored and responses are weighted accordingly. A sum of responses was calculated. Scores on the Mach-IV can range from 20 to 100, with higher scores indicating greater Machiavellianism. Christie and Geis reported an average split-half reliability of .79. Many studies have established the convergent and discriminant validity of the Mach-IV (e.g., Wrightsman, 1991). For this study, the Chronbach's alpha of the Mach-IV was .76.

Narcissism. Narcissism is measured using the 40-item Narcissisistic Personality Inventory (NPI; Raskin & Terry, 1988). The NPI is a forced-choice measure: each item contains

a pair of statements (e.g., “I am much like everyone else;” “I am an extraordinary person”). Of the total 40 items, 15 are reverse-scored and are weighted accordingly. Based on dichotomous coding of response options, a sum of responses was calculated, with higher scores representing higher levels of trait narcissism. The NPI demonstrates adequate reliability and validity and is a commonly-used self-report measure of narcissism in normal populations (Raskin & Terry; Rhodewalt & Morf, 1995). For the current sample, the internal consistency estimate was .88.

Ethical context. The ethical context of the organization is measured using Victor and Cullen’s (1988) Ethical Climate Questionnaire (ECQ). The 26-item instrument asks participants to evaluate the climate of their organization by indicating the degree to which they agree with statements describing their organization on a six-point Likert-type scale where 0 equals Strongly Disagree and 5 equals Strongly Agree. A sample item is, “Successful people in this company go by the book.” Of the 26 total items, 13 are reverse-scored and responses are weighted accordingly. A sum of responses was calculated, with higher scores representing a more ethical context. Cronbach's alpha for this scale has been found to range from .59 to .94 (e.g., Treviño, Butterfield, & McCabe, 1998; Victor & Cullen); in this study, alpha equals .72.

The subordinate questionnaire uses 14 items to measure two variables (see Appendix B). Confirmatory factor analysis verified the factor structure of these dimensions using the full range of subordinate responses (N = 150; NFI = .95; TLI = .96; CFI = .97; SRMSR = .05; RMSEA = .10). A comparison of these general fit indices to suggested standards indicates that this model is an excellent fit for the available sample of subordinate data.

Ethical leadership. Ethical leadership is measured using the 10-item Ethical Leadership Scale (ELS) (Brown et al., 2005). This scale was developed based on a need for a comprehensive measure of the ethical leadership construct, based on social learning theory. The instrument

demonstrates high reliability (coefficient alpha ranging from .90 to .94; Brown, et al.); using the current sample, alpha equals .91. Items are rated on a 5-point Likert-type scale where 1 equals strongly disagree and 5 equals strongly agree. A sample item is "My immediate supervisor/manager makes fair and balanced decisions." A sum of item responses was calculated, with higher scores representing higher levels of perceived ethical leadership.

Leader effectiveness. Perceptions of leader effectiveness are measured using the four-item leader effectiveness subscale from the Multifactor Leader Questionnaire (MLQ; Bass & Avolio, 2004). The reliability of this subscale has been found to range from .79 to .85; with the current sample, the reliability was found to be .87. Items are rated on a 5-point Likert-type scale where 1 equals strongly disagree and 5 equals strongly agree. A sample item is "My personal values match my organization's values and culture." A sum of item responses was calculated, with higher scores representing higher levels of perceived leader effectiveness.

CHAPTER 3

RESULTS

A Power analysis revealed that a sample size of approximately 78 would be sufficient to detect significant effects ($\alpha = .05$) with Power of .80 (as suggested by Cohen, 1994); unfortunately the resulting sample size for this study was only 68. The expected Power for the current sample size is approximately .74. To account for the influence of sample size on traditional significance testing, Cohen's *d*, a measure of effect size, is also reported. This may be a more accurate estimation of the magnitude of effects than traditional significance testing (Cohen, 1994; Gigerenzer, 1993; Keppel & Zedeck, 1989).

Correlations between study variables are shown in Table 3. A significant correlation between manager age and narcissism ($r = -.267$, $p = .028$) suggests the need to control for age in analyses involving narcissism, consistent with narcissism research (Foster, Campbell, & Twenge, 2003). Subordinate ratings of time they have known the manager (time known) are correlated with ratings of ethical leadership ($r = .251$, $p = .039$), suggesting the need to control for time known in analyses involving ethical leadership.

A sequential multiple regression analysis was employed to build a model for predicting ethical leadership in H1. In the first step, one control variable was added: subordinates' ratings of time they have known the manager. This model was statistically significant, $F(1, 66) = 4.437$, $p = .039$, $R^2 = .063$. As shown in Table 4, time known had a significant unique effect. Machiavellianism was entered in the second step. As indicated by the non-significance of the change in *F*, the addition of this predictor did not significantly increase the fit of the model to the

data, $F(2, 65) = .063$, $p = .117$, $R^2 = .064$. Machiavellianism did not have a significant unique effect. In the third step, ethical context was added. As indicated by the non-significance of the change in F, the addition of this predictor did not significantly increase the fit of the model to the data, $F(3, 64) = .181$, $p = .218$, $R^2 = .067$. Ethical context did not have a significant unique effect. In the fourth and final step, an interaction term was added: the interaction between Machiavellianism and ethical context. Addition of the interaction term did not significantly increase the fit of the model to the data, $F(4, 63) = .187$, $p = .331$, $R^2 = .069$. There was no support for H1: Machiavellianism does not have a relationship to ethical leadership, either direct or moderated by ethical context. However, the directions of the coefficients change as each predictor is added to the model, suggesting a complex relationship between Machiavellianism, ethical context, and ethical leadership. When Machiavellianism is introduced to the model in step two, the coefficient is positive ($\beta = .030$, $p = .803$). When ethical context is added in step two, the coefficient for Machiavellianism becomes negative ($\beta = -.010$, $p = .947$). When the interaction term is added in step three, Machiavellianism becomes positive once again ($\beta = .394$, $p = .679$), and the interaction term is negative ($\beta = -.689$, $p = .667$). The fact that the sequential addition of these predictors influences their behavior in the model may be an indication that this relationship should be investigated further.

A simple regression analysis was employed to build a model for predicting leader effectiveness in H2. Machiavellianism was entered as a predictor, but this model did not significantly fit the data, $F(1, 66) = .086$, $p = .770$, $R^2 = .001$. Although Machiavellianism did not have a significant unique effect on leader effectiveness, the effect did operate in the hypothesized direction (positive; see Table 5). There was no support for H2. Machiavellianism does not have a relationship to leader effectiveness.

A sequential multiple regression analysis was employed to build a model for predicting ethical leadership in H3. In the first step, two control variables were added: subordinates' ratings of time they have known the manager and manager age. This model was statistically significant, $F(2, 65) = 3.203$, $p = .024$, $R^2 = .090$. Time known had a significant unique effect. Narcissism was entered in the second step. As indicated by the significance of the change in F, the addition of this predictor significantly increased the fit of the model to the data, $F(3, 64) = 2.901$, $p = .046$, $R^2 = .129$ (see Table 4). Narcissism had a significant unique effect, providing support for H3 ($\beta = -.208$, $p = .046$, $d = .42$).

A sequential multiple regression analysis was employed to build a model for predicting leader effectiveness in H4. In the first step, manager age was added as a control variable. This model was not statistically significant, $F(1, 66) = .445$, $p = .507$, $R^2 = .007$ (see Table 5). Narcissism was entered in the second step. As indicated by the non-significance of the change in F, the addition of this predictor did not significantly increase the fit of the model to the data, $F(2, 65) = 1.873$, $p = .176$, $R^2 = .035$. Narcissism did not have a significant unique effect. In the third step, ethical context was added. As indicated by the non-significance of the change in F, the addition of this predictor did not significantly increase the fit of the model to the data, $F(3, 64) = .230$, $p = .633$, $R^2 = .038$. Ethical context did not have a significant unique effect. The fourth and final step consisted of adding an interaction term, the interaction between narcissism and ethical context. Addition of the interaction term significantly increased the fit of the model to the data, $F(4, 63) = 8.709$, $p = .004$, $R^2 = .155$. In this model, narcissism, ethical context, and the interaction between these two constructs each had a significant unique effect. The final model was as follows: LeaderEffectiveness = -.061∗Age + 3.731∗Narcissism + .885∗EthicalContext – 3.885∗Narcissism*EthicalContext. The interaction is illustrated in Figure 1, where the

relationship between narcissism and leader effectiveness is plotted for low ethical context (one and two standard deviations below the mean), mean ethical context, and high ethical context (one and two standard deviations above the mean). The negative effect of narcissism on perceived leader effectiveness is reduced, and in fact becomes positive as ethical context decreases. There was full support for H4: the relationship between narcissism and leader effectiveness is moderated by ethical context.

Based on the outcome of H4, an a posteriori research question was tested: does ethical context also moderate the relationship between narcissism and ethical leadership? This relationship was originally hypothesized as a direct effect, but perhaps the effect is more complex. A sequential multiple regression analysis was used to build a model for predicting ethical leadership, testing this a posteriori research question. In the first step, manager age and time known were added as control variables. This model was statistically significant, $F(2, 65) = 3.203$, $p = .047$, $R^2 = .090$ (see Table 6). Narcissism was entered in the second step. As indicated by the non-significance of the change in F, the addition of this predictor did not significantly increase the fit of the model to the data, $F(3, 64) = 2.901$, $p = .093$, $R^2 = .129$. Narcissism did not have a significant unique effect. The third step consisted of adding ethical context. As indicated by the non-significance of the change in F, the addition of this predictor did not significantly increase the fit of the model to the data, $F(4, 63) = .302$, $p = .585$, $R^2 = .133$. Ethical context did not have a significant unique effect. In the fourth and final step, an interaction term was added: the interaction between narcissism and ethical context. Addition of the interaction term significantly increased the fit of the model to the data, $F(5, 62) = 5.041$, $p = .028$, $R^2 = .199$. In summary, narcissism, ethical context, and the interaction term each had a significant unique effect. The final model was as follows: EthicalLeadership = .254*TimeKnown – .153∗Age +

2.876∗Narcissism + .718∗EthicalContext – 3.057∗Narcissism*EthicalContext. The interaction is illustrated in Figure 2, where the relationship between narcissism and ethical leadership is plotted for low ethical context (one and two standard deviations below the mean), mean ethical context, and high ethical context (one and two standard deviations above the mean). The negative effect of narcissism on perceived ethical leadership is reduced, and in fact becomes more positive as ethical context increases. There was full support for this a posteriori research question: the relationship between narcissism and ethical leadership is moderated by ethical context.

Table 3

Study Variable Correlations and Descriptives (N = 68)

	Items	Mean	SD	1	2	3	4	5	6	7
1. Age (L)	1	38.00	7.38	--						
2. Time Known Manager (S)	1	3.54	1.27	.409**	--					
3. Ethical Context (L)	26	91.53	9.78	.154	.081	**.72**				
4. Machiavellianism (L)	20	69.14	8.78	.209	.158	.620**	**.76**			
5. Narcissism (L)	40	13.88	6.65	-.267*	-.009	-.121	-.162	**.88**		
6. Ethical Leadership (S)	10	34.75	9.36	-.046	.251*	.079	.069	-.145	**.91**	
7. Leader Effectiveness (S)	4	13.52	4.39	-.082	.186	.059	.036	-.139	.852**	**.87**

(L) Reported by leader. (S) Reported by subordinate. Coefficient alpha in **boldface** across diagonal. * $p < .05$, two-tailed. ** $p < .01$, two-tailed.

Table 4

Summary of Hierarchical Regression Analysis for Variables Predicting Ethical Leadership (N = 68)

	Model 1			Model 2			Model 3			Model 4			
Variable	*B*	*SE B*	β	*B*	*SE B*	β	*B*	*SE B*	β	*B*	*SE B*	β	*d*
Time Known Manager (S)	1.850	.878	.251*	1.814	.896	.246*	1.822	.902	.247*	1.837	.908	.249*	.54
Machiavellianism (L)				.032	.130	.030	-.011	.166	-.010	.420	1.011	.394	.10
Ethical Context (L)							.063	.147	.065	.406	.807	.424	.12
Mach X Context										-.005	.011	-.689	.11
R^2 (F for change in R^2)	.063 (4.437*)			.064 (.063)			.067 (.181)			.069 (.187)			
Time Known Manager (S)	2.390	.956	.324**	2.574	.948	.349**							.66
Age (L)	-.227	.165	-.179	-.311	.169	-.245*							.45
Narcissism (L)				-.292	.171	-.208*							.42
R^2 (F for change in R^2)	.090 (3.203*)			.129 (2.901)									

(L) Reported by manager. (S) Reported by subordinate. *$p < .05$. **$p < .01$.

Table 5

Summary of Hierarchical Regression Analysis for Variables Predicting Leader Effectiveness (N = 68)

	Model 1			Model 2			Model 3			Model 4			
Variable	*B*	*SE B*	β	*B*	*SE B*	β	*B*	*SE B*	β	*B*	*SE B*	β	*d*
Machiavellianism (L)	.018	.061	.036										.07
R^2 (*F* for change in R^2)	.001 (.086)												
Age (L)	-.049	.073	-.082	-.076	.075	-.128	-.081	.076	-.136	-.036	.074	-.061	.12
Narcissism (L)				-.114	.083	-.173	-.111	.084	-.168	2.461	.875	3.731**	.69
Ethical Context (L)							.027	.056	.060	.397	.136	.885**	.71
Narcissism X Context										-.029	.010	-3.885**	.72
R^2 (*F* for change in R^2)	.007 (.445)			.035 (1.873)			.038 (.230)			.155 (8.709**)			

(L) Reported by manager. (S) Reported by subordinate. *$p < .05$. **$p < .01$.

Table 6

Summary of Hierarchical Regression Analysis for Variables Predicting Ethical Leadership – Research Question (N = 68)

	Model 1			Model 2			Model 3			Model 4			
Variable	*B*	*SE B*	β	*B*	*SE B*	β	*B*	*SE B*	β	*B*	*SE B*	β	*d*
Time Known Manager (S)	2.390	.956	.324*	2.574	.948	.349**	2.558	.954	.347**	1.870	.974	.254	.47
Age (L)	-.227	.165	-.179	-.311	.169	-.245	-.320	.171	-.253	-.194	.175	-.153	.27
Narcissism (L)				-.292	.171	-.208	-.284	.173	-.202	4.045	1.935	2.876*	.51
Ethical Context (L)							.063	.114	.065	.687	.299	.718*	.56
Narcissism X Context										-.048	.021	-3.057*	.55
R^2 (F for change in R^2)	.090 (3.203*)			.129 (2.901)			.133 (.302)			.199 (5.041*)			

(L) Reported by manager. (S) Reported by subordinate. *$p < .05$. **$p < .01$.

Figure Captions

Figure 1. Subordinate perceptions of leader effectiveness as a function of manager narcissism and manager-reported ethical context.

Figure 2. Subordinate perceptions of ethical leadership as a function of manager narcissism and manager-reported ethical context.

Figure 1

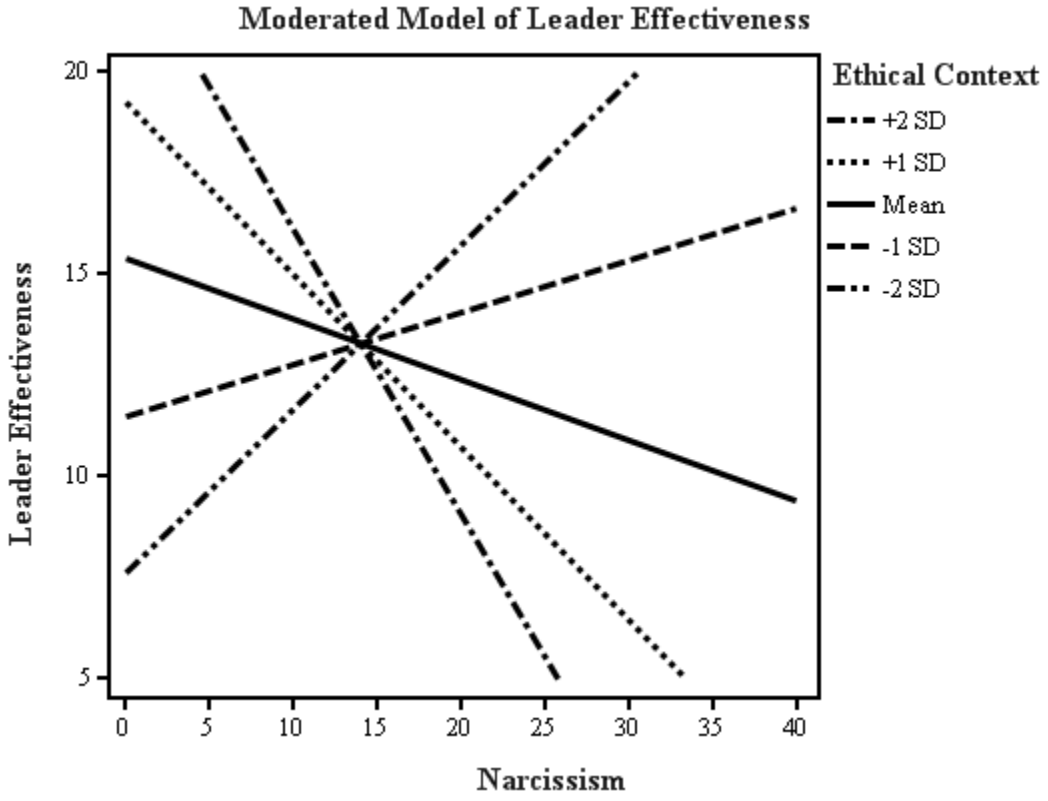
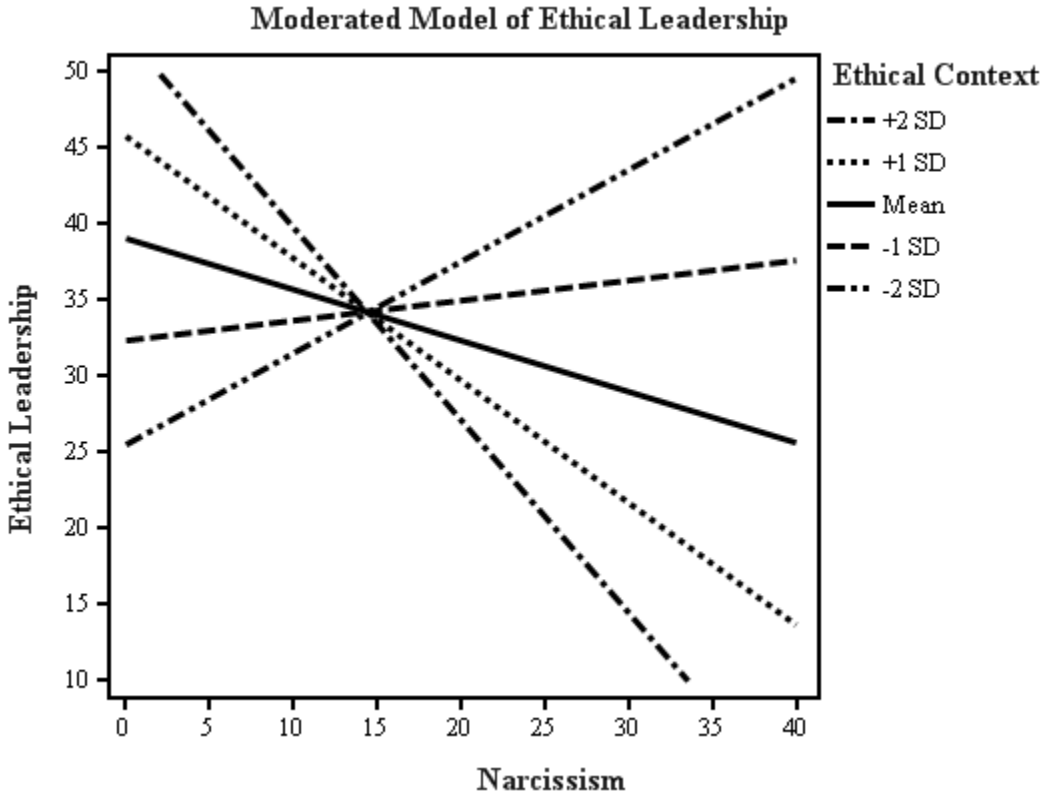

Moderated Model of Leader Effectiveness
Ethical Context
+2 SD
+1 SD
Mean
-1 SD
-2 SD
Leader Effectiveness
20
15
10
5
0
5
10
15
20
25
30
35
40
Narcissism

Figure 2


Moderated Model of Ethical Leadership
Ethical Context
+2 SD
+1 SD
Mean
-1 SD
-2 SD
Ethical Leadership
50
45
40
35
30
25
20
15
10
0
5
10
15
20
25
30
35
40
Narcissism

CHAPTER 4

DISCUSSION

General Discussion

The first hypothesis predicted a complex relationship between Machiavellianism and ethical leadership, one moderated by ethical context. The literature suggests that the relationship between Machiavellianism and ethical leadership is indeed complex: there is substantial evidence that Machiavellianism is associated with negative, and arguably "unethical" outcomes, such as willingness to pay illegal kickbacks (Hegarty & Sims, 1978), unethical decision-making (Beu et al., 2003; Ross & Robertson, 2003), willingness to lie (Ross & Robertson, 2000), absenteeism (Aziz, 2004), and plagiarism (Granitz & Loewy, 2007). However, from the perspective of a Machiavellian, it is also paramount to be perceived as credible in order to have the ability to influence others (Harvey, 2001; Julius et al., 1999; McGuire & Hutchings, 2006). This suggests that in an ethical context, Machiavellians would need to act ethically in order to gain favor with those around them; thus, this null finding is somewhat surprising. Upon careful investigation, it appears as if the strength and direction of Machiavellianism as a predictor is influenced by the entry of additional variables—particularly by ethical context and the interaction term. This pattern suggests that this effect may be worthy of further investigation, perhaps through a different or larger sample, using a different measure of Machiavellianism, or using a different criterion, such as observations of ethical behavior or ethical decision-making.

The second hypothesis predicted a simple positive relationship between Machiavellianism and leader effectiveness. Although the hypothesis was not supported, the

effect did operate in the hypothesized direction. This null finding is likely due to the dual nature of Machiavellianism: there are influences enabling Machiavellians' effectiveness [e.g., charisma and persuasiveness (Christie & Geis, 1970; Deluga, 2001), political-mindedness (Pfiffner, 1951), skill at creating a desired image (Deluga, 2001)], but there are also influences contributing to their ineffectiveness [e.g., use of opportunism (Christie & Geis, 1970), lying (DePaulo & Rosenthal, 1979; Geis & Moon, 1981; Lewicki et al., 1983), justification of illegal or unethical behavior (Granitz & Loewy, 2007; Hegarty & Sims, 1978; Ross & Robertson, 2000)]. Each set of factors pulls the effect in an opposite direction, leading to a null effect. It is also likely that the perceived effectiveness of Machiavellian leaders is highly individualized: it is likely to be heavily influenced by the individual's self-management of this trait and the subordinate's perception of the tactics used (Armor & Taylor, 2003; Gerhardt, Rode, & Peterson, 2007; Touhey, 1971). Future research may attempt to control for variables contributing to these contrasting effects, or substitute objective measures of effectiveness for the criterion.

The third hypothesis examined the direct effect of narcissism on ethical leadership. Beyond controls for age and time known, narcissism had a significant negative effect. This suggests that in general, more narcissistic leaders are perceived as less ethical. This finding is consistent with previous literature that has found narcissism to be associated with leader [lack of] integrity (Blair, et al., in press; Helland & Blair, 2005; Kets de Vries & Miller, 1985; Mumford, et al., 2001), white collar crime (Blickle, et al., 2006), counterproductive workplace behavior (Judge, et al., 2006; Penney & Spector, 2002), undermining of interpersonal relationships (Morf & Rhodewalt, 2001), and so on.

The fourth and final hypothesis, predicting a relationship between narcissism and leader effectiveness that is moderated by ethical context, was fully supported. Narcissism has a negative

effect on perceived leader effectiveness; however, this effect becomes more negative as ethical context scores increase, and becomes positive as ethical context scores decrease. The same significant effect was found when ethical leadership was used as the criterion in an a posteriori investigation. These findings are inconsistent with recent research in the context of romantic relationships uncovering the role of communal activation on the effects of narcissism. It was predicted that the organization's ethical context would serve as a primer for morality, a communal concept, and that this would be translated into increased perceptions of leader effectiveness and ethical leadership. However, it seems that an unethical context instead enables the perceived ethics and effectiveness of narcissistic leaders; conversely, an ethical context renders narcissistic leaders unsuccessful.

This finding points to the importance of ethical contexts in organizations. If narcissism has been found to be related to negative interpersonal and organizational outcomes, but this effect can be buffered by way of an ethical context, then this has important implications for both research and practice. For researchers, it suggests that environmental and context effects should be controlled in investigations of narcissism. For practitioners, it suggests that by cultivating an ethical context in the organization, narcissistic leaders may begin to experience person-organization misfit, encouraging them to leave the organization. On the other hand, it also suggests that a workplace rich with narcissistic leaders may create an environment in which ethical context is unimportant and in fact, undesirable in terms of leader effectiveness. Indeed this poses an important moral dilemma for top business leaders: what kind of environment do you want to create? These findings suggest that ethical context may have an important influence the success or failure of certain leaders.

Finally, this parallel finding suggests that ethical leaders and effective leaders may be one in the same. In fact, the significant correlation between the two measures would suggest so; this would also be consistent with Brown et al.'s (2005) finding that ethical leadership predicts leader effectiveness. If this is the case, ethical context may be the means to enabling leaders who are both ethical and effective. As a practitioner, it would be difficult to build a business case for improving leader ethics but not effectiveness (and vice versa). Perhaps ethical context provides a vehicle to influence both important qualities.

Limitations and Suggestions for Future Research

In order to fully consider the potential implications of this study, there are several limitations that must be addressed. The first is sample size. The difficulty in collecting real-world leader data matched with two or more subordinate responses is a reality in this line of research. Regardless, the small sample size used in this study is likely to have limited Power, or the ability to detect a significant effect. However, considering this limitation, the fact that any significance was obtained is impressive and suggests that these effects may be more important than is detected using this limited sample (Hays, 1994).

The null effects associated with Machiavellianism lead the author to question whether range restriction on the Mach IV measure was an influential factor. Proportionately, the amount of variability on this scale was less than that on other study variables, perhaps due to social desirability effects. Although research suggests that the Mach IV is a better choice than the Mach V, displaying better reliability and lower correlations with social desirability (Zook, 1985), perhaps a social desirability scale should be included in future studies involving Machiavellianism, allowing researchers to control for this effect. Some examples of social desirability scales used for this purpose are the Holden Psychological Screening Inventory Total

(Holden, 1996), the Balanced Inventory of Desirable Responding (BIDR) Self-Deceptive Enhancement scale (Paulhus, 1998), the BIDR Impression Management scale (Paulhus, 1998), the Personality Assessment Screener Total (Morey, 1997), and the Personality Research Form Desirability scale (Jackson, 1984).

In this discussion of limitations, it is important to include mention of the controversy over the use of manager samples to test/study leadership phenomena. Bedeian and Hunt (2006) help to clarify the details of the issue, whereby the current body of leadership literature is largely characterized by studies that collect a sample of individuals at a certain organizational level, assume that they are "leaders," and draw conclusions about "leadership." While it is not the opinion of the author that management and leadership are concepts to be used synonymously, there seems to be considerable overlap in the two conceptualizations; furthermore, for the feasibility of leadership research, some assumptions need to be made about which populations should be sampled in order to glimpse leadership. Admittedly, this study makes an assumption that individuals who supervise more than three individuals are a legitimate pool from which to test for "leadership." However, due to the known controversy with this sampling method, results should be interpreted carefully.

The use of only one measure of ethical leadership and one measure of leader effectiveness is another limitation of this study. Future research should extend this research to include "hard" measures of leader effectiveness, such as financial gain, number of sales, customer or employee retention, and so forth. Future research should also consider additional measures of ethical leadership, such as ethical decision-making (Ashkanasy, Windsor, & Treviño, 2006; Greenberg, 2002; Treviño & Youngblood, 1990; Weber, 1990) or moral reasoning (Lovisky, Treviño, & Jacobs, 2007; Rest, 1979).

A logical expansion on the current study may be an experimental investigation of whether there are categorical differences in ethical leadership and leader effectiveness between narcissists and non-narcissists in the presence of an ethical context. This would be a logical follow up to the current findings, and would solidify the study's contribution to the literature and would help to refine the implications for practitioners.

Future research could investigate the implications of the dimensionality of the NPI on ethical leadership and leader effectiveness. Several factor structures of the NPI have been proposed (e.g., Emmons, 1984, 1987; Kubarych, Deary, & Austin, 2004; Raskin & Terry, 1988). Perhaps by investigating the predictive ability of different dimensions of narcissism, the utility of this research may be refined, answering the question, "What specific aspects of narcissism contribute to leader ethics and/or effectiveness?"

Similarly, Brown et al. (2005) contend that ethical leadership is conceptually composed of two dimensions: moral person and moral manager. Although their scale is designed and validated as a uni-dimensional construct, it would be informative to further investigate the two aspects of the ethical leadership construct. Furthermore, the author joins Brown and Treviño (2006) in their call for a broad examination of the antecedents and outcomes associated with ethical leadership. This is yet an underdeveloped area of research, and a full model test of ethical leadership would be an important and influential contribution to the leadership literature.

Conclusions

This study serves to empirically investigate narcissism and Machiavellianism as antecedents of ethical leadership and leader effectiveness; in addition the role of ethical context in these relationships was examined. Ethical context has emerged as an important influence on the relationship between narcissism and leader effectiveness, as well as ethical leadership. These

findings suggest that the typical negative effects of narcissism may become more salient in an ethical context; on the other hand, perceptions of the effectiveness and ethical leadership of narcissistic leaders may actually be improved in the presence of an unethical context. The importance of ethical context and the seeming similarity between ethical and effective leaders have important implications for both researchers and practitioners.

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Appendix A

Survey Items included in Manager/Supervisor Questionnaire

Ethical Context
(Victor & Cullen, 1988)

1. What is best for everyone in the company is the major consideration here.
2. The most important concern is the good of all people in the company as a whole.
3. Our major concern is always what is best for the other person.
4. In this company, people look out for each other's good.
5. In this company, it is expected that you will always do what is right for the customers and public.
6. The most efficient way is always the right way in this company. (RS)
7. In this company, each person is expected above all to work efficiently. (RS)
8. People are expected to comply with the law and professional standards over and above other considerations.
9. In this company, the law or ethical code of their profession is the major consideration.
10. In this company, people are expected to strictly follow legal or professional standards.
11. In this company, the first consideration is whether a decision violates any law.
12. It is very important to follow the company's rules and procedures here.
13. Everyone is expected to stick by company rules and procedures.
14. Successful people in this company go by the book.
15. People in this company strictly obey the company policies.
16. In this company, people protect their own interests above all else. (RS)
17. In this company, people are mostly out for themselves. (RS)
18. There is no room for one's own personal morals or ethics in this company. (RS)
19. People are expected to do anything to further the company's interests, regardless of the consequences. (RS)
20. People here are concerned with the company's interests—to the exclusion of all else. (RS)
21. Work is considered substandard only when it hurts the company's interests. (RS)
22. The major responsibility of people in this company is to control costs. (RS)
23. In this company, people are expected to follow their own personal and moral beliefs. (RS)
24. Each person in this company decides for themselves what is right and wrong. (RS)
25. The most important concern in this company is each person's own sense of right and wrong. (RS)
26. In this company, people are guided by their own personal ethics. (RS)

Machiavellianism (Mach IV)
(Christie & Geis, 1970)

1. Never tell anyone the real reason you did something unless it is useful to do so. (RS)
2. The best way to handle people is to tell them what they want to hear. (RS)
3. One should take action only when sure it is morally right.
4. Most people are basically good and kind.

5. It is safest to assume that all people have a vicious streak and it will give out when given the chance. (RS)
6. Honesty is the best policy in all cases.
7. There is no excuse for lying to someone else.
8. Generally speaking, people won't work hard unless there are forced to do so. (RS)
9. All in all, it is better to be humble and honest than to be important and dishonest.
10. When you ask someone to do something for you, it is better to give the real reasons for wanting it rather than giving reasons that carry more weight.
11. People who want to get ahead in the world lead clean, moral lives.
12. Anyone who completely trusts others is asking for trouble. (RS)
13. The biggest difference between criminals and others is that the criminals are stupid enough to get caught. (RS)
14. Most people are brave.
15. It is wise to flatter important people. (RS)
16. It is possible to be good in all respects.
17. Barnum was wrong when he said that there's a sucker born every minute.
18. It is hard to get ahead without cutting corners. (RS)
19. People suffering from incurable diseases should have the choice of being put painlessly to death.
20. Most people forget more easily the death of their father than the loss of their property. (RS)

Narcissism (Narcissistic Personality Inventory)
(Raskin & Terry, 1988)

1. *I have a natural talent for influencing people.
   I am not good at influencing people.
2. *Modesty doesn't become me.
   I am essentially a modest person.
3. *I would do almost anything on a dare.
   I tend to be a fairly cautious person.
4. When people compliment me I get embarrassed.
   *I know that I am a good person because everybody keeps telling me so.
5. The thought of ruling the world frightens the hell out of me.
   *If I ruled the world it would be a much better place.
6. *I can usually talk my way out of anything.
   I try to accept the consequences of my behavior.
7. I prefer to blend in with the crowd.
   *I like to be the center of attention.
8. *I will be a success.
   I am not too concerned about success.
9. I am no better or no worse than most people.
   *I think I am a special person.
10. I am not sure if I would make a good leader.

*I see myself as a good leader.

11. *I am assertive.
    I wish I were more assertive.

12. *I like having authority over other people.
    I don't mind following orders.

13. *I find it easy to manipulate people.
    I don't like it when I find myself manipulating people.

14. *I insist upon getting the respect that is due me.
    I usually get the respect I deserve.

15. I don't particularly like to show off my body.
    *I like to show off my body.

16. *I can read people like a book.
    People are sometimes hard to understand.

17. If I feel competent I am willing to take responsibility for making decisions.
    *I like to take responsibility for making decisions.

18. I just want to be reasonably happy.
    *I want to amount to something in the eyes of the world.

19. My body is nothing special.
    *I like to look at my body.

20. I try not to be a show off.
    *I will usually show off if I get the chance.

21. *I always know what I am doing.
    Sometimes I am not sure what I am doing.

22. I sometimes depend on people to get things done.
    *I rarely depend on anyone else to get things done.

23. *Sometimes I tell good stories.
    Everybody likes to hear my stories.

24. *I expect a great deal from other people.
    I like to do things for other people.

25. *I will never be satisfied until I get all that I deserve.
    I will take my satisfactions as they come.

26. Compliments embarrass me.
    *I like to be complimented.

27. *I have a strong will to power.
    Power for its own sake doesn't interest me.

28. I don't care about new fads and fashion.
    *I like to start new fads and fashion.

29. *I like to look at myself in the mirror.

I am not particularly interested in looking at myself in the mirror.

30. *I really like to be the center of attention.
    It makes me uncomfortable to be the center of attention.

31. *I can live my life any way I want to.
    People can't always live their lives in terms of what they want.

32. Being in authority doesn't mean much to me.
    *People always seem to recognize my authority.

33. *I would prefer to be a leader.
    It makes little difference to me whether I am a leader or not.

34. *I am going to be a great person.
    I hope I am going to be successful.

35. People sometimes believe what I tell them.
    *I can make anyone believe anything I want them to.

36. *I am a born leader.
    Leadership is a quality that takes a long time to develop.

37. *I wish someone would someday write my biography.
    I don't like people to pry into my life for any reason.

38. *I get upset when people don't notice how I look when I go out in public.
    I don't mind blending into the crowd when I go out in public.

39. *I am more capable than other people.
    There is a lot I can learn from other people.

40. I am much like everybody else.
    *I am an extraordinary person.

* *Narcissistic Response*

Appendix B

Survey Items included in Subordinate Questionnaire

Ethical Leadership Scale
(Brown, Treviño, & Harrison, 2005)

1. Conducts his/her personal life in an ethical manner
2. Defines success not just by results but also by the way that they are obtained
3. Listens to what employees have to say
4. Disciplines employees who violate ethical standards
5. Makes fair and balanced decisions
6. Can be trusted
7. Discusses business ethics or values with employees
8. Sets an example of how to do things the right way in terms of ethics
9. Has the best interest of employees in mind
10. When making decisions, asks "what is the right thing to do?"

Leader Effectiveness (Multifactor Leadership Questionnaire)
(Bass & Avolio, 2004)

1. My manager is effective in meeting my job-related needs.
2. My manager is effective in representing me to higher authority.
3. My manager is effective in meeting organizational requirements.
4. My manager leads a group that is effective.