

# Ethical business leadership can have negative consequences, Baylor research shows

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WACO—Ethical leadership is a good thing, but it can have negative consequences, according to new research from management faculty in Baylor University's Hankamer School of Business.

A new Baylor study published in the *Journal of Business Ethics* reveals ethical leadership compounded by job-hindrance stress and supervisor-induced stress can lead to employee deviance and turnover. The research reflects the thoughts of 609 employees surveyed across two studies.

"If someone is an ethical leader but induces stress, our research shows that his or her employees will feel less support," said lead author Matthew Quade, assistant professor of management. "Thus, employees who do not feel supported are more likely to consider leaving their jobs or engage in workplace deviance—things like coming in late to work, daydreaming, not following instructions or failing to be as productive as they could be."

Ethical leadership is a good thing and often beneficial in terms of employee resources, Quade said. An example would be a trusted supervisor who listens to her employees and has her employees' best interests in mind.

Trouble arises when supervisor-induced stress or job-hindrance stress enters the picture, he explained.

"When those stressors are added, there is a depletion of resources," Quade said. "Many of the gains or benefits from ethical leadership are negated."

# What does stress-inducing ethical leadership look like?

Stress-inducing behavior could be as simple as supervisors setting expectations too high or, in the interest of “following all the rules,” not allowing for any deviation from a process, even if a shortcut, still within the bounds of behaving ethically, would deliver a desired result, Quade said.

The researchers wrote: “Ethical leadership can be an exacting process of sustaining high ethical standards, ensuring careful practice and enforcement of all rules and meeting leaders’ lofty expectations, all of which can consume time and energy and be perceived by employees as overly demanding or an obstacle to job performance.”

As part of the study, those surveyed were asked to what extent they agreed or disagreed with the following statements:

- My supervisor makes it so that I have to go through a lot of red tape to get my job done.
- Working with my supervisor makes it hard to understand what is expected of me.
- I receive conflicting requests from my supervisor.
- My supervisor creates many hassles to go through to get projects/assignments done.
- Working with him/her thwarts my personal growth and well-being.
- In general, I feel that my supervisor hinders my personal accomplishment.
- I feel that my supervisor constrains my achievement of personal goals and development.

Quade emphasized his team in no way wants to discourage ethical leadership. Research consistently shows such leadership is very beneficial,

he said. But this new research shows there are boundaries to those benefits.

“This places quite an onus on appropriately managing the stress that comes from the leader and the job, in efforts to most fully realize the potential of ethical leadership,” the researchers wrote.

## **The study listed some tips and takeaways for organizations and leaders:**

- Strike a balance between promoting ethical behavior and providing resources to help employees meet those standards.
- Encourage employees in word and deed by reducing ambiguity in ethical dilemmas that might otherwise drain resources.
- Model fair and ethical behavior.
- Communicate efficient methods to meet standards and reduce unnecessary steps or procedures.
- Equip and train leaders to balance the demands of leading ethically while not overburdening their employees.