Power and moral leadership: role of self-other agreement

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Abstract
The relationships between moral leadership, transformational leadership, and follower's extra effort were studied using a sample of 116 managers of a large manufacturing organization in eastern India. The relationships between moral leadership and followers' extra effort were classified into three categories - overestimation, same as, or less than follower's rating of leader's power. Based on whether leader's self-rating was more than, same as, or less than follower's rating of leader's power, leader-follower dyads were classified into three categories - overestimation, agreement, and underestimation. Findings show that moral leadership is lower in overestimation than in agreement, and is lower in agreement than in underestimation. Correlation between moral leadership and power is also the highest in the case of underestimation. Leader's power, however, does not differ across categories.

Keywords
Transformational leadership, Power measurement, Ethical investment, India

Theory and hypotheses
The question of addressing the needs and goals of followers could be handled in two ways based on the nature of leader-follower interactions. The first one is transactional leadership and the second is transforming or transformational leadership (Bass, 1985). Transactional leadership involves an exchange of valued things, and it is based on current values and motivations of both leaders and followers. Transformational leadership on the other hand, does not take the current values and motivations to be fixed, but rather seeks to change them.

Transformational and transactional leadership
According to Burns (1978), transformational leadership: … occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality ... (Burns, 1978, p. 20) and results in a transforming effect on both leaders and followers. Bass (1985) defined a transformational leader as one who motivates followers to do more than they originally expected to do. Transformational leadership consists of four factors – charisma, inspirational motivation, intellectual stimulation, and individualized consideration. Charisma could be further divided into two factors – attributed charisma and idealized influence behavior (Bass, 1988).

Studies have found significant and positive relationships between transformational leadership and the amount of effort followers are willing to exert, satisfaction with the leader, ratings of job performance, and perceived effectiveness (Bass, 1990). Leader's vision and vision implementation through task cues affects performance and many attitudes of subordinates (Kirkpatrick and Locke, 1996). Strength of delivery of vision by the leader is an especially important determinant of perceptions of leader charisma and effectiveness (Awamleh and Gardner, 1999).

Unlike transformational leadership, transactional leadership is simply a process of exchange between leader and follower. It consists of two factors – contingent reward and other agreement.
and management-by-exception (MBE). MBE could be of two types – active and passive. Besides transactional leadership and transformational leadership, the full range of leadership also includes laissez-faire leadership (Bass, 1998).

**Moral leadership**

According to Burns (1978):

The result of transforming leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents (Burns, 1978, p. 4).

Transformational leaders throw themselves into a dynamic relationship with followers who will feel elevated by it and become more active themselves, thereby creating new cadres of leaders. Transformational leadership alters and elevates the motives, values and goals of followers through the vital teaching role of leadership, enabling leaders and followers to be united in the pursuit of higher goals. Transformational leaders raise their followers up through levels of morality. The issue of moral leadership concerned Burns (1978) the most. He considered moral leadership as emerging from, and always returning to, the fundamental wants, needs, aspirations, and values of the followers. Satisfaction of followers' authentic needs is the primary objective of moral leadership. Burns held that transformational leadership: ultimately becomes moral in that it raises the level of human conduct and ethical aspiration of both leader and led, and thus it has a transforming effect on both (Burns, 1978, p. 20).

While Burns (1978) considered morality an essential aspect of transformational leadership, most of the subsequent authors, however, have treated transformational leadership as being unrelated to ethics and morality. Bass (1985) defined a transformational leader as one who motivates followers to do more than they originally expected to do – not necessarily raise the followers to higher levels of morality. Bass and Steidlmeier (1999) however argued that those who do not take their followers upwards could not be truly transformational though they might appear to be so. They termed those as pseudo-transformational leaders who appear to be transformational but are not taking their followers to higher levels of motivation and morality. Authentic transformational leadership necessarily requires addressing the real needs of followers. Serious attempts have not however been made to empirically test the conceptualization of Burns that almost equated transformational leadership with moral leadership:

**H1.** Moral leadership would be positively related to all the five factors of transformational leadership – attributed charisma, idealized influence behavior, inspirational motivation, intellectual stimulation, and individualized consideration – and to contingent reward, and would be negatively related to MBE active, MBE passive, and laissez-faire leadership.

**Follower outcomes**

Transformational leadership has been found to be positively related to follower's inclination to put in extra effort, effectiveness of leader as perceived by follower, and satisfaction of follower. Moral leadership forms the basis of transformational leadership and would therefore have similar relationships with follower outcomes. Characteristics like charisma might be the immediate effect of the leader addressing the followers' real needs. The effect of moral leadership on outcomes like extra effort may be direct to some extent, but could also proceed through transformational leadership in part:

**H2.** Transformational leadership would partially mediate the relationship between moral leadership on the one hand, and follower's inclination to put in extra effort, perceived effectiveness of the leader, and satisfaction with leader on the other.

**Power**

Pfeffer (1992) described power as the: ...

...ability to influence behavior, to change the course of events, to overcome resistance, and to get people to do things that they would not otherwise do (Pfeffer, 1992, p. 30).

Power is the capacity to influence others. Many definitions of power involve the ability of one actor to overcome the resistance in achieving a desired result, or, simply, the ability to affect the outcomes or get things done. Power is an important variable since one needs power to get things done in an organization. Power as a dependent variable has been shown to affect various outcomes in an organization. For example, Welbourne and Trevor (2000) studied the role of power in job evaluation outcomes in a university setting. They found that position power of resource recipients enhanced the main effects of
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Sources of power could be grouped into two broad categories - structural and behavioral. Structural sources of power reflect the properties of a social system rather than the particular attributes or behaviors of any particular individual or interaction.

Personal attributes and strategies constitute the behavioral sources of power (Brass and Burkhardt, 1993). The leader who addresses the real needs of followers would have more power over followers. However, moral leadership by itself may not result in the leader being powerful in an organization. Addressing the real needs of followers has to manifest itself in some leadership behaviors like being inspirational. Therefore, moral leadership has to first enhance transformational leadership, which in turn could enhance the power of the leader:

H3. Transformational leadership would mediate the relationship between moral leadership and leader’s power.

Self-other agreement on transformational leadership

The extent to which leaders are in agreement with others’ perception of the leaders’ transformational leadership behaviors has been taken to be an aspect of self-awareness of leaders. Yammarino and Atwater (1997) highlighted the importance of self-other agreement for various organizational outcomes and human resource management practices. Atwater and Yammarino (1992) found that the extent of agreement concerning transformational leadership perceptions moderated the relationship between transformational leadership and performance. Transformational leaders who are in agreement with their followers regarding their transformational leadership behavior are perceived in a positive light by their followers (Sosik and Megerian, 1999). Godshalk and Sosik (2000), in a study of mentor-protégé dyads, classified mentors as overestimators, underestimators, or in-agreement, based on the difference between mentor’s self-rating and protégé’s rating of mentor’s transformational leadership behaviors. They found that underestimator dyads experienced the highest quality of mentoring relationships in terms of psychosocial support received, career development, and perceived mentoring effectiveness.

Godshalk and Sosik (2000) argued that those who underestimate their transformational leadership might be setting high standards of performance for themselves and others, while at the same time being overly critical in their self-evaluation. Such leaders who have self-discipline and critical self-assessment might possess humility often associated with subrogation of self-interests for the good of others. Therefore, concern for others’ real needs or moral leadership should be present to a greater degree in those who underestimate their transformational leadership. Kanungo and Mendonca (1996) argued that altruistic leaders, who are motivated through concern for others, engender trust and admiration and therefore gain referent power. Leaders who underestimate their transformational leadership may be motivated primarily by a concern for others and they might see their actions as less important, and therefore may be more humble than leaders who overestimate or are in agreement regarding their transformational leadership. Such humility in combination with a concern for others’ real needs could enhance leaders’ overall power:

H4. The excess of leader’s self-rating over follower’s rating of leader’s transformational leadership would be negatively related to moral leadership and power.

H5. The excess of leader’s self-rating over follower’s rating of leader’s transformational leadership would reduce the strength of the relationship between moral leadership and leader’s power.

Method

Data was collected from 116 managers (108 males and eight females) of a large manufacturing organization in eastern India. Respondents were not asked to give any form of identification. All responses were thus anonymous, and this was made clear to every respondent. The median age of the respondents was 38 years and the median organizational tenure was ten years. They responded to questions about their supervisors’ (all males) leadership behaviors and power, and the supervisors also rated themselves on the same questions. Most of the managers who responded had been working with the supervisor they rated for at least two years.

I used the MLQ Form 5x of Bass and Avolio (1991) to measure transformational leadership, transactional leadership, laissez-faire leadership, and the three
follower outcomes—extra effort, effectiveness, and satisfaction. Moral leadership was measured using eight items developed for this study. Power was measured using a single item that asked how much influence the supervisor had in the everyday activities of the organization (Brass and Burkhardt, 1985). All responses were recorded on a five-point scale.

### Results

The means, standard deviations, Cronbach coefficient alphas, and correlations between all variables are given in Table I. Moral leadership was significantly positively related to all the five transformational leadership factors—attributed charisma, idealized influence behavior, inspirational motivation, intellectual stimulation, and individualized consideration—and to contingent reward. It was significantly negatively related to MBE passive and laissez-faire leadership. No significant relationship was however found between moral leadership and MBE active. Thus, my H1 was supported except in the case of MBE active. The five transformational leadership factors were highly correlated to each other (correlation being not less than 0.67, \( p < 0.001 \)). The mean of the five factors was taken as the score for transformational leadership for the subsequent analyses.

Moral leadership was significantly positively related to extra effort from follower, effectiveness of leader, follower satisfaction, and leader’s power. To test \( H2 \) and \( H3 \), I did a partial correlation analysis between moral leadership and the four outcome variables (extra effort, effectiveness, satisfaction, and power), after controlling for transformational leadership. The zero-order correlations of moral leadership with extra effort, effectiveness and satisfaction that were 0.78, 0.69, and 0.69 (all \( p < 0.001 \)) respectively, dropped to 0.33, 0.23, and 0.26 (all \( p < 0.05 \)) after controlling for transformational leadership. Thus, transformational leadership partially mediated moral leadership’s relationship with follower’s inclination to put in extra effort, perceived effectiveness of the leader, and follower’s satisfaction with leader. This provided support for \( H2 \). The zero-order correlation of moral leadership with power that was 0.33 (\( p < 0.001 \)) dropped to 0.02 (non-significant) after controlling for transformational leadership. Thus, transformational leadership fully mediated the relationship between moral leadership and power, even though only partial mediation was hypothesized. \( H3 \) was hence supported.

Based on the difference between leader’s self-rating and follower’s rating of leader’s transformational leadership, leader-follower dyads were classified into three categories—overestimation (leaders considering themselves more transformational than what their followers thought they were), agreement (leaders and followers agreeing on how transformational the leaders were), and underestimation (leaders considering themselves less transformational than what their followers thought they were). The overestimation category included the difference scores that were one-half standard deviation or more above the mean difference score, the underestimation category included the difference scores that were one-half standard deviation or more below the mean difference score.

### Table I

Means, standard deviations and correlations between variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Attributed charisma</td>
<td>3.90</td>
<td>0.71</td>
<td>0.78</td>
<td>(0.78)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2. Idealized influence behavior</td>
<td>4.00</td>
<td>0.62</td>
<td>0.78</td>
<td>0.83</td>
<td>(0.85)</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>3. Inspirational motivation</td>
<td>4.05</td>
<td>0.62</td>
<td>0.78</td>
<td>0.83</td>
<td>0.87</td>
<td>(0.87)</td>
<td></td>
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<td></td>
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<tr>
<td>4. Intellectual stimulation</td>
<td>3.98</td>
<td>0.65</td>
<td>0.67</td>
<td>0.79</td>
<td>0.80</td>
<td>0.81</td>
<td>(0.86)</td>
<td></td>
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<tr>
<td>5. Individualized consideration</td>
<td>3.88</td>
<td>0.69</td>
<td>0.78</td>
<td>0.80</td>
<td>0.79</td>
<td>0.74</td>
<td>0.84</td>
<td>(0.84)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6. Moral leadership</td>
<td>3.71</td>
<td>0.81</td>
<td>0.71</td>
<td>0.76</td>
<td>0.77</td>
<td>0.66</td>
<td>0.87</td>
<td>0.90</td>
<td>(0.90)</td>
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<tr>
<td>7. Contingent reward</td>
<td>3.51</td>
<td>0.82</td>
<td>0.61</td>
<td>0.59</td>
<td>0.62</td>
<td>0.56</td>
<td>0.68</td>
<td>0.71</td>
<td>0.86</td>
<td>(0.86)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>8. MBE active</td>
<td>3.20</td>
<td>0.73</td>
<td>0.28</td>
<td>0.05</td>
<td>-0.07</td>
<td>-0.01</td>
<td>-0.07</td>
<td>-0.05</td>
<td>0.11</td>
<td>0.17</td>
<td>(0.73)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>9. MBE passive</td>
<td>2.17</td>
<td>0.83</td>
<td>-0.53</td>
<td>0.43</td>
<td>-0.46</td>
<td>-0.41</td>
<td>-0.36</td>
<td>-0.31</td>
<td>-0.07</td>
<td>0.44</td>
<td>0.83</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Laissez-faire</td>
<td>1.87</td>
<td>0.78</td>
<td>-0.56</td>
<td>-0.49</td>
<td>-0.49</td>
<td>-0.42</td>
<td>-0.32</td>
<td>-0.32</td>
<td>-0.16</td>
<td>0.30</td>
<td>0.77</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Extra effort</td>
<td>4.01</td>
<td>0.88</td>
<td>0.64</td>
<td>0.70</td>
<td>0.77</td>
<td>0.73</td>
<td>0.83</td>
<td>0.78</td>
<td>0.72</td>
<td>0.03</td>
<td>-0.22</td>
<td>-0.25</td>
<td>(0.85)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Effectiveness</td>
<td>4.07</td>
<td>0.66</td>
<td>0.63</td>
<td>0.62</td>
<td>0.73</td>
<td>0.63</td>
<td>0.64</td>
<td>0.69</td>
<td>0.62</td>
<td>-0.15</td>
<td>-0.28</td>
<td>-0.36</td>
<td>0.73</td>
<td>0.84</td>
<td></td>
</tr>
<tr>
<td>13. Satisfaction</td>
<td>4.26</td>
<td>0.77</td>
<td>0.62</td>
<td>0.65</td>
<td>0.69</td>
<td>0.55</td>
<td>0.66</td>
<td>0.69</td>
<td>0.60</td>
<td>-0.13</td>
<td>-0.27</td>
<td>-0.37</td>
<td>0.70</td>
<td>0.75</td>
<td>0.85</td>
</tr>
<tr>
<td>14. Power</td>
<td>3.88</td>
<td>0.92</td>
<td>0.39</td>
<td>0.35</td>
<td>0.45</td>
<td>0.34</td>
<td>0.31</td>
<td>0.33</td>
<td>0.43</td>
<td>0.41</td>
<td>-0.14</td>
<td>-0.25</td>
<td>0.34</td>
<td>0.42</td>
<td>0.38</td>
</tr>
</tbody>
</table>

Note: \( n = 116 \) Cronbach coefficient alpha (standardized) is along the diagonal; MBE = management-by-exception; \( * p < 0.10; \* p < 0.05; \* p < 0.01; \* p < 0.001 \).
standard deviation or more below the mean difference score, and the agreement category included the rest (Atwater and Yammarino, 1992; Godshalk and Sosik, 2000). I did three sets of analysis of variance tests to see if the mean scores of all variables studied differed across:

- overestimation and agreement categories;
- agreement and underestimation categories; and
- all three categories together.

The results are presented in Table II. Moral leadership was significantly lower in overestimation than in agreement, and was significantly lower in agreement than in underestimation, but leader's power did not significantly differ across the three categories. H4 was therefore supported only partly. The five transformational leadership factors (attributed charisma, idealized influence behavior, inspirational motivation, intellectual stimulation, and individualized consideration), contingent reward, extra effort, effectiveness, and satisfaction were the highest in the case of underestimation. MBE passive and laissez-faire leadership were the highest in the case of overestimation. MBE active did not differ across the categories.

I looked at the relationship between moral leadership and power for each of the three categories separately. The correlations between moral leadership and power were 0.34 \(p<0.01\) for overestimation, 0.06 (non-significant) for agreement, and 0.42 \(p<0.01\) for underestimation. H5 obtained some limited support since the strength of the relationship was the highest in the case of underestimation. I did an analysis of covariance to see if power varied across the three categories after controlling for moral leadership. Analysis of covariance assumes that the slope of the covariate by independent variable is the same for all levels of the independent variable (Scheffe, 1959). I tested for heterogeneity of slope by modeling power against moral leadership (the covariate), category, and the product of category and moral leadership. There was no significant difference in the moral leadership by category relationship as a function of category. I therefore did the analysis of covariance, and the results did not reveal any significant difference in the least squares means of power across the three categories after adjusting for its covariance with moral leadership.

### Discussion

The link between transformational leadership and morality was one of the basic premises of Burns (1978). He considered transformational leadership to be moral leadership. The results of this study provide some empirical support to the claim that moral leadership forms the basis of transformational leadership. More research is needed to further document this claim, and highlight the importance of addressing the real needs of followers. The focus of leadership has to shift away from styles or features of the leader to what the follower really needs. Addressing the genuine, long-term needs of followers is the basis of true leadership.

Leaders who underestimate their transformational behaviors as compared to

<table>
<thead>
<tr>
<th>Variable</th>
<th>Overestimation (n=31)</th>
<th>Agreement (n=32)</th>
<th>Underestimation (n=53)</th>
<th>(F)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>(F^a)</td>
<td>M</td>
</tr>
<tr>
<td>1. Attributed charisma</td>
<td>3.30</td>
<td>0.65</td>
<td>15.08e</td>
<td>3.90</td>
</tr>
<tr>
<td>2. Idealized influence behavior</td>
<td>3.41</td>
<td>0.53</td>
<td>33.14d</td>
<td>4.12</td>
</tr>
<tr>
<td>3. Inspirational motivation</td>
<td>3.50</td>
<td>0.63</td>
<td>23.73c</td>
<td>4.15</td>
</tr>
<tr>
<td>4. Intellectual stimulation</td>
<td>3.48</td>
<td>0.69</td>
<td>13.21d</td>
<td>4.03</td>
</tr>
<tr>
<td>5. Individualized consideration</td>
<td>3.24</td>
<td>0.68</td>
<td>17.07c</td>
<td>3.85</td>
</tr>
<tr>
<td>6. Moral leadership</td>
<td>3.01</td>
<td>0.82</td>
<td>16.12d</td>
<td>3.73</td>
</tr>
<tr>
<td>7. Contingent reward</td>
<td>3.12</td>
<td>0.90</td>
<td>0.79</td>
<td>3.31</td>
</tr>
<tr>
<td>8. MBE active</td>
<td>3.35</td>
<td>0.65</td>
<td>1.96</td>
<td>3.11</td>
</tr>
<tr>
<td>9. MBE passive</td>
<td>2.60</td>
<td>0.72</td>
<td>6.25e</td>
<td>2.13</td>
</tr>
<tr>
<td>10. Laissez-faire</td>
<td>2.24</td>
<td>0.71</td>
<td>4.87e</td>
<td>1.85</td>
</tr>
<tr>
<td>11. Extra effort</td>
<td>3.39</td>
<td>0.92</td>
<td>7.65c</td>
<td>3.98</td>
</tr>
<tr>
<td>12. Effectiveness</td>
<td>3.75</td>
<td>0.54</td>
<td>3.51d</td>
<td>4.04</td>
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<tr>
<td>13. Satisfaction</td>
<td>3.37</td>
<td>0.89</td>
<td>7.29g</td>
<td>4.34</td>
</tr>
<tr>
<td>14. Power</td>
<td>3.69</td>
<td>0.93</td>
<td>0.06</td>
<td>3.75</td>
</tr>
</tbody>
</table>

Note: \(a\) Across overestimation and agreement; \(b\) Across agreement and underestimation; \(c\) Across all three categories; MBE = management by exception; \(p<0.10\); \(p<0.05\); \(p<0.01\); \(p<0.001\).
others are seen favorably by others. They are considered high on moral leadership and effectiveness. Followers are willing to exert extra effort for and are satisfied with such leaders. This suggests that leaders should become more critical in their self-evaluations to enhance their effectiveness. They should be self-disciplined and constantly seek to exhibit behaviors that are more transformational. The most effective leaders are perhaps those who are never complacent about their transformational capabilities, but rather seek to continuously enhance the extent to which they are transformational.

The most significant finding of this study is perhaps that while both moral leadership and the correlation between moral leadership and power vary across the three categories of overestimation, agreement, and underestimation, power itself does not vary across the categories. Self-awareness as captured by the extent of agreement regarding transformational leadership does not seem to enhance power of the leader. Accuracy of perception is not enough to make one powerful. On the other hand, an underestimating leader who is also a moral leader would be powerful. Similarly, moral leadership could enhance one's power only in the case of underestimation. Merely being concerned about followers' real needs is not enough to enhance power; leaders should have the self-critical attitude needed to consciously strive to become more transformational.

Limitations
Self-other agreement was looked at only regarding transformational leadership. Aggregating the perceptual agreement on different leadership behaviors overlooks the possibility that self-other agreement on different aspects of leadership might have differential effects on various outcomes. For example, in a low power distance culture, agreement regarding relationship-oriented behaviors might be more important than agreement regarding power-oriented behaviors (Shipper, 1999). In addition, measuring power by using measures that are more objective could help avoid same-source bias and could provide multiple sources of capturing the complex construct of power.

Conclusion
The multiple changes occurring in society and the business world have created a greater need for transformational leadership. Morality and ethics in business are also assuming greater importance every day. This study provides initial support for the relationship between transformational leadership and morality or concern for other's true welfare, and how both lead to enhanced power. Moral leadership enhances power only in the case of those leaders who are not complacent but strive to be more transformational. As further research provides greater support, the process of making leaders more powerful could focus on the twin measures of giving more attention to addressing followers' genuine needs, and becoming more critical in evaluating one's transformational behaviors.

References


