
The Merits of Self-Leadership

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A COMMENTARY ON R. Steinbauer, et al. (2014), “Ethical Leadership and Followers’ Moral Judgment: The Role of Followers’ Perceived Accountability and Self-Leadership,” *J Bus Ethics* 120(3): 381–392, <http://doi.org/10.1007/s10551-013-1662-x>

ABSTRACT

Steinbauer et al. (2014) examine how ethical leadership leads to improved moral judgment, and the role of followers’ perceived accountability and self-leadership. In this Commentary, I offer two critiques. First, I argue that the relationship that Steinbauer et al. propose between ethical leadership and self-leadership contains internal contradictions. Second, I argue that ethical leadership can have undesirable consequences for moral judgment and that self-leadership requires substantial freedom from an external authority. Thus, my arguments focus on Steinbauer et al.’s understanding of self-leadership and moral judgment in relation to ethical leadership.

A RECENT PAPER by Steinbauer et al. (2014) examined how ethical leadership leads to improved ethical decision making in organizations. The importance of ethical behavior has only increased as newer and more serious breaches of morality have been witnessed in organizational life. Ethical leadership has been put forward as a leadership style to improve the ethical conduct of followers and employees.

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Many researchers have been inspired to study the antecedents and outcomes of ethical leadership in organizations. In their paper, Steinbauer et al. (2014) examine how ethical leadership leads to improved moral judgment, and the role of followers' perceived accountability and self-leadership.

Steinbauer et al.'s (2014) focus on the development of self-leadership in organizations is commendable, but at the same time, the relationship they suggest between self-leadership and ethical leadership is problematic. The few identified problems in their hypothesized relationships are: the moral management component of ethical leadership, the dependence of self-leadership on ethical leadership, and the question of employees' external motivation to develop self-leadership.

In this Commentary, I offer two critiques of Steinbauer et al.'s (2014) work. First, I argue that the relationship that they propose between ethical leadership and self-leadership contains internal contradictions. Second, I argue that ethical leadership can have undesirable consequences for moral judgment. The point being missed by Steinbauer et al. is the merit of self-leadership. I argue that the development of self-leadership requires substantial freedom from an external authority. Thus, my arguments focus on Steinbauer et al.'s understanding of self-leadership and moral judgment in relation to ethical leadership.

1

Ethical leadership has been defined as

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: 120).

It is based on two components, namely the *moral person* and the *moral manager* (Mayer, et al. 2012). The moral person component of ethical leadership has to do with the trustworthiness and fairness of ethical leaders. The moral manager component, on the other hand, is related to the leader's encouragement of appropriate behavior and the discouragement of ethically inappropriate behavior by their subordinates (Brown et al., 2005). In their paper, Steinbauer et al. (2014) argue that ethical leadership is positively related to followers' self-leadership with regards to ethics, and that perceived accountability

completely accounts for the relationship between ethical leadership and followers' self-leadership with regards to ethics. In addition, they argue that self-leadership is positively associated with moral judgment, and that active judgment moderates the relationship between self-leadership with regards to ethics, on one hand, and moral judgment on the other. They argue that ethical leadership facilitates self-leadership focused on ethics through providing opportunities for learning and decision-making. The authors also conclude that, through social learning, followers align their behavior with those of ethical leaders. Self-leadership is defined as a process by means of which a person leads, controls and motivates him- or herself towards self-set and self-defined goals (Manz 1986). This leads to the conclusion that a person who exercises self-leadership is intrinsically motivated towards his or her own goals, and that ethical leaders, through role modeling of ethical conduct, can provide such an example of a leader who sets ethical goals and follows them.

It is important to highlight that while the moral person component of ethical leadership constitutes the foundation of the ethical leadership construct, it is the moral manager component that makes ethical leadership distinctive from other leadership styles (Brown et al. 2005). Ethical leaders set ethical goals, communicate ethical standards, and use performance management systems as a tool to reward or punish employees based on their moral conduct. Contradictions arise when ethical leadership is argued to lead to employee self-leadership and when, at the same time, self-leadership remains tied to perceived accountability, where perceived accountability involves how an individual expects to be answerable to those who possess power to reward and punish (Lerner and Tetlock 1999; Scott and Lyman 1968). How is the self-leadership exercised and developed, when the role of self is still limited, and where the value of one's own reasons for moral actions is undermined? Steinbauer et al. emphasize that the process of social learning is reinforced by externally motivating followers to align their behavior with that of ethical leaders. Interestingly, when a person exercises self-leadership, then he or she adequately provides reward and punishment to him or herself, whereas perceived accountability ties the power of rewards and punishments to ethical leaders. We should wonder, on this account, whether ethical leadership, particularly moral management, leads to

self-leadership focused on ethics or rather makes followers' ethical conduct dependent on external rewards and punishments.

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I argue that by making individuals' ethical conduct dependent on rewards and punishments, ethical leaders do not in fact facilitate self-leadership. This is particularly true when followers expect that their actions will come under the scrutiny of those who have of the ability to reward and punish. In such cases, followers do not depend on themselves or take their own standards as a guide; rather, they look towards an authority external to themselves, which undermines their self-leadership. Self-leadership implies self-influence in broader terms, which includes implementation of self-management and self-motivation strategies, for one's work and for one's thought patterns (Manz 1986). Self-leadership is focused on both behavior and cognition. It seeks answers regarding what, why, and how a decision is made and carried out. The goal of self-leadership is to achieve cohesion of organizational, group and personal goals, and respect for the values and identity of an individual (VanSandt and Neck 2003). It has been argued that self-rewards are as or even more effective in motivating action than external rewards (Bandura 1986). Thus development of self-leadership within organization requires respect for the dignity of the individual, rather than external motivation for moral action through rewards and punishments. For moral excellence to flourish, it is important that ethical conduct comes with free will, and social norms about moral actions should not be contaminated by considerations of organizational rewards and punishments. Ethical leaders, by being an example of moral excellence, by empowering employees with the freedom and decision making opportunities, and by inculcating respect and dignity, will lead followers towards self-leadership.

3

Another contradiction implicit in Steinbauer et al.'s analysis arises when this 'self leadership' is seen as leading to the development of moral judgment, and when active judgment is seen as affecting the relationship between self-leadership with regards to ethics and moral judgment of an individual. The question that arises here is just how much improvement can be brought to moral judgment, when self-

leadership is not autonomous and is instead tied to organizational rewards and punishment. Is it really self-leadership at all? Also, if self-leadership implies accountability as the core of ethical leadership, then what are the moral principles through which active judgment is able to reach a decision?

Also, the effects of active judgment on the relationship between self-leadership focused on ethics, on one hand, and moral judgment, on the other, should be taken into account, in particular where external reinforcements invite ethical behavior, and where a compliant response, rather than a deliberative one, is desired and useful. Steinbauer et al. argue that fear of being perceived as immoral, and rewards attached to ethical behavior, are the reasons employees choose moral actions. The question that arises here is whether this reasoning leads to moral development (cf. Steinbauer et al. 2014). Thus, it is important to ask how this self-leadership, which is dependent on approval of ethical leaders, and where followers are extrinsically motivated, will lead to improvements in moral judgment. Steinbauer et al. also emphasize that self-leaders determine their own ethical conduct through their own judgment, which gives them a sense of purpose and meaning. But the question is, are followers really free to act on their own moral judgment, when ethical goals and standards are set externally, and particularly when their ethical performance is tied to organization's performance management system? In such an environment, it is important to examine what moral reasons followers ground their moral actions in.

On the other hand, Steinbauer et al.'s utilization of a 'dual-process' approach, which is based on both rational (C-system) and intuitive (X-system) (cf. Reynolds 2006) approaches towards moral action, is important, and this points towards an important gap in current business ethics research. But how moral judgment is exercised, where moral management is implemented, and how active judgment facilitates the construction of morality at higher levels, particularly where self-leadership is compromised, are also important issues to study and which are not addressed by Steinbauer et al. I agree with the authors when they argue that self-leadership can be developed in the organization. But for this to occur, followers need to become their own leaders, a transition that frees them of the need to be answerable to an authority external to themselves, and of accountability in terms of organizational rewards and punishments. To

reiterate, there are no better rewards than self-appreciation and no greater punishment than self-condemnation. To orient oneself towards one's own goals, it is important that standards of behavior be set by oneself or internalized through experience and learning (e.g., through role modeling).

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In conclusion, it would have been useful for Steinbauer et al. to outline the process through which followers internalize ethical leadership goals, and how that process at the same time frees followers of the need of ethical leaders and organizational rewards and punishments. Steinbauer et al. could also have outlined how the prototypes in X (intuitive)-system are restructured in the organization, through role modeling of ethical behavior. Most importantly, greater attention should be paid to how moral management affects self-leadership with regards to ethics, how this 'self-leadership' leads to moral judgment, and how it is developed and sustained in the environment where ethical outcomes are already tied to external rewards and punishments.

Received 26 January 2015 / Posted 26 February 2015

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