Is Ethical Leadership Always Beneficial?
A cross-sectional study on the influence of ethical leadership on individual and organisational consequences mediated by emotional labour and moderated by personality traits

Master Thesis

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## Abbreviations

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<td>BFI</td>
<td>Big Five Inventory</td>
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<td>COR</td>
<td>Conservation of Resources Theory</td>
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<td>ELS</td>
<td>Ethical Leadership Scale</td>
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<td>LMX</td>
<td>Leader-Member-Exchange</td>
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<td>M</td>
<td>Mean</td>
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<td>OCB</td>
<td>Organisational Citizenship Behaviour</td>
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<td>Significant Value</td>
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Abstract

Ethical leadership is seen very positively both in research and in practice and predicts, for example, organisational citizenship behaviour as well as the overall employee’s well-being. Due to the desired status of ethical leaders, followers who act and behave ethically and ethical organisational climates, this paper presumed that high and low levels of ethical leadership would show unintended negative effects on emotional labour, follower’s job performance and follower’s perceived stress. This implies that both low and high levels of ethical leadership show an increase in the follower’s management of emotions, follower’s perceived stress and a decrease in follower’s job performance. For this reason, moderate levels of ethical leadership are expected to have the lowest negative impact, in order to display an U-shaped or inverted U-shaped relationship.

These three hypothesises were supported in one cross-sectional study with a total of 124 participants from Germany, mostly with work experience. However, the mediation and moderation effects were not fully supported. For this reason and according to this study emotional labour does not influence the relationship of ethical leadership on follower’s job performance and follower’s perceived stress. Three of the Big Five personality traits also show no moderation effect on the above-mentioned relationship.

In general, this study is one of few which investigates unintended negative effects of ethical leadership and is the first which explores the effects of ethical leadership on emotional labour. Recommendations for future research and practical implications are discussed.

Keywords: Ethical leadership; emotional labour; surface- and deep acting; Big Five personality traits; follower’s perceived stress, follower’s job performance
Introduction

Many researchers stress the importance of ethical leadership in organisations. Starbucks’ corporate culture, for example, focuses on quality and ethics. Numerous ethical awards have been awarded to the coffee company, which is recognized as a role model for social responsibility (Bello, 2012). To establish such an ethical environment, employees are of crucial importance. “Employees are the true ambassadors” of the brands and “the primary catalyst for delighting customers” (Schultz & Gordon, 2011, p. 119). The influence of ethical leaders is proven to be positive with regard to the employee’s well-being (Kalshoven & Boon, 2012), in-role performance (Piccolo et al., 2010; Walumbwa et al., 2011), organisational citizenship behaviour (OCB) (Walumbwa et al., 2011, Stouten et al, 2013), the organisation’s ethical climate (Mayer et al., 2010; Schaubroeck et al., 2012; Schminke et al., 2005) and willingness to help (Kalshoven et al., 2011; Mayer et al., 2009). The focus on ethical leadership in research lies mainly on the organisational outcomes. Ethical leaders influence the well-being of their employees by taking their decisions into account and treating their followers trustful and fair.

There is also a number of personal characteristics that are related to ethical leadership (Brown & Treviño, 2006; Kalshoven et al., 2011). Ethical leaders are thought to be honest and trustworthy. They care about people and the broader society, and behave ethically in their personal and professional lives (Brown & Treviño, 2006).

Research on low ethical leadership also strengthens the importance of ethical leadership in practice. Low ethical leaders, for example, are identified as one of the main factors resulting in counterproductive work behaviour (Tepper et al., 2009; Thau et al., 2009). Furthermore, leaders who act in low ethical ways can undermine the follower’s motivation to engage in OCB (Stouten et al., 2013). All in all, ethical leadership is perceived very positively throughout literature and practice.

The question, which therefore arises, is whether companies like Starbucks are thus putting employees under pressure by stressing important ethical display rules they want to see. For this reason, the goal of this study is to identify whether organisations may risk the beneficial outcomes of ethical leadership by dictating which organisational display rules are solely allowed – namely employees need to act and lead in an ethical way!

Research on negative effects of moderate or high levels of ethical leadership is however rare. Stouten and colleagues (2013) identified that leaders who act in high ethical ways can also undermine the follower’s motivation to engage in OCB, like low ethical leaders. Therefore the goal of this study is to extend the research on less desirable consequences of
high ethical leadership for organisations and their members. Furthermore, it aims at identifying if employees experience organisational, social or any kind of pressure to perform in an ethical way, which might result in emotional labour.

In the following, this research paper will introduce and explain the theoretical background of the main variables and elaborate on each hypothesis. Afterwards, the research design will be described including information about the participants, as well as the established measure scales. Then the results will be presented, followed by the discussion, the theoretical and practical implications, limitations and strength and future directions. At the end, the conclusion will sum up the newly investigated findings.

Theoretical Background

Ethical Leadership

The most common definition used in research of ethical leadership is “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). Furthermore, ethical leaders are characterized as honest, caring, and principled individuals who make fair and balanced decisions (Treviño & Brown, 2006). They also set clear and ethical standards, which are frequently communicated to their followers. In addition, ethical leaders treat their followers with respect, keep promises, allow employees to have input in decisions and clarify expectations and responsibilities (Kalshoven et al., 2011).

The Conservation of Resources (COR) theory states further that resources, such as ethical leadership, help employees to obtain more resources (Hobfoll, 1989; Karlshoven & Boon, 2012). An individual does not only strive to avoid negative states by protecting his or her resource pool, but also seeks to expand one’s resource pool and to enhance his or her well-being (Hobfoll, 2002). In a positive work environment employees utilize their existing capital of resources in order to acquire new ones entering what is termed a “positive gain spiral” (Llorens et al., 2007; Westman et al., 2004; Kalshoven & Boon, 2012).

Moreover, there are three underlying processes for ethical leadership. First, the outcomes of ethical leadership are positively related to follower’s organisational identification (Hogg & Terry, 2000; Hogg & Turner, 1987; Hogg, 2001; van Knippenberg & Hogg, 2003; van Knippenberg et al., 2004). This, in turn, will increase the motivation to achieve organisational goals and display OCB (Walumbwa et al., 2011). Secondly, the followers of ethical leaders are in a social exchange relationship. Employees are then more likely to
reciprocate and to appreciate the ethical leader’s characteristics and behaviours by improving their task performance (Brown et al., 2005). Thirdly, Social Learning Theory, similarly, proposes that ethical leaders influence the follower’s self efficacy because they are perceived as role models and help realize the follower’s full potential during their work (Walumbwa et al., 2011; Bandura, 1997; Bandura, 1991; Stouten et al., 2013).

In addition, organisation’s success, in particular the survival of one business over the long term, is dependent on ethical leadership (Mendonca, 2001). The organisation’s stakeholders, employees, customers, suppliers and the community are generally well disposed towards ethical leaders. Therefore, “organisational effectiveness on an enduring basis is greatly enhanced by the self-transformation of the leader and of the followers that is inherent in ethical leadership” (Mendonca, 2001, p. 268).

As described above, ethical leadership is generally beneficial for organisations and for their employees. However, excessively ethical leadership might be “too much of a good thing” (Harris, K. J. & Kacmer, K. M., 2006). The relationship between leaders and their followers can be described through the leader-member-exchange (LMX) theory. Harris and Kacmer identified that extremely high quality LMX relationships result in an increase in follower’s perceived stress (2006). Followers get very exhausted when they try to provide the same amount of input into the relationship when having a perfect ethical role model as their leader. Employees in an extremely high quality LMX relationship will have additional work, numerous expectations and various roles to fulfil in addition to their actual job description (Liden & Graen, 1980). Moreover, in line with Social Learning Theory, described above, employees might feel that high ethical leaders are ethically not reachable (Stouten et al., 2013). Employees experience the feeling of having their ethical standards called into question, and the impression of being perceived as an inferior ethical person on which the superior ethical person looks down. This in turn leads to the employees’ perception that their leaders are arrogant and it creates an uncomfortable situation for the followers (Stouten et al., 2013). For this reason, extremely high ethical leaders might not be beneficial for organisations and their outcomes.

In the following, the theoretical background and the effects of emotional labour will be discussed. Emotional labour is also an important concept within ethical leadership and provides new views on how followers might react when they are confronted with leaders acting in a too extreme ethical way.
Emotional Labour

The emotional labour research seeks to describe how individuals manage their emotions as part of the work role (Gosserand & Diefendorff, 2005; Hochschildt, 1983). Emotional labour is defined “as the process of regulating one’s emotional displays in response to display rules so that work goals can be achieved” (Gosserand & Diefendorff, 2005, p. 1256). Individuals use emotional regulation strategies to bring future emotional displays into line with display rules, when a discrepancy between displays and display rules is detected. The consequences of emotional labour are proven to be negative with regard to diminished self-esteem (Hochschildt, 1983), burnout (Hochschildt, 1983; Hülsheger & Schewe, 2011), job satisfaction (Bulan, Erickson, & Wharton, 1997; Parkinson, 1991; Pugliesi & Shook, 1997; Pugliesi, 1999) and psychological distress (Pugliesi & Shook, 1997; Wharton, 1993).

After all, management of emotions has become part of organisational rules and occupational norms, especially in the service sectors (Hülsheger & Schewe, 2011; Pugliesi, 1999; Morris & Feldman, 1996). In emotional labour research, expression of certain emotions and the suppression of certain emotions will influence customers and clients to meet higher-order performance goals. Similarly, one can adapt the expression and suppression of certain emotions and certain behaviours to the ethical leadership. Specifically, followers under high or low ethical leaders might be forced to show extreme high ethical or unethical behaviours and ways of thinking even though they do not feel like it, which might result in a suppression of their own actual feelings. Organisations desire to display ethical characteristics and behaviours that positively influence the organisational outcome.

As described before, ethical leadership has positive effects, but can also be very demanding for employees. Specifically, high and low ethical leadership will impact employees such that they might use emotional regulation strategies in order to bring future emotional displays in line with the ethical organisational rules. Leaders acting in an extremely high ethical way might create more work and social pressure for employees to act in a same high ethical way. For example, such leaders do not allow different work behaviours or work approaches. Additionally, unethical leaders might also have the same effects on their followers compared to extremely high ethical leaders. Stouten and colleagues (2013) for example, identified that leaders who act in low ethical ways undermine the follower’s motivation to engage in OCB. Therefore, the first hypothesis of this paper states that specifically low and high ethical leadership will impact the follower’s regulation of emotions and therefore the use of emotional labour strategies will increase as compared to when working for a moderate ethical leader.
Hypothesis 1: Ethical leadership has a curvilinear effect on emotional labour, such that there is a weak relationship between moderate ethical leadership and emotional labour, but a strong relationship between low and high ethical leadership and emotional labour.

There are two emotional labour strategies: surface acting and deep acting. Surface acting is a response-focused form. Emotions are regulated when an emotion has already been developed. Individuals engaging in surface acting put on a mask and “adjust the emotional response by suppressing, amplifying, or faking emotions” (Hülsheger & Schewe, 2011, p. 362). In general, surface acting describes the effortful process of managing one’s emotions and is positively related with emotional exhaustion (Hülsheger & Schewe, 2011; Hülsheger et al., 2010; Grandey, 2002). The ego depletion model by Baumeister and colleagues suggests that “faking” one’s emotion continuously leads to increased psychological effort and depletes mental resources. (Baumeister et al., 1998; Hülsheger et al., 2010). Resource loss is stressful and arises through surface acting. Thus surface acting makes people feel drained and exhausted, which results in diminished well-being (Hülsheger et al., 2010; Hülsheger & Schewe, 2011).

Deep acting, on the other hand, “is an antecedent-focused form of emotion regulation that affects the perception and processing of emotional cues at the onset of an emotion” (Hülsheger & Schewe, 2011, p. 362). Deep acting occurs before an emotion develops with the aim to change the perception or the situation itself (Grandey, 2000; Gross, 1998). Engaging in deep acting, individuals try to align required and true feelings. (Hülsheger & Schewe, 2011). Deep acting, as compared to surface acting, requires less cognitive and motivational resources. It further displays no generalizable relationships with indicators of individual ill-being (Hülsheger & Schewe, 2011).

For this reason, the second hypothesis of this paper expects a curvilinear relationship of ethical leadership on surface acting as well as on deep acting.

Hypothesis 2a: Ethical leadership has a curvilinear effect on surface acting, such that there is a weak relationship between moderate ethical leadership and surface acting, but a strong relationship between low and high ethical leadership and surface acting.
Hypothesis 2b: Ethical leadership has a curvilinear effect on deep acting, such that there is a weak relationship between moderate ethical leadership and deep acting, but a strong relationship between low and high ethical leadership and deep acting.

Individual and Organisational Outcomes

According to the Conservation of Resources Theory (COR) by Hobfoll (1989), job resources will enhance the well-being of employees. Kalshoven and Boon (2012) found out that ethical leadership is positively related to employee’s well-being due to the provision of job resources, for example role clarification or emotional support.

Suggestions are made that ethical leaders are fair and honest and thus provide their employees with a safety net to fall back on when they experience low levels of well-being at work. For this reason, employees will experience emotional support and care (Kalshoven et al., 2011; Treviño et al., 2003). Ethical leaders can therefore provide job resources by successfully defending employees, protecting them from unfairness, or mobilizing job resources, which positively affects employee’s well-being. But does the “safety net to fall back on” still exists when ethical leaders act and lead in a too extreme way? Are they still able to provide a trust and rapport environment? In other words, this paper argues that ethical leaders who act and lead in an extremely ethical way will prohibit the beneficial outcomes for organisations. Employees are then under pressure to fulfil the ethical requirements.

Therefore, this paper proposes that high ethical leadership will increase the employee’s work stress and decrease the employee’s job performance.

Hypothesis 3: Ethical leadership has a curvilinear effect on organisational outcomes, such that there is a strong relationship between moderate ethical leadership and follower’s job performance, but a weak relationship between low and high ethical leadership and follower’s job performance.

Hypothesis 4: Ethical leadership has a curvilinear effect on individual outcomes, such that there is a weak relationship between moderate ethical leadership and follower’s perceived stress, but a strong relationship between low and high ethical leadership and follower’s perceived stress.

In the following paragraphs the proposed mediation and moderation effects will be explained. Although emotional labour was previously explained and mentioned, it will further
be explained why emotional labour might also mediate the relationship between ethical leadership and individual and organisational outcomes.

**Emotional Labour as a Mediator**

The trickle-down model explains how ethical leadership flows from top management levels to ethical supervisors and ends in employee behaviour (Mayer et al., 2009). Two primary theories can be used in order to explain this “cascading effect” or trickle-down effect (Bass, 1990; Mayer et al., 2009). In line with the Social Learning Theory, ethical leaders influence their followers to act and behave ethically. First, ethical leaders provide ethical behaviour examples for their followers, because they serve as legitimate role models of behaviour, ethical norms can be observed and are thus used as cues. Secondly, ethical leaders reward positive and helpful behaviours, which in turn incentivize the followers to act in ethical ways. Furthermore, the Social Exchange Theory emphasizes that ethical leadership leads to follower’s reciprocation, which also explains why ethical leadership follows a top-down approach (Bandura, 1991; Cropanzano & Mitchell, 2005; Mayer et al., 2009; Stouten et al., 2013).

All in all, the trickle-down effect shows how ethical leadership can affect every employee on different levels within the organisation and results in an ethical culture. Moreover, the strength of this created ethical culture determines how much control it has over its employees, for example how strongly employees are attached to its norms. For this reason, forcing or putting employees under pressure to display the desired ethical rules will lead to an increased perceived level of stress and to a decrease in the job performance. Employees are forced to use the two previously mentioned emotional labour strategies to display the required ethical standards. This argumentation relies on ethical leaders who show an extreme degree of ethical behaviour, namely low or high levels of ethics.

Hence, this paper hypothesises that emotional labour will mediate the relationship of ethical leadership on follower’s job performance and follower’s perceived stress, especially for high and low levels of ethical leadership.

*Hypothesis 5: Emotional labour will mediate the relationship of high and low levels of ethical leadership on follower’s job performance and follower’s perceived stress.*
**Personality Traits**

Follower’s personality traits can influence how strongly ethical leadership affects their behaviour and results in the above-mentioned trickle-down effect. In general, there are five personality traits: agreeableness, openness, extraversion, conscientiousness and neuroticism (counterpart: emotional stability). Agreeableness describes an individual as being altruistic, trusting, kind and cooperative. Openness describes an individual as being imaginative, curious, artistic, and insightful. Extraversion describes an individual as being active, assertive, energetic and outgoing. Conscientiousness describes an individual as being dependable, responsible, dutiful, and determined. Lastly, neuroticism describes an individual as being anxious, hostile, impulsive, and stressed (Kalshoven et al., 2011).

Two of the Big Five are positively related with ethical leadership, namely agreeableness and conscientiousness (Kalshoven et al, 2011). Follower’s agreeableness reflects the tendencies of being kind, trusting and taking the needs of the other human beings into account. Moreover, individuals with high levels of agreeableness are described as caring, empathic to others and sharing their power. Furthermore, Jensen-Campbell and Graziano (2001) state that individuals high on agreeableness are more likely to use constructive tactics to help others. In this case, followers of ethical leaders are more sensitive and similar to their ethical leaders. For example, the use of constructive tactics is a key component of ethical leadership (Walumbwa & Schaubroeck, 2009).

In addition, individuals high on conscientiousness also show character traits similar to those possessed by their ethical leaders. For instance, they think carefully before acting, adhere closely to their moral obligations, do the right things not only for themselves and treat their fellow co-workers in a consistent way (Kalshoven et al., 2011). For this reason, it can be concluded that followers who possess the same typical personality traits as their ethical leaders, namely agreeableness and conscientiousness, are more related to ethical leadership. Furthermore, the impact of ethical leadership influences their behaviours more positive than possessing personality traits like extraversion and openness, which are less associated with ethical leadership.

In addition, emotional stability showed no relationship with ethical leadership in research, however it might be a beneficial character trait for employees in order to cope with their own emotions more effectively during their work (Walumbwa & Schaubroeck, 2009; Kalshoven et al., 2011).

All in all, the impact of ethical leadership on emotional labour, follower’s job performance and follower’s perceived stress differs with regard to the follower’s personality
traits. Individuals who possess the typical personality traits like their ethical leaders might have a weaker relationship with emotional labour, job performance and perceived stress.

For this reason, high scores on agreeableness, conscientiousness and emotional stability will moderate the relationship of ethical leadership on emotional labour, so that the relation between ethical leadership and emotional labour is weakened.

_Hypothesis 6: Follower’s agreeableness will moderate the relationship of ethical leadership on emotional labour, such that low levels of agreeableness will strengthen the relationship between ethical leadership and emotional labour whereas high levels will weaken the relationship._

_Hypothesis 7: Follower’s conscientiousness will moderate the relationship of ethical leadership on emotional labour, such that low levels of conscientiousness will strengthen the relationship between ethical leadership and emotional labour whereas high levels will weaken the relationship._

_Hypothesis 8: Follower’s emotional stability will moderate the relationship of ethical leadership on emotional labour, such that low levels of emotional stability will strengthen the relationship between ethical leadership and emotional labour whereas high levels will weaken the relationship._

Additionally, this paper proposes that high levels of follower’s agreeableness, conscientiousness and emotional stability will also moderate the relationship of emotional labour on organisational and individual outcomes. High levels of agreeableness, conscientiousness and emotional stability will weaken the relationship of emotional labour on follower’s perceived stress whereas high levels of agreeableness, conscientiousness and emotional stability will strengthen the relationship of emotional labour on follower’s job performance.

_Hypothesis 9: Follower’s agreeableness will moderate the relationship of emotional labour on follower’s job performance, such that low levels of agreeableness will weaken the relationship between emotional labour and follower’s job performance whereas high levels will strengthen the relationship._
Hypothesis 10: Follower’s conscientiousness will moderate the relationship of emotional labour on follower’s job performance, such that low levels of conscientiousness will weaken the relationship between emotional labour and follower’s job performance whereas high levels will strengthen the relationship.

Hypothesis 11: Follower’s emotional stability will moderate the relationship of emotional labour on follower’s job performance, such that low levels of emotional stability will weaken the relationship between emotional labour and follower’s job performance whereas high levels will strengthen the relationship.

Hypothesis 12: Follower’s agreeableness will moderate the relationship of emotional labour on follower’s perceived stress, such that low levels of agreeableness will strengthen the relationship between emotional labour and follower’s perceived stress whereas high levels will weaken the relationship.

Hypothesis 13: Follower’s conscientiousness will moderate the relationship of emotional labour on follower’s perceived stress, such that low levels of conscientiousness will strengthen the relationship between emotional labour and follower’s perceived stress whereas high levels will weaken the relationship.

Hypothesis 14: Follower’s emotional stability will moderate the relationship of emotional labour on follower’s perceived stress, such that low levels of emotional stability will strengthen the relationship between emotional labour and follower’s perceived stress whereas high levels will weaken the relationship.
The following figure shows and summarizes the proposed hypotheses and makes the relationships more visible.

**Figure 1:** Overview of the Research Model on the relationship between ethical leadership and follower’s job performance and follower’s perceived stress

```
Ethical Leadership
- High levels
- Moderate levels
- Low levels

Follower’s personality traits
- Agreeableness
- Conscientiousness
- Emotional stability

Follower’s emotional labour
- Surface acting
- Deep acting

Organisational Outcomes
- Follower’s job performance

Individual Outcomes
- Follower’s perceived stress
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**Method**

**Participants**

The research method employed relies on a snowballing method (see e.g., Lee & Allen, 2002; van Dijke et al., 2010 for a similar approach) whereby the respondents were asked to fill out an online questionnaire on a webpage and asked co-workers, friends or family members to do the same.

All queries sent to employees contained a short description of the study and a link to the online questionnaire. Before participants could proceed to completing the survey, an informed consent form had to be read and needed to be confirmed.

The data was collected in Germany from a variety of organisations. Overall, 177 participants were questioned and started the completion of the questionnaire. However, only a fraction of 70.06% completed the survey and could thus be used for the analysis (N=124). In total, 51.60% of the participants are working either full-time or part-time (N=64 of which 10 are working part time) with an average of 10.96 years experience in their current job (SD = 11.47). Some 59 participants indicated that they were supervised by a leader within their organisation and rated their leader on the 5-ethical leader scale with 3.65 on average (5 =
strongly agree). Furthermore, 46 participants are working for a service company with an average of 3.98 in direct customer contact (rated on a 5-point answer scale with 5 = very often). The remaining 39.50% of the participants were students, who were asked to imagine working for a company and a specific supervisor. The mean age of the participants was 33.54\(^1\) years (SD = 13.69). Furthermore, 44.4% male and 55.60% female answered the online questionnaire.

**Design and Procedure**

This study was designed as a cross-sectional study. In order to gather the necessary information, the participants were confronted with a scenario experiment. The ethical leadership manipulation consisted of three short stories describing a high, moderate and low ethical leader. The three short stories were based on Brown, Treviño and Harrison’s ethical leadership scale (ELS, 2005; Stouten et al. 2013 and van Gils et al., 2013, see Appendix B). Participants were randomly assigned to each of the three scenarios and were then asked to place themselves in the situation of an employee in a company and needed to answer the following questions while imagining that the description applied to their respective supervisor.

After having read the scenario the participants were asked to answer both a manipulation check as well as a series of questions (emotional labour scale, follower’s perceived stress scale, follower’s job performance scale, personality traits scale and ethical leadership scale).

**Measures**

**Emotional Labour Strategies**

In order to assess deep acting and surface acting, Brotheridge and Lee’s (2003) 6-item Emotional Labour Scale was used. The German version was translated by Hülsheger (Hülsheger et al., 2010). All items were answered on a scale ranging from 1 (never) to 5 (very often). A sample item for surface acting is “How often would you pretend to have emotions that you do not really have?” and for deep acting “How often would you try to actually experience the emotion that you must show?”.

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\(^1\) Only 123 participants stated their age.
Follower’s Job Performance

To assess the overall job performance of each participant, the four-item job performance scale by Van Dyne and LePine (1998) was used. All items were answered on a scale ranging from 1 (strongly disagree) to 5 (strongly agree). Furthermore, the four-item scale was adapted so that each participant could rate his or her own performance. A sample item is “I would fulfil the responsibilities specified in my job description”.

Follower’s Perceived Stress

The four-item Perceived Stress Scale (PSS) by Cohen and colleagues (1983) was used to identify the employee’s stress level. Participants rated their perception of the overall stressfulness of the day on a 5-point scale ranging from 1 (never) to 5 (very often). A sample item was “How often would you have felt that you were unable to control the important things in your life?”. The German version by Büsing was used (2011).

Personality Traits

To assess the Big Five personality traits the short version of the Big Five Inventory (BFI) (10-item) was used. It is well suited for measuring the five personality traits and is particularly adequate for application in diverse and age-heterogeneous groups. All items were answered using a scale from 1 (strongly disagree) to 5 (strongly agree). Two BFI items covered one Big Five dimension, using one true-scored and one false-scored item. The German version by Rammstedt and John (2006) was used. A sample item for agreeableness was “I see myself as someone who is generally trusting” (Rammstedt & John, 2007).

Ethical Leadership

The 10-item Ethical Leadership Scale (ELS) scale by Brown, Treviño, & Harrison (2005) was used to assess the current participant’s leader with regard to ethical behaviour. Examples of the items are “My leader conducts his/her personal life in an ethical manner.” and “My leader defines success not just by results but also the way that they are obtained.” All items were answered on a scale from 1 (strongly disagree) to 5 (strongly agree) with an additional option to answer “I do not know” (6).

Manipulation Check

One single item was used as a manipulation check for ethical leadership: “To what extent do you think is this leader an ethical leader?” and this was rated on a scale from 1 (not at all acting ethically) and 7 (acting extremely ethical) (see van Gils et al, 2013; Stouten et al, 2013).
Control Variables

The control variables were age of the employees, experience in having an ethical leader and working for a service company. Previous research has shown that age influences the perception of ethical issues. Kohlberg (1981), for example, showed that elder individuals reach higher levels of cognitive moral development and thus behave more ethically than younger individuals. Furthermore, the ethical perception is also influenced whether employees had previously experienced an ethical leader or an ethical climate (Brown & Treviño, 2006). Additionally, it was controlled whether or not the respondent works for a service company and thus has frequent customer contact. Employees who have a high customer orientation might also be better prepared to regulate their own emotions and adapting to organisational norms and rules.

Analysis

For the analysis of the research model the SPSS version 19 was employed. Correlations between all scales, means, standard deviations and Cronbach’s alpha’s are presented in Table 1. Cronbach’s Alphas are not calculated for the personality scales, since they were unacceptably low and thus showed no internal consistency. For this reason Table 2 presents an exploratory factor analysis that shows more comprehensible results of the relationship between the two variables within the personality scale. As expected, the factor analysis shows five personality factors of which each is covered by two of the BFI items using one true-scored and one false-scored item.

In order to test the previously stated hypothesis regarding the curvilinear effects of ethical leadership, the square of ethical leadership was computed. It was tested whether the squared variable of ethical leadership explains significant variance in the dependent variable beyond the variance explained by the linear term (Cohen, Cohen, Aiken, & West, 2002; Stouten et al, 2013). In step 1, it was regressed for the control variable age and ethical leadership and in step 2 for the squared ethical leadership to examine the curvilinear relationship. The maximum or minimum inflection points were also calculated by using the formula $x = \frac{-b}{2a}$.

Furthermore, the mediation and moderation effects were tested with the help of a linear regression analysis by using the square of the ethical leadership. The significant values were

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2 The only control variable was age since the experience of an ethical leader (59 participants) or frequent customer contact (46 participants) could only controlled for a small participant group (less than a half of the total participants)
checked in order to determine if a mediation or moderation of the variables is present. Each analysis was controlled for age.

Results

A two-way ANOVA with the manipulation check for ethical leadership as dependent variable revealed that participants in the moderate ethical leadership condition rated the leader higher on the 7-ethical leadership manipulation scale (M = 5.63, SD = 1.067) than the participants in the high ethical leadership condition (M = 5.46, SD = 1.748, see Appendix Table 3). The Turkey-HSD test shows further that the low ethical condition displays significant levels in correlation with the moderate ethical leadership (P = 0.000) and the high ethical leadership (P = 0.000). However, the correlation between moderate and high ethical leadership, shows no significance (P = 0.836, Table 4).

Table 5 shows the summary of the regression results. In line with the expectations previously stated, the squared ethical leadership term explains variance in addition to the linear ethical leadership term for emotional labour ($\Delta R^2 = 0.038; \beta = 1.365; T = 2.192; P = 0.001$). More specifically, the relationship of emotional labour with ethical leadership shows an U-shape, indicating that low and high levels of ethical leadership have a positive relationship with emotional labour, but at moderate levels of ethical leadership emotional labour decreases (see Figure 1 with a minimum at ethical leadership = 2.25). This finding supports Hypothesis 1.

Furthermore, investigating the differences between surface acting and deep acting, the result of surface acting shows also variance between the squared ethical leadership and the linear ethical leadership term ($\Delta R^2 = 0.082; \beta = 2.003; T = 3.351; P = 0.001$). The graph in Figure 2 shows an U-shape, indicating that low and high levels of ethical leadership have a positive relationship with surface acting, however, at moderate levels of ethical leadership surface acting decreases (see Figure 2 with a minimum at ethical leadership = 2.375). This finding supports Hypothesis 2a.

Deep acting, however, shows no variance between the squared ethical leadership and the linear ethical leadership term ($\Delta R^2 = 0$). A slightly positive linear relationship with ethical leadership is given, indicating that only high levels of ethical leadership show the strongest relationship between ethical leadership and deep acting. Moreover, this relationship also shows no significant value and therefore the finding does not support Hypothesis 2b ($\beta = 0.037; T = 0.058; P = 0.954$).
Table 6 shows the summary of the regression results of ethical leadership on follower’s job performance and follower’s perceived stress. In line with the previous expectations, the squared ethical leadership term explains variance in addition to the linear ethical leadership term for follower’s job performance ($\Delta R^2 = 0.031$, $\beta = -1.231$; $T = -1.956$; $P = 0.053$). More specifically, the relationship of ethical leadership and follower’s job performance showed an inverted U-shape, indicating that low and high levels of ethical leadership have a negative relationship with follower’s job performance, but at moderate levels of ethical leadership follower’s job performance increases (see Figure 4 with a maximum at ethical leadership = 2.125). This finding supports Hypothesis 3.

Furthermore, the squared ethical leadership term explains variance in addition to the linear ethical leadership term for follower’s perceived stress ($\Delta R^2 = 0.162$, $\beta = 2.819$; $T = 5.001$; $P = 0.000$). The relationship of ethical leadership and follower’s perceived stress shows an U-shape, indicating that low and high levels of ethical leadership have a positive relationship with follower’s perceived stress, but at moderate levels of ethical leadership follower’s perceived stress decreases (see Figure 4 with a minimum at ethical leadership = 2.25). This finding supports Hypothesis 4.

Table 7 presents the summary of the regression results for the mediation effect of emotional labour, surface acting and deep acting. The previously stated expectations that emotional labour, surface acting and deep acting would mediate the relationship between ethical leadership and the organisational and individual outcomes are not supported. In step 1 of the linear regression analysis, the results show no significant values and therefore Hypothesis 5 is not supported.

Table 8 shows the summary of the regression results for the moderator effects of the personality traits – follower’s agreeableness, follower’s conscientiousness and follower’s emotional stability – on the relationship between ethical leadership and emotional labour. The results of the interaction term also reveal no significant values and therefore Hypotheses 6, 7 and 8 are not supported. Furthermore, the moderator effects for the relationship between ethical leadership and surface acting as well as for deep acting were tested.

Only Table 9 shows a moderator effect of follower’s conscientiousness on ethical leadership and surface acting ($\Delta R^2 = 0.073$, $\beta = -0.172$; $T = -1.915$; $P = 0.058$). Table 10 shows that there is no moderator effect on ethical leadership and deep acting. Hypothesis 7 is therefore only supported for surface acting. However, with exception for the previous mentioned effect, the three personality traits did not interact with ethical leadership to predict emotional labour.
It was also tested for moderator effects of follower’s agreeableness, follower’s conscientiousness and follower’s emotional stability on emotional labour and individual and organisational outcomes (Table 11). Only follower’s agreeableness showed a moderator effect for the relationship of deep acting on follower’s job performance ($\Delta R^2 = 0.052$, $\beta = 0.163$; $T = 1.815$; $P = 0.072$). With exception for the above-mentioned effect, follower’s agreeableness, follower’s conscientiousness and follower’s emotional stability also did not interact with emotional labour to predict follower’s job performance and follower’s perceived stress.

**General Discussion**

In this study across different company fields and different participant backgrounds in Germany, it was shown that ethical leadership reveals a curvilinear relationship with emotional labour, surface acting and follower’s perceived stress, showing an U-shape relationship. At lower levels and higher levels of ethical leadership emotional labour, surface acting and follower’s perceived stress increases, but at moderate levels it decreases.

Furthermore, ethical leadership also reveals a curvilinear relationship with follower’s job performance. The previously expected inverted U-shape shows that at lower and higher levels of ethical leadership follower’s job performance decreases while it increases at moderate levels. No curvilinear effect was found between ethical leadership and deep acting.

In general, the mediation and moderation effects are not fully supported. Two moderation effects are proven, namely follower’s conscientiousness on ethical leadership and surface acting and follower’s agreeableness on deep acting and follower’s job performance. In other words, low levels of conscientiousness strengthen the relationship between ethical leadership and surface acting and high levels weaken the relationship. Additionally, low levels of agreeableness strengthen the relationship between deep acting and follower’s perceived stress while high levels tend to weaken the relationship.

In the following sections, the findings will be further discussed with a focus on theoretical and practical implications as well as on strengths and limitations.

**Theoretical Implications**

Although this research is an extension to previous research which investigated and showed unintended negative effects of ethical leadership, it is a new research model which investigates how emotional labour is related to ethical leadership (Stouten et al, 2013). For this reason, this study adds to the literature on ethics and leadership and especially to the already existing literature on negative effects of ethical leadership in several ways.
Firstly, it is shown that unintended effects of high ethical leadership are potentially consequential to organisations. Employees respond to low and high ethical leaders with a higher use of emotional regulation strategies. The use of emotional labour strategies, especially the use of surface acting, makes people feel drained and exhausted, which results in diminished well-being (Hülsheger et al., 2010; Hülsheger & Schewe, 2011). This result shows that low and high ethical leadership may have a potential unintended negative effect for individual’s well-being, even though the traditional view stresses the importance and necessity of ethical leadership.

Secondly, low and high levels of ethical leadership decrease the follower’s job performance and increase the follower’s perceived stress. Stouten and colleagues (2013) stated, “cooperative employees’ behaviours like OCB’s are critical for sustained, long term organisational effectiveness” (p. 692). However, this study shows that employee’s job performance already decreases under low and high ethical leaders. Effects of lower job performance will therefore have a huge impact on the organisational effectiveness and in the long term on the survival of an organisation.

Similarly to the outcomes of emotional labour, an increased perceived stress also affects the well-being of each individual, even though previous research illustrated the positive and constructive effects of ethical leadership. Ethical leaders provide job resources by successfully defending employees, protecting them from unfairness, or mobilizing job resources, which positively affect employees’ well-being (Kalshoven et al., 2011; Treviño et al., 2003). However, as described in the theoretical background section, the safety net to fall back might not exist when ethical leaders act and lead in a too extreme way. In other words, these ethical leaders might prohibit the beneficial outcomes for organisations and might put their followers under pressure to fulfil the ethical requirements (see Figure 4).

Thirdly, follower’s conscientiousness showed a moderator effect on the relationship between ethical leadership and surface acting and also follower’s agreeableness moderates the relationship between deep acting and follower’s job performance. These results contribute to the theoretical literature and show that personality traits moderate these relationships in a benefitting way. Individuals with high levels of conscientiousness tend not to use the emotional labour strategy of surface acting when working for an extremely ethical leader. Furthermore, individuals with high levels of agreeableness, in combination with the use of the emotional labour strategy deep acting, tend to have beneficial effects on their job performance.
Although, these findings are a theoretical contribution, the other moderating effects of the follower’s personality traits were not proven and, therefore, future research is necessary in order to identify how follower’s personality traits impact employee’s working for an ethical leader.

**Practical Implications**

Ethical leadership is a very important tool for the organisation as a whole. Decreasing employee’s deviant behaviour or increasing the employee’s well-being are only a few examples of reasons for which ethical leadership is beneficial. The study at hand suggests, however, that high and low ethical leadership styles should be prevented.

According to this study, employees tend to make use of emotional labour strategies when working for an extremely high and low ethical leader. The existing emotional labour literature states that, especially in service sectors, employees tend to get more easily exhausted and drained, which leads to negative psychological effects (e.g. burnout).

Furthermore, the study showed that follower’s job performance decreases and the follower’s perceived stress increases. A possible explanation of the phenomenon explained in this study may be, among others, that employees may experience a feeling of being morally judged by an excessively ethical leader. Rather than being encouraged to act in a similarly ethical way, they may be discouraged by the perception that the desired ethical standards are not attainable for them. In other words, they may feel that they cannot live up to their leader’s example. As this possibly leads to demotivation and an increased level of stress, such feelings should be detected and possibly overcome. In turn, ethical leaders should express their recognition of each employee and have a respectful relationship. Additionally, leaders should allow employees to raise their voice and to speak freely about their opinions and feelings in the work place. Such openness might enhance their closeness with their leaders and foster their need to work more closely together instead of having defensive circumstances and being not productive (Tyler & Blader, 2003).

In general, this paper should also raise awareness that ethical leadership is no omnipotent solution for organisational problems. This study shows that organisations benefit from ethical leaders only when they are not acting in an extremely ethical way and thus not forcing their follower’s to perform or display certain behaviours and emotions. In order to be more effective when using ethical leadership, organisations should carefully introduce and train their leaders with regard to social aspects such as treating their followers with respect,
letting room for improvements and listening carefully to the needs and opinions of their followers.

**Strengths and Limitations**

One important strength of the research at hand is the reliance on an experimental design, which provides the possibility to increase internal validity and to infer causality (Stouten et al., 2013). Furthermore, the scenario approach was the optimal method to test the anticipated parabolic effect of ethical leadership on emotional labour, follower’s job performance and follower’s perceived stress. Finding a suitable sample of extremely high ethical leaders with enough followers to make reliable predictions would have been very difficult with regard to time restrictions.

Another important fact is that, at least to the author’s knowledge, this study is the first to explore the effect of ethical leadership on emotional labour. Previous researchers did not see a connection between ethical leadership and emotional labour; therefore this study discovers new and disregarded fields in the ethical leadership literature. Furthermore, future research is now able to build on this study and to investigate more effects of ethical leadership on emotional labour.

One foremost limitation is that the findings come from a study of cross-sectional design. It is evident that cross-sectional studies have certain disadvantages. A central detriment is the fact that it is impossible to draw conclusions on causal relationships between environmental and personal factors. Temporal ambiguity occurs because of measuring related constructs at a single point of time. However, the three scenarios were manipulated and designed to be as tangible and understandable as possible (see Appendix B). Moreover, the three scenarios were short but precise and detailed enough with no unnecessary or redundant information. The descriptions were based on work conditions and no names for the supervisor were used in order to enhance objectiveness. Furthermore, unclear terms were clarified. For example, ethical decisions were explained as “honest, fair, transparent and justified decisions”. All in all, the three scenarios described different levels of ethical leadership and the degree of ethics were also emphasized at the end.

Another limitation for the present study is that the participants, who were randomly assigned to each of the three scenario descriptions, rated the second condition (moderate levels of ethical leadership) higher than the third condition (high levels of ethical leadership). Results showed that the scenario of moderate levels of ethical leadership had an average of 2.63 while the high ethical leadership condition only an average of 2.46. For this reason, the
results of this study need to be carefully evaluated and might not be universal. Furthermore, 39% of the participants were students, which may further limit the generalizability of the findings at hand. The working population might be better able to imagine working for a certain ethical leader as compared to students.

In general, some individual’s feedback on the questionnaire implied that they found it difficult to understand. These participants had problems imagining to work for the described leader. Even though the scenarios were more extended and detailed than those scenarios of Stouten and colleagues, the participants had problems to understand what the term “ethics” really means. Moreover, some participants felt that the subsequent questions about the emotional labour strategies were also too complicated to answer.

**Future directions**

In the following it will be emphasized what might be improved in order to generalize results found in the study at hand. Future research is still needed in order to fully cover as well as to discover new topics regarding negative effects of ethical leadership and ways in which organisations are able to profit from ethical leadership and ethical cultures.

Firstly, the questionnaire relied on theoretical imaginations and on subsequent questions regarding these imaginations. For future research studies it would be important to find ethical leaders and to conduct a longitudinal practical study. In particular the emotional labour scale may not ultimately display the “correct” results. Working for a longer period of time for an extremely ethical leader may change the respondent’s answers to the questions. Furthermore, having real working conditions might be easier for the followers to understand and feel the pressure to act and behave in an ethical way than theoretical or imaginative scenario descriptions do. Additionally, a cross-sectional study is unable to account for cohort effects (Wiersema & Bird, 1993). Especially for the scenario experiments, it is useful to conduct a longitudinal design in order to not only get a one-time impression.

The questions of the Big Five Inventory (BFI) were easy to answer and asked the participants to rate their own personality. However, some of the moderator effects may not have been properly displayed due to “misleading” results of the emotional labour scale, mentioned above. Under real working conditions it might be more obvious how followers with the specific personality traits react to their ethical leaders and, thus, more significant results may be obtained.

Secondly, the mediation effect of emotional labour in this particular study was not proven. In this study, emotional labour does not mediate the relationship between ethical
leadership and the organisational and individual outcomes. Future research will be needed to examine whether this finding can be supported under different circumstances or for different participant groups.

Thirdly, emotional stability showed again no relationship with ethical leadership (Walumbwa & Schaubroeck, 2009; Kalshoven et al., 2011). Future research, however, is still needed to examine the effects of emotional stability in combination with ethical leadership and especially with the use of emotional labour strategies.

In this study, the effects of ethical leadership on the organisational followers were investigated, however for future research it might also be important to deepen the knowledge about the effects for ethical leaders. Do ethical leaders also feel a pressure to behave in an ethical way and to be a perfect role model for their followers?

In general, it is important to create the awareness that ethical leadership has its positive and beneficial impacts on organisations but might also have its drawbacks. Organisations need to be aware and to be prepared in order to create effective ethical leadership styles and an ethical culture.

**Conclusion**

Research about ethical leadership and its beneficial organisational consequences is spread out about the past last years. Conclusions were made that ethical leadership is the key for the survival of an organisation. However, the paper at hand shows that followers might also react negatively to their ethical leaders when they lead and behave in an extremely ethical way. It is therefore very important that organisations are aware of the different ethical leadership styles and that they still create a rapport and trustful environment for their employees. Furthermore, organisations need to carefully introduce ethical leadership and to control the degree of the ethical view of the leader. Putting employees under excessive pressure when dictating them which ethical standards they need to display will thus result in a poorer job performance and in an increase of perceived stress.

The key take-away of this study is therefore that organisations should not see ethical leadership as the only and most important solution for their problems. Ethical leadership styles need to be carefully evaluated and implemented within an organisation as they might otherwise harm the effectiveness of an organisation.
II. References


### III. Appendix A: Results of the Study

#### Tables

Table 1: Means, Standard Deviations, Correlations and Cronbach’s Alpha’s for the main variables

<table>
<thead>
<tr>
<th></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>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ethical leadership</td>
<td>1.99</td>
<td>0.82</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Emotional labour</td>
<td>2.76</td>
<td>0.64</td>
<td>-0.104</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.745)</td>
</tr>
<tr>
<td>3. Surface acting</td>
<td>3.05</td>
<td>0.86</td>
<td>-0.211*</td>
<td>0.796**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.843)</td>
</tr>
<tr>
<td>4. Deep acting</td>
<td>2.47</td>
<td>0.79</td>
<td>0.06</td>
<td>0.755**</td>
<td>0.205*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.781)</td>
</tr>
<tr>
<td>5. Follower’s performance</td>
<td>4.37</td>
<td>0.68</td>
<td>0.046</td>
<td>0.022</td>
<td>-0.059</td>
<td>0.101</td>
<td></td>
<td></td>
<td></td>
<td>(0.877)</td>
</tr>
<tr>
<td>6. Follower’s perceived stress</td>
<td>2.83</td>
<td>0.74</td>
<td>-0.187*</td>
<td>0.351**</td>
<td>0.527**</td>
<td>-0.003</td>
<td>-0.260**</td>
<td></td>
<td></td>
<td>(0.759)</td>
</tr>
<tr>
<td>7. Follower’s agreeableness</td>
<td>3.09</td>
<td>0.75</td>
<td>-0.071</td>
<td>-0.033</td>
<td>-0.088</td>
<td>0.042</td>
<td>0.110</td>
<td></td>
<td>-0.065</td>
<td></td>
</tr>
<tr>
<td>8. Follower’s conscientiousness</td>
<td>3.92</td>
<td>0.74</td>
<td>-0.142</td>
<td>-0.144</td>
<td>-0.060</td>
<td>-0.168</td>
<td>0.299**</td>
<td>0.068</td>
<td></td>
<td>0.149</td>
</tr>
<tr>
<td>9. Follower’s neuroticism</td>
<td>2.72</td>
<td>0.82</td>
<td>0.148</td>
<td>0.111</td>
<td>0.195*</td>
<td>-0.033</td>
<td>-0.159</td>
<td>0.285**</td>
<td>-0.086</td>
<td>-0.228*</td>
</tr>
</tbody>
</table>

Note: N = 124. Cronbach’s Alphas are represented between brackets on the main diagonal, except for the personality traits.

* $p < .05$, ** $p < .01$
Table 2: Factor Analysis personality scale – rotated component matrix

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Extraversion</td>
<td>0.863</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Reversed Extraversion</td>
<td>0.861</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Neuroticism</td>
<td></td>
<td>0.739</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Reversed Neuroticism</td>
<td></td>
<td></td>
<td>0.874</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Conscientiousness</td>
<td></td>
<td></td>
<td></td>
<td>0.797</td>
<td></td>
</tr>
<tr>
<td>6. Reversed Conscientiousness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.816</td>
</tr>
<tr>
<td>7. Agreeableness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.793</td>
</tr>
<tr>
<td>8. Reversed Agreeableness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.753</td>
</tr>
<tr>
<td>9. Reversed Openness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Openness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.765</td>
</tr>
</tbody>
</table>

Table 3: Relationship between the three ethical leadership scenarios and the manipulation check

<table>
<thead>
<tr>
<th>Scenarios</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Ethical Leadership</td>
<td>42</td>
<td>2.19</td>
<td>1.153</td>
<td>0.000</td>
</tr>
<tr>
<td>Moderate Ethical Leadership</td>
<td>41</td>
<td>5.63</td>
<td>1.067</td>
<td>0.569</td>
</tr>
<tr>
<td>High Ethical Leadership</td>
<td>41</td>
<td>5.46</td>
<td>1.748</td>
<td>4</td>
</tr>
</tbody>
</table>

1 Scenario 1 differed significantly from scenarios 2 and 3
2 No significant value is displayed, value B equals 0 because of redundancy
Table 4: Turkey-HSD Analyse

<table>
<thead>
<tr>
<th>Scenarios</th>
<th>Low EL</th>
<th>Moderate EL</th>
<th>High EL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Ethical Leadership (EL)</td>
<td>-</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Moderate Ethical Leadership (EL)</td>
<td>0.000</td>
<td>-</td>
<td>0.836</td>
</tr>
<tr>
<td>High Ethical Leadership (EL)</td>
<td>0.000</td>
<td>0.836</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 5: Summary for regression analysis: ethical leadership on emotional labour, surface acting and deep acting

<table>
<thead>
<tr>
<th></th>
<th>Beta</th>
<th>T</th>
<th>P</th>
<th>R²</th>
<th>ΔR²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional labour</td>
<td>1.365</td>
<td>2.192</td>
<td>0.001</td>
<td>0.061</td>
<td>0.038*</td>
</tr>
<tr>
<td>Surface acting</td>
<td>2.003</td>
<td>3.351</td>
<td>0.001</td>
<td>0.135</td>
<td>0.082*</td>
</tr>
<tr>
<td>Deep acting</td>
<td>0.037</td>
<td>0.058</td>
<td>0.954°</td>
<td>0.011</td>
<td>0.000*</td>
</tr>
</tbody>
</table>

Note: N = 124; control variable = age; *change in R² from ethical leadership to squared ethical leadership; °no significant values

Table 6: Summary for regression analysis: ethical leadership on follower’s job performance and follower’s perceived stress

<table>
<thead>
<tr>
<th></th>
<th>Beta</th>
<th>T</th>
<th>P</th>
<th>R²</th>
<th>ΔR²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follower’s job performance</td>
<td>-1.231</td>
<td>-1.956</td>
<td>0.053</td>
<td>0.040</td>
<td>0.031*</td>
</tr>
<tr>
<td>Follower’s perceived stress</td>
<td>2.819</td>
<td>5.001</td>
<td>0.000</td>
<td>0.231</td>
<td>0.162*</td>
</tr>
</tbody>
</table>

Note: N = 124; control variable = age; *change in R² from ethical leadership to squared ethical leadership
Table 7: Summary for the regression analysis of the mediating effects of emotional labour, surface acting and deep acting on the relationship between ethical leadership and individual and organisational outcomes

<table>
<thead>
<tr>
<th></th>
<th>Beta</th>
<th>T</th>
<th>P</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional labour</td>
<td>-0.046</td>
<td>-0.500</td>
<td>0.618°</td>
<td>0.019</td>
</tr>
<tr>
<td>Surface acting</td>
<td>-0.147</td>
<td>-1.599</td>
<td>0.112°</td>
<td>0.039</td>
</tr>
<tr>
<td>Deep acting</td>
<td>0.084</td>
<td>0.904</td>
<td>0.368°</td>
<td>0.011</td>
</tr>
</tbody>
</table>

Note: N = 124; control variable = age; °no significant value

Table 8: Summary for the regression analysis of the moderator follower’s agreeableness, follower’s conscientiousness and follower’s emotional stability on ethical leadership and emotional labour

<table>
<thead>
<tr>
<th>Interaction term</th>
<th>Beta</th>
<th>T</th>
<th>P</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follower’s agreeableness</td>
<td>-0.007</td>
<td>-0.075</td>
<td>0.941°</td>
<td>0.020</td>
</tr>
<tr>
<td>Follower’s conscientiousness</td>
<td>-0.113</td>
<td>-1.249</td>
<td>0.214°</td>
<td>0.050</td>
</tr>
<tr>
<td>Follower’s emotional stability</td>
<td>0.044</td>
<td>0.475</td>
<td>0.636°</td>
<td>0.036</td>
</tr>
</tbody>
</table>

Note: N = 124; control variable = age; °no significant values

Table 9: Summary for the regression analysis of the moderator follower’s agreeableness, follower’s conscientiousness and follower’s emotional stability on ethical leadership and surface acting

<table>
<thead>
<tr>
<th>Interaction term</th>
<th>Beta</th>
<th>T</th>
<th>P</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follower’s agreeableness</td>
<td>-0.052</td>
<td>-0.574</td>
<td>0.567°</td>
<td>0.050</td>
</tr>
<tr>
<td>Follower’s conscientiousness</td>
<td>-0.172</td>
<td>-1.915</td>
<td>0.058</td>
<td>0.073</td>
</tr>
<tr>
<td>Follower’s emotional stability</td>
<td>0.042</td>
<td>0.466</td>
<td>0.642°</td>
<td>0.090</td>
</tr>
</tbody>
</table>

Note: N = 124; control variable = age; °no significant values
Table 10: Summary for the regression analysis of the moderator follower’s agreeableness, follower’s conscientiousness and follower’s emotional stability on ethical leadership and deep acting

<table>
<thead>
<tr>
<th>Interaction term</th>
<th>Beta</th>
<th>T</th>
<th>P</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follower’s agreeableness</td>
<td>0.045</td>
<td>0.491</td>
<td>0.624°</td>
<td>0.015</td>
</tr>
<tr>
<td>Follower’s conscientiousness</td>
<td>0.003</td>
<td>0.031</td>
<td>0.975°</td>
<td>0.031</td>
</tr>
<tr>
<td>Follower’s emotional stability</td>
<td>0.026</td>
<td>0.274</td>
<td>0.784°</td>
<td>0.013</td>
</tr>
</tbody>
</table>

Note: N = 124; control variable = age; °no significant values

Table 11: Summary for the regression analysis of the moderator follower’s agreeableness, follower’s conscientiousness and follower’s emotional stability on deep acting and performance

<table>
<thead>
<tr>
<th>Interaction term</th>
<th>Beta</th>
<th>T</th>
<th>P</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follower’s agreeableness</td>
<td>0.163</td>
<td>1.815</td>
<td>0.072</td>
<td>0.052</td>
</tr>
<tr>
<td>Follower’s conscientiousness</td>
<td>0.036</td>
<td>0.401</td>
<td>0.689°</td>
<td>0.128</td>
</tr>
<tr>
<td>Follower’s emotional stability</td>
<td>0.004</td>
<td>0.041</td>
<td>0.967°</td>
<td>0.038</td>
</tr>
</tbody>
</table>

Note: N = 124; control variable = age; °no significant values

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5 Only one moderator effect was detected and therefore the other tables with the insignificant values are not displayed
Figures

Figure 2: Curvilinear effect of ethical leadership on emotional labour
Figure 3: Curvilinear effects of ethical leadership on surface acting and on deep acting.
Figure 4: Curvilinear effect of ethical leadership on follower’s job performance and on follower’s perceived stress
Appendix B: Materials for the Scenario Experiment

Ethical leadership manipulation – low ethical leadership in German

(Based on Brown et al., 2005; Stouten et al., 2013; van Gils et al., 2013)

Ethical leadership manipulation – moderate ethical leadership in German
Ihr Vorgesetzter glaubt daran im Rahmen seiner Berufstätigkeit das „Richtige“ in Sachen ethischen Prinzipien zu tun. Aus diesem Grund und abhängig von der Situation wägt er ab, ob er hinsichtlich vernünftiger, gerechter, fairen, transparenten und begründeten Entscheidungen Zugeständnisse macht oder nicht. Ihr Vorgesetzter möchte als eine ethische und vertrauenswürdige Person gesehen werden, dem es wichtig ist ethische Grundsätze zu beachten, jedoch nicht um jeden Preis. Er versucht immer das einzuhalten, was er bezüglich Ethik sagt und er versucht sich an seine ethischen Werte bei der Entscheidungsfindung zu halten. Wenn Probleme bei der Arbeit auftreten fragt er „was ist die richtige und ethische Vorgehensweise in dieser bestimmten Situation?“. Ihr Vorgesetzter definiert Erfolg nicht nur über Ergebnisse, sondern auch wie diese Ergebnisse erreicht wurden. Alles in allem ist Ihr Vorgesetzter ein gutes Beispiel für ethisches Führen.

(Based on Brown et al., 2005; Stouten et al., 2013; van Gils et al., 2013)
Ethical leadership manipulation – high ethical leadership in German

Ihr Vorgesetzter glaubt sehr stark daran im Rahmen seiner Berufstätigkeit das „Richtige" in Sachen ethischen Prinzipien zu tun. Aus diesem Grund macht er hinsichtlich ehrlichen, gerechten, fairen, transparenten und begründeten Entscheidungen keine Zugeständnisse. Ihr Vorgesetzter möchte als eine ethische und vertrauenswürdige Person gesehen werden. Er hält konsequent das ein, was er bezüglich Ethik sagt und hält sich an seine ethischen Werte bei der Entscheidungsfindung. Aus diesem Grund toleriert er grundsätzlich keine Verstöße und Verletzungen gegenüber ethischen Normen. Wenn Probleme bei der Arbeit auftreten fragt er immer „was ist die richtige Vorgehensweise?“. Ihr Vorgesetzter definiert Erfolg nur über Ergebnisse, die über höchst ethische Vorgehensweisen erreicht wurden. Alles in allem ist Ihr Vorgesetzter ein extremes Beispiel für ethisches Führen.

(Based on Brown et al., 2005; Stouten et al., 2013; van Gils et al., 2013)