SCHOOLS OF BUSINESS
Strategic Focus &
Center for Leadership and Character

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My Research Focus: Character-Based Leader Development

**Context:** Ethical Culture & Climate (Ethos); Extreme Contexts

**Strength of Character**
- Individual Ethos
- Moral Potency/Conation
- Courage

**Leader Mindset**
- Developmental Readiness
- Wisdom
- Leader Efficacy
- Leader Self-Complexity
- Neurological Basis

**Exemplary Leadership**
- Authentic Leadership
- Spiritual Leadership
- Ethical Leadership

**Negative Leadership**
- Abusive Leadership

**Follower & Group Outcomes**
- Ethical Behavior
- Pro-social Behavior
- Ethical Cognition
- Trust
- Productivity
- Adaptability
- Performance

Locus → Transmission → Reception
Moral
Conation/Potency
The only thing necessary for the triumph of evil is for good men to do nothing

Unknown (misattributed to Edmund Burke, British Statesman)
Moral Maturation and Conation (Hannah, Avolio, & May, 2011, AMR)

Experience, Reflection and Feedback

Moral Maturation Capacities
- Moral Complexity
- Meta Cognitive Ability
- Moral Identity

Moral Conation Capacities
- Moral Ownership
- Moral Efficacy
- Moral Courage

Moral Cognition Processes
- Moral Sensitivity
- Moral Judgment

Moral Conation Processes
- Moral Motivation
- Moral Action

Moral Maturation Capacities 
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Moral Cognition Processes
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Moral Conation Processes
- Moral Motivation
- Moral Action
“The capacity to generate responsibility and motivation to take moral action in the face of adversity and persevere through challenges” (Hannah et al., 2011, *AMR*).

Provides the impulse, desire, or volition to act ethically reflected in three psychological states that drive ethical self-regulation.
Moral Potency

**Moral Ownership**
The extent an individual feels a sense of psychological responsibility over the ethical nature of their own actions, those of others around them, and their organization.

**Moral Courage**
The fortitude to overcome fear and act despite danger or pressures from either inside or outside of the organization to do otherwise.

**Moral Confidence**
Confidence in the capability to act to reach a moral goal, while persisting in the face of moral adversity.
12 item moral potency measure by Hannah and Avolio (2010, Consulting Psychology Journal). All rated on 5 point scale

**Moral efficacy (5 items; α = .95)**

“I am confident that I can…take decisive actions when addressing a moral/ethical decision”

“…work with others to settle moral/ethical disputes.”

**Moral courage (4 items; α = .86)**

“I will…always state my views about an ethical issue to my leaders”

“…go against the group’s decision whenever it violates my ethical standards”

**Moral ownership (3 items; α .89)**

“I will…assume responsibility to take action when I see an unethical act”

“…feel that it is my responsibility to address ethical issues when I know someone has done something wrong”

**Higher Order Construct (χ² = 778.36, d.f. =51, SRMR =.03, CFI = .98, NFI = .98).**

All indicators load on respective first-order factors with loadings ranging from .68 to .95. First-order factors load on higher-order factor with loadings ranging from .62 to .98.
Early Studies on Moral Conation/Potency
TRANSPARENCY
• Says exactly what he or she means
• Admits mistakes when they are made
• Displays emotions exactly in line with their feelings

BALANCED PROCESSING
• Solicits views that challenge his or her deeply held positions
• Analyzes relevant data before coming to a decision
• Listens carefully to different points of view before coming to conclusions

MORAL PERSPECTIVE
• Makes decisions based on his or her core values
• Makes difficult decisions based on high standards of ethical conduct
• Demonstrates beliefs that are consistent with actions

SELF AWARENESS
• Seeks feedback to improve interactions with others
• Accurately describes how others view his or her capabilities
• Shows he or she understands how specific actions impact others

Walumbwa, Avolio, et al 2008; Hannah, Chan & Gardner, 2005
Effects of Authentic Leadership on follower Moral Courage and Ethical and Pro-Social Behaviors

Hannah, Avolio, & Walumbwa. (2011). *Business Ethics Quarterly*

**Authentic Leadership** → **Moral Courage** → **Ethical Behavior** → **Pro-Social Behavior**

162 Soldiers in Tactical Exercises
T1 Followers rated squad leader’s AL
T2 – 3 Mo. Later - multiple peers rated each follower on demonstrated *moral courage, ethical behaviors*, and *pro-social behaviors*

$\chi^2 = 719.48$, $df = 373$, $p < .01$, CFI = .93, GFI = .95, IFI = .94, RMR = .05, RMSEA = .06$.

SEM nested model comparison & Sobel confirms full mediation.
Abusive Supervision

“subordinates’ perceptions of the extent to which supervisors engage in the sustained display of hostile verbal and nonverbal behaviors, excluding physical contact” (Tepper, 2000, p. 178).
Joint Influences of Individual and Work Unit Abusive Supervision on Ethical Intentions and Behaviors: A Moderated Mediation Model

Hannah et al. Under 4th Review

(N = 2572)
Values Identification

- Low work unit mean abusive supervision (AS-WU)
- High work unit mean abusive supervision (AS-WU)
Ethical Leadership

- Conducts his/her personal life in an ethical manner
- Defines success not just by results, but also by the way they are obtained
- Listens to what unit members have to say
- Disciplines unit members who violate ethical standards
- Makes fair and balanced decisions
- Can be trusted
- Discusses ethics or values with unit members
- Sets an example of how to do things the right way in terms of ethics
- Has the best interests of unit members in mind
- When making decisions, asks “what is the right thing to do?”

Brown and Trevino, 2006
• Leaders in this unit discipline unethical behavior when it occurs.
• Penalties for unethical behavior are strictly enforced in this unit.
• Unethical behavior is punished in this unit.
• People of integrity are rewarded in this unit.
• The expressed ethical standards serve as "window dressing" only in this unit.
• Ethical behavior is the norm in this unit.
• Our stated ethics serve only to maintain the unit’s external image.
• Ethical behavior is rewarded in this unit.
• Ethics code statements are consistent with informal unit norms.

Treviño, Butterfield and McCabe (1998)
Schaubroeck, Hannah, Avolio, Kozlowski, Lord, & Trevino, Dimotakis, & Peng
Academy of Management Journal

(N = 2572)
Level 1: squad (n = 242)
Level 2: platoon (n = 96)
Level 3: company (n = 42)

Ethical Leadership (L1)

Shared Ethical Culture Elements (C1)

Ethical Leadership (L2)

Shared Ethical Culture Elements (C2)

Ethical Leadership (L3)

Shared Ethical Culture Elements (C3)

Ethical and Unethical Cognitions and Behaviors (O1)

Moral Efficacy
Peer Exemplary Behavior
Transgressions vs. the Army
Transgressions vs. Noncombatants
Interaction of Company-Level Ethical Leadership and Platoon-Level Ethical Leadership Predicting Platoon-Level Ethical Culture
Interaction of Platoon-Level Ethical Leadership and Squad-Level Ethical Leadership Predicting Squad-Level Ethical Culture
Interaction of Company-Level Ethical Culture and Platoon-Level Ethical Leadership Predicting Platoon-Level Ethical Culture
Interaction of Platoon-Level Ethical Culture and Squad-Level Ethical Leadership Predicting Squad-Level Ethical Culture