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The Emerging Significance of Values Based Leadership: A Literature Review

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Abstract

The emergence of the 21st century was plagued with extensive, evasive and disheartening leadership failures. Moral and ethical deficiencies were prevalent in many charismatic, dynamic and seemingly transformational leaders that had risen to prominence in both the public and private sectors. In response, leadership and management theorists began to place a renewed emphasis on the importance of ethics and morality in exemplary leaders, and a plethora of values based leadership (VBL) theories emerged. VBL behaviors are styles that have a moral, authentic and ethical dimension. This study examines the prevailing literature and research on the various constructs rooted in VBL. It identifies three constructs: (a) authentic (Avolio & Gardner, 2005; Gardner, Avolio, Luthans, May, & Walumbwa, 2005; George, 2003; Luthans & Avolio, 2003), (b) ethical (Brown et al., 2005), and transformational leadership (Bass, 1985; Bass, 1990; Bass & Avolio, 1990; Bass & Steidlmeier, 1999) that are considered the most emphasized behaviors in the VBL literature and examines the literature streams and progression of research for each of these VBL theories. The study identifies literature that supports that when these VBL behaviors are found in leaders, the leaders are evaluated as more effective by subordinates. The purpose is to provide a summary of the seminal VBL literature to date and provide recommendations for future research and study.

Disciplines

Business

Comments

THE EMERGING SIGNIFICANCE OF VALUES BASED LEADERSHIP: A LITERATURE REVIEW

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The emergence of the 21st century was plagued with extensive, evasive and disheartening leadership failures. Moral and ethical deficiencies were prevalent in many charismatic, dynamic and seemingly transformational leaders that had risen to prominence in both the public and private sectors. In response, leadership and management theorists began to place a renewed emphasis on the importance of ethics and morality in exemplary leaders, and a plethora of values based leadership (VBL) theories emerged. VBL behaviors are styles that have a moral, authentic and ethical dimension. This study examines the prevailing literature and research on the various constructs rooted in VBL. It identifies three constructs: (a) authentic (Avolio & Gardner, 2005; Gardner, Avolio, Luthans, May, & Walumbwa, 2005; George, 2003; Luthans & Avolio, 2003), (b) ethical (Brown et al., 2005), and transformational leadership (Bass, 1985; Bass, 1990; Bass & Avolio, 1990; Bass & Steidlmeier, 1999) that are considered the most emphasized behaviors in the VBL literature and examines the literature streams and progression of research for each of these VBL theories. The study identifies literature that supports that when these VBL behaviors are found in leaders, the leaders are evaluated as more effective by subordinates. The purpose is to provide a summary of the seminal VBL literature to date and provide recommendations for future research and study.

Values based leadership (VBL) evolved as a bi-product of the time and culture. The emergence of the twenty-first century was plagued with extensive, evasive and disheartening ethical leadership failures. Neither the public nor private sectors was immune as many leaders were exposed for immoral or unethical behaviors. Financial greed and corruption, corporate meltdowns, and spiraling unethical practices were revealed as financial scandals surfaced at prominent companies such as Enron, Tyco International, Adelphia, Peregrine Systems, WorldCom and others (Avolio & Gardner, 2005). In response, leadership and management theorists began to place a renewed emphasis on the importance of ethics and morality in exemplary leaders (May, Chan, Hodges, & Avolio, 2003; Luthans & Avolio, 2003; George, 2003; Avolio & Gardner, 2005; Brown & Treviño, 2006).

In the decades preceding, charismatic, transformational leadership was promoted, encouraged and developed as a strategy for increasing the effectiveness of leaders and

organizations (Bass & Avolio, 1994). As moral and ethical deficiencies became prevalent in many of the charismatic, dynamic and seemingly transformational leaders that had risen to prominence; scholars, practitioners and entire nations began to challenge the qualities needed for exemplary leaders. It became clear that in order to restore hope, confidence, integrity and honor to leaders and organizations, leadership theorist argued that entities needed to look beyond the persuasive lure of a charismatic, ostensibly transformational leader and ensure that leaders also possessed a strong set of values, morals and ethics. The result was an increased focused on the concept of VBL, which a decade later has become ubiquitous in both management and leadership literature.

Values Based Leadership Defined

In the leadership literature stream, VBL theories have received increased attention, in the past decade, as many charismatic and seemingly transformational leaders had emerged that lacked a moral, authentic and ethical dimension (George, 2003; Avolio & Gardner, 2005; Cooper, Scandura, & Schriesheim, 2005; Ilies, Morgeson, & Nahrgang, 2005; Brown & Treviño, 2006). VBL, like many evolving theories can have multiple definitions. Leadership authors (Bass & Avolio, 1993; Bass & Steidlmeier, 1999; Brown & Treviño, 2006; Gardner & Avolio, 2005) define values based leaders as those with an underlying moral, ethical foundation. VBL describes behaviors that are rooted in ethical and moral foundations. Examples of prominent VBL styles in the leadership research include spiritual, servant, authentic, ethical and transformational leadership.

Management literature has also addressed the need for morality and ethics in corporate leaders, with some researchers expanding the discussion of VBL to include a leadership style where there is a congruence of a leader's values with an organization's values (Fernandez & Hogan, 2002) or with the needs and values of all corporate stakeholders (Muscat & Whitty, 2009). Leadership and management theorists concur regarding the importance of the development and assessments of ethics and values in 21st century leaders.

This study examines the prevailing literature and research on the various constructs rooted in VBL. It identifies three constructs: (a) authentic (Avolio & Gardner, 2005; Gardner, et al., 2005; George, 2003; Luthans & Avolio, 2003), (b) ethical (Brown et al., 2005), and transformational leadership (Bass, 1985; Bass & Avolio, 1990a; Bass & Steidlmeier, 1999) that are considered the most emphasized behaviors in the VBL literature and examines the literature streams and progression of research for each of these VBL theories that have transformed the way the world looks at leadership. The research outlines that VBL is essential for leaders to be truly successful and effective (Bass; Bass & Avolio; Bass & Steidlmeier; Brown et. al.; Gardner, et al.). The analysis concludes by outlining literature gaps and providing recommendations for future study of VBL.

VBL Theories that Emerged after the Demise of Many Leaders and Organizations

A plethora of VBL constructs emerged or resurfaced in response to the tumultuous leadership failures at the onset of the 21st century. Table 1 outlines some of the ensuing theories that emerged as researchers, leaders and practitioners argued that leaders must be moral and possess inner ethical qualities and values.

Table 1: Emerging Constructs in Response to Ethical and Moral Deficiencies in Leaders (In chronological order based on first occurrence)

Values Based Leadership Theories	Author
Servant leadership	Greenleaf, 1977; Patterson, 2003; Parolini, Patterson, & Winston, 2009
Stewardship	Block, 1993
Connective leadership	Lipman-Blumen, 1996
Self-sacrificial leadership	Choi & Mai-Dalton, 1999
Authentic Transformational	Bass & Steidlmeier, 1999
Complex leadership	Regine & Lewin, 2000; Marion & Uhl-Bien, 2001; Knowles, 2001, 2002
Contextual leadership	Osborn, Hunt, & Jauch, 2002
Shared leadership	Pearce & Conger, 2003
Spiritual Leadership	Fry, 2003
Authentic leadership	Avolio, Gardner, Walumba, Luthans & May, 2004; Avolio, Luthans, F., & Walumbwa, F. (2004). Luthans, & May, 2004; Avolio & Gardner, 2005; Gardner, Avolio, Luthans, May, & Walumba, 2005
Ethical leadership	Brown, Trevino & Harrison, 2005; Brown &Treviño, 2006; De Hoogh & Den Hartog, 2008; Kalshoven, Hartog, & Hoogh, 2011.

Many of the emerging disciplines noted above are in the early stages of development. In many cases, research is rudimentary, and lacks a strong theoretical framework, empirical research and/or reliable and valid measures to establish a confirmed theory (Klemke, 2007). Among the emergent perspectives, researchers suggest that authentic (Avolio et al., 2004; Gardner & Avolio, 2005; Gardner et al., 2005; Luthans & Avolio, 2003), ethical (Brown et. al, 2005; Brown and Trevino, 2006), and authentic transformational leadership (Bass & Steidlmeier, 1999) have gained the greatest momentum in leadership literature and are exhibiting increased merits and interest from scholars and practitioners. Given the seminal importance of these three constructs in the VBL category, this review focuses on these three constructs as fundamental components of VBL research.

VBL and Leader Effectiveness

Research outlines that VBL has benefits beyond providing better organizational outcomes when moral and ethical principles are adhered to. Research has also demonstrated that transformational (Bass & Avolio, 1994), authentic (Avolio, Gardner, Walumba, Luthans, & May, 2004; Gardner & Avolio, 2005; George, 2004) and ethical (Brown et al., 2005; Kalshoven et al., 2011) leadership traits result in leaders that are more effective. George (2003) summarizes what happens when VBL are at the helm. George argued that leaders were needed that "lead with purpose, values and integrity; leaders who build enduring organizations, motivate their employees to provide superior customer service, and create long term value for shareholders" (p. 9) and that this would ultimately result in more effective leaders and organizations.

Historical Perspective: Leadership Literature

Prior to examining these three VBL constructs, it is necessary to review the foundational leadership literature that has influenced VBL constructs. The majority of the meaningful leadership research has been more recent. Yukl (2008b) outlined that prior to the 1990's there had been decades of leadership research with very limited progress on understanding how to identify and develop effective leaders. The past two decades, Yukl argues have seen both an accelerated rate of discovery, an increase in the richness, findings and applicability of the leadership field. Table 2 outlines the foundational leadership research that has had an impact on VBL research and literature.

Table 2: Seminal Leadership Literature Influencing Values Based Leadership Research (In chronological order based on first occurrence)

Study	Research, Findings and Relevance
Burns (1978)	**Transactional and transformational leadership proposed**. Burns is credited with initially proposing the theories of transactional and transformational leadership. Burns described transactional leaders as those who lead others in exchange for something of value. Burns compared transactional leadership with transformational leadership and noted that transforming leaders sought to appeal to and influence the moral values of the followers and inspire them to reform and revamp their organizations.
Bass (1985)	**Transactional and transformational leadership defined.** Bass defined the core leadership constructs of transformational and transactional leadership. Bass outlined how a leader can influence the motivation of individual followers and increase their performance.
Bennis & Nanus, (1985), Hogan, Raskin, & Fazzini	**Charismatic CEOs.** Bennis and Nanus identified that charismatic CEOs do not predict success of an organization. Hogan, Raskin, and Fazzini outlined that charisma can be

Study	Research, Findings and Relevance
(1990)	both a positive and a negative influence on followers, noting that charismatic CEOs do not have a higher propensity for avoiding poor financial outcomes.
Bass (1990)	**Impact of transactional leadership**. Bass argued that transactional leadership could result in mediocre performance as individuals performed at minimum levels, seeking to maximize the rewards for additional work completed.
Bass & Avolio (1990)	**Multifactor leadership questionnaire.** Bass and Avolio developed the multifactor leadership questionnaire (MLQ) to measure laissez faire, transactional and transformational behaviors in leaders. This measure is one of the most commonly used measures for transformational leadership.
Avolio, Waldman & Yammarino (1991)	**The 4 I's of transformational leadership.** Avolio, Waldman and Yammarino (1991) established the concept of the 4 I's of transformational leadership, which were idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.
Bass & Avolio (1994)	**Developing transformational leaders and improving organizational effectiveness.** Bass and Avolio outlined ways to develop transformational leaders and improve organizational effectiveness. **Full range of leadership.** Proposed that the full range of leadership (transactional and transformational) applied to specific areas of leadership, management and organizational development. The researchers outlined that leaders that use a combination of both behaviors are able to increase their own effectiveness in addition to the organization's effectiveness.
Lowe, Kroeck, & Sivasubramaniam, (1996)	**Transformational leadership and subordinate motivation.** Examined a large number of research studies and provided support for the theory that transformational leadership enhances subordinate motivation and performance.
Hersey, Blanchard & Johnson (1996); Silverthorne & Wang (2001)	**Flexible Leadership.** Hersey, Blanchard, and Johnson (1996) highlighted the importance of business leaders and managers being able to adapt to the changing environment and select leadership styles that fit with the needs of the organization and subordinates. Silverthorne and Wang

Study	Research, Findings and Relevance
	(2001) outlined Leadership Behavior Flexibility (LBF) and argued that a leader's experience or the number of times they are placed in a leadership role adds to their level of behavioral flexibility. The study also noted that leaders who are behaviorally flexible are more likely to lead organizations that have positive organizational outcomes.
Conger & Kanungo (1998)	**Effectiveness of charismatic leaders.** The researchers outlined that charismatic leaders were more effective than non- charismatic leaders.
Yukl (1999)	**Transformational and charismatic leadership.** Outlined that often transformational and charismatic leadership is considered synonymous when in fact there are many differences between the two behaviors. Yukl argues that the constructs are distinct but overlapping. The study supports transformational leadership as having potentially positive outcomes and result in greater leader and organizational effectiveness. There is not the same empirical support for charismatic leadership improving organizational outcomes. Yukl calls for increased research and argues that transformational leadership does not always have positive outcomes and is highly dependent on the situation.
Bass & Steidlmeier (1999)	**Moral, ethical and authentic dimension of Transformational Leadership.** Re-emphasized that to be truly transformational, a leader must also be moral, ethical and authentic. Defined the term pseudo-transformational and the dark side of transformational leadership for leaders that had transformational behaviors, but lacked authentic, moral and ethical leadership.
Carless, Wearing & Mann (2000)	**Global Transformational Leadership Scale (GTL).** Carless, Wearing and Mann defined a transformational leader as one that: (a) communicates a vision, (b) develops staff, (c) provides support, (d) empowers staff, (e) is innovative, (f) leads by example, and (g) is charismatic. The researchers also developed, tested and validated a shortened measure for transformational leadership, the Global Transformational Leadership scale (GTL).
Osborn, Hunt & Jauch (2002)	**The Importance of the Situation or Organization in the Leadership Effectiveness Equation.** Osborn et al. reinforced the importance of the situation or organizational

Study	Research, Findings and Relevance
	context in leadership theory. This study reoriented leadership research and argued that effective leadership results not only from how leaders lead subordinates, but also the incremental influence of the leader as they navigate through the organizational system.
Avolio, Gardner, Walumba, Luthans & May (2004);Gardner & Avolio (2005); Gardner, Avolio, Luthans, May & Walumba (2005)	**Authentic Leadership.** These researchers identified the importance of authentic leadership. They outlined that to be truly impacting and beneficial to individuals, corporations and society as a whole, transformational leaders needed to possess some inner qualities beyond characteristics of effective charisma and transformational leadership. Authentic leadership qualities were defined and outlined as a critical attribute of 21st century leaders. See detailed outline of authentic leadership research in table 4.
Zhu, May, and Avolio (2004); Brown, Treviño & Harrison (2005); Brown & Treviño (2006)	**Ethical Leadership.** These scholars outlined the importance of ethical leadership and that ethical leaders are more effective; citing their proactive concern for the ethical behavior of their followers is the differentiating characteristic from authentic and transformational leaders. See detailed outline of ethical leadership research in table 5.
Yukl (2008b)	**Leader behavior and effect on the follower vary.** Stated that both leaders seek to motivate others to achieve common goals, but the behavior of the leader and the effect on the follower are different with each style.
Yukl, 2008a; Mumford, 2010; Yukl & Mahsud (2010); Hernandez, Eberly, Avolio & Johnson, (2011)	**Leadership literature has disparate and diverse findings.** Criticized leadership literature by arguing that it has presented disparate and diverse findings with regard to defining what a leader is and identifying what makes a leader more effective (Hernandez, Eberly, Avolio, & Johnson, 2011; Mumford, 2010; Yukl, 2008a; Yukl & Mahsud, 2010). For example, Hernandez et al. argued that one difficulty is the numerous and varied definitions of a leader when explaining leadership with some studies focusing on the leader's contribution, others on the followers, and others emphasizing the role of the situation or context.

   Values BasesThis study examines in greater detail three VBL theories in the leadership literature stream. These include transformational, authentic and ethical leadership.

Transformational Leadership

Transformational leadership (Avolio et al., 1991; Bass 1985, 1990; Bass & Avolio, 1990; Bass & Steidlmeier, 1999; Burns, 1978) was the first and most noteworthy leadership style that explicitly incorporated an ethical and moral component in leader behavior. Many of the noteworthy studies on transformational leadership are summarized previously in table 2, as transformational leadership has been a foundational leadership construct for many of the other VBL theories.

Burns (1978) is credited with initially proposing the theories of transactional and transformational leadership. Burns described transactional leaders as those who lead others in exchange for something of value. Burns compared transactional leadership with transformational leadership and noted that transforming leaders sought to appeal to and influence the moral values of the followers and inspire them to reform and revamp their organizations. Bass (1985) defined core leadership constructs of transformational and transactional leadership. Bass also observed that while transformational leaders are more effective than transactional leaders, at motivating and empowering others, the most successful leaders combine the strengths of each of these styles. Bass (1985, 1990) clarified that authentic, transformational leadership necessitated a moral foundation. Bass (1990) also outlined how a leader can influence the motivation of individual followers and increase their performance.

Bass and Steidlmeier (1999) re-emphasized that for a leader to be transformational, they must be moral, ethical and authentic. The researchers noted that leaders that processed transformational qualities, but lacked authentic, moral and ethical behavior were in fact pseudo-transformational leaders. Avolio et al., (1991) outlined that a transformational leader was one who demonstrated, inspirational motivation, idealized influence, was intellectually stimulating and showed individualized consideration for each of their followers. A leader's charisma or ability to be a vision seeker, have idealized influence, and be confident and to set high standards for others to follow are behaviors of a transformational leader. When a leader is ethical and authentic, by definition, their values are morally uplifting, according to Burns (1978). A transformational leader augments an ethical/authentic leader's effectiveness by creating enthusiasm around the good, noble and excellent principles that ethical/authentic leaders possess. A leader that lacks vision, the ability to empower or charisma would find it difficult to enthusiastically transfer their enthusiasm for ethical and authentic behaviors to those that they lead. In other words, they may have great ideas, be very ethical and authentic, but would fail to create or transfer this vision or moral persuasion to others. A transformational leader that also is authentic and ethical is better able to translate their authentic, ethical behavior into action and vision the part of their followers.

Bass and Steidlmeier (1999) noted that the Inspirational Motivation of a transformational leader "provides followers with challenges and meaning for engaging in shared goals and undertakings" (p.188). In the Carless et al.'s (2000) model, inspired motivation is seen as leaders support and empower their staff. When a leader is transformational, they are better able to motivate and empower their subordinates. Brown et al. (2005) have demonstrated that ethical leaders are more effective. Avolio, Gardner, Walumba, Luthans, and May (2004) outlined that authentic leaders are also more effective than those who are nit authentic. When these leaders are also transformational and more effective at developing, supporting and empowering their staff, the effectiveness of their authentic and ethical qualities is augmented by the effectiveness that the transformational qualities produce. If a leader is simply authentic and ethical, but lacks this

positive empowering capacity, their authentic/ethical leadership effectiveness will have less of an impact.

Furthering ethical and authentic ideology is often an intellectual pursuit that requires leaders to challenge followers to a higher level of thinking and acting. In the Carless et al.'s (2000) model, intellectual stimulation is seen as leaders develop their subordinates. An authentic/ethical and transformational leader uses staff development and intellectual stimulation as a way to challenge, communicate and transfer these beliefs and values to others. Leaders that are ethical and authentic, but lack transformational behaviors, may have greater difficulty conveying intellectually challenging concepts to their followers. Or worse, a pseudo transformational leader that is confident and intellectually stimulating for amoral or unethical pursuits may, as Bass and Steidlmeier (1999) note, "influence ignorant, scared, angry, frustrated people for personal gain in the name of doing good for the entire nation or race" (p.189; Lockman, 1995).

The ability to be innovative and to lead by example are aspect of a transformational leader helps produce greater leader effectiveness of an authentic/ethical leader. As the authentic/ethical leader are innovative or model the way for their followers, the follower is more likely to respond to and listen to the leader's ethical, moral beliefs. Through coaching, mentoring and encouraging growth opportunities (Bass, 1985), transformational leaders develop and transfer the positive aspects of their authentic/ethical leadership to inspired, motivated followers.

Bass (1985, 1990) outlined that certain qualities make leaders transformational and this leads to greater leader effectiveness. Research has established that core ethical and authentic qualities in a person also result in improved leadership outcomes. When this transformational leadership is also present in one that is ethical and authentic, the goals of the organization become ethical, moral, not self serving, and focused on the well-being of the followers and organization as a whole. Authentic, ethical, transformational leadership provides an enthusiasm and support for that that is good and moral and fosters trust and enthusiasm.

In assessing the VBL component of transformational leadership, it appears to overlap significantly with other VBL constructs of authentic and ethical leadership. Brown and Treviño (2006) address the similarities of each of these constructs, but also identify the differentiating characteristics of each. Brown and Treviño's study is addressed in greater detail in a subsequent section.

Authentic Leadership

Avolio and Gardner (2005) noted that in turbulent times, leadership and its challenges become more difficult. The period that preceded the evolution of authentic leadership was an era plagued by corporate and political leadership failures (Avolio & Gardner). Enron, Worldcom, and Global Crossing were some of the examples where leaders fraudulently sought their own financial interest at the financial demise of many of their followers. In quantifiable terms, May et al. (2003) argue that the deception and unethical behavior of key corporate leaders at that time "conservatively cost the U.S. economy hundreds of billions of dollars," and shattered the confidence of corporate America as Worldcom and Enron corporate scandals erupted exposing a greed stricken culture and mindset that had been breeding for decades (p. 247). Scholars and practitioners (George, 2003; May, Chan, Hodges, & Avolio; Avolio & Gardner) began to call for a renewed focus on the need for examining and developing the ethical and moral inner qualities of leaders in response to this leadership crisis. Leadership consultant, Bill George articulates this

need as he comments on the call for leaders who exhibit a moral and ethical dimension. George (2003) states, "we need leaders who lead with purpose, values, and integrity; leaders who build enduring organizations, motivate their employees to provide superior customer service, and create long-term value for shareholders" (p. 9). George and his academic colleagues Avolio and Gardner (2005) argued that to address the moral and ethical decline, there was a need to "concentrate on the root construct underlying all positive forms of leadership and its development" which they labeled "authentic leadership development or ALD" (p. 316).

Authenticity, or being true to oneself, is a construct that dates back to ancient Greece, however, in the last decade, renewed interest in authenticity has emerged as practitioners (Gardner & Schermerhorn, 2004; George & Sims, 2007; George, Sims, McLean, & Mayer, 2007; George, 2003; May, Chan, Hodges, & Avolio, 2003) and scholars (Avolio, Gardner, Walumbwa, Luthans & May, 2004; Avolio & Luthans, 2006; Avolio & Walumbwa, 2006; Gardner et al., 2005; Luthans & Avolio, 2003; Ilies et al., 2005; Shamir & Eilam, 2005) examine the characteristics and impact of authentic leadership.

Avolio and Gardner (2005), among others, proposed the need for the development of authentic leadership as they observed the glaring deficiencies in the moral and ethical development of leaders. Practitioner, Bill George (2003), emphasized that authentic leaders were those who had a deep sense of purpose, possessed ethical and solid values, understood their purpose, lead with their hearts, established connected relationships and demonstrated self restraint and discipline. Gardner et al. (2005) described authentic leaders as those who had the ability to acknowledge their thoughts, emotions, needs, wants, preferences, and beliefs and act consistently with those inner feelings and beliefs. Harter, Schmidt and Hayes (2002) conclude that an individual's authenticity can be viewed on a spectrum and that individuals are capable of becoming more authentic as they seek to understand and articulate who they are and what they believe.

The Emergence of Authentic Leadership: A Call to Action

As a result, the construct of authentic leadership has been developing over the last decade. Two significant events occurred that are credited with transferring the theory of authentic leadership from an isolated idea to an emergent model of leadership. In 2004, the inaugural summit on Authentic Leadership Development (ALD) was hosted by the Gallup Leadership Institute at the University of Nebraska-Lincoln. At this conference, researchers and practitioners presented their theories and findings on theory of authentic leadership (Avolio and Gardner, 2005). Papers and presentations from this seminal event were then published in a special issue of *The Leadership Quarterly*, dedicated exclusively to the topic of authentic leadership. Table 3 outlines the progression of the construct of authentic leadership over the past decade.

Table 3: Foundational Literature on Authentic Leadership (In chronological order based on first occurrence)

Study	Research, Findings and Relevance
George (2003); George, Sims, McLean & Mayer (2007)	**Authentic Leaders create positive outcomes within an organization.** Outlined that there is growing evidence that supports that authentic leadership is preferred by subordinates, effective in creating positive work

	environments and achieving positive and enduring outcomes in organizations.
May, Chan, Hodges, & Avolio (2003)	**Identifying and developing authentic leaders**. Outlined the moral components and decision making processes of authentic leaders. Develop a model for authentic decision-making and behaviors in authentic leaders and outlined that organizations can develop authentic thinking, decision making and conduct in its leaders. Provided strategies for developing and promoting positive, ethical behavior in organizational leaders.
Luthans & Avolio (2003)	**Self-awareness and self-regulated positive behaviors in leaders and followers**. Luthans and Avolio suggest that authentic leadership occurs when self-awareness and self-regulated positive behaviors, on the part of both leaders and followers, are present, fostered, and nurtured which stimulates positive personal growth and self-development on the part of both the leader and follower. The authors conclude that "the authentic leader is confident, hopeful, optimistic, resilient, moral/ethical, future-oriented, and gives priority to developing associates to be leaders. The authentic leader is true to him/herself and the exhibited behavior positively transforms or develops associates into leaders themselves" (Luthans and Avolio, 2003, p. 243). **Authentic Leadership proposed as the root construct:** Luthans & Avolio also argued that authentic leadership was a "root construct" that "could incorporate charismatic, transformational, integrity and/or ethical leadership" (p. 4) They also argue though that each of these has differentiating characteristics and are distinct from each other.
Gardner & Schermerhorn (2004)	**Authentic Leaders have the capacity to unleash subordinate's full potential:** Gardner & Schermerhorn (2004) outline that the positive organizational behavior traits of individuals are inherent in their personalities. Authentic leaders have the capacity to unleash these behaviors in individuals realizing significant performance gains for the organization. The authors note that: "(a) motivation, (b) the potential for development, (c) the capacity for assuming responsibility, and (d) the readiness to direct behavior toward organizational goals are all present in people" are among the behaviors that authentic leaders are able to unleash in their subordinates.

Avolio, Gardner, Walumbwa & May (2004)	**How do authentic leaders influence follower attitudes, behaviors, and performance?** The article provides the initial foundation for examining how authentic leaders influence follower attitudes, behaviors, and performance. The authors use the model of positive organizational behavior (POB) to show the processes by which authentic leaders influence the attitudes and behaviors of their followers. The researchers outline that trust, hope, emotion and identification are behaviors that authentic leaders utilize to exert their influence over their subordinates. The study also theorized that authentic leaders are particularly interested in encouraging and empowering their followers to be impacting and make a difference.
George (2004)	**Authentic Leaders - The key to creating corporate lasting value:** George argues that new laws and regulations and throwing corporate criminals in jail will not solve the leadership crisis of the past decade. George contends that the public and private sector are calling for lasting change in our leaders. George's text *Authentic Leadership: Rediscovering the secrets to creating lasting value* recommends that new leadership must be sought to run our corporations as well as our private sector organizations. He contends that leaders must be driven by passion and purpose and not greed. George argues that our current leaders must be replaced by authentic leaders, who have five essential dimensions: purpose, values, heart, relationships, and self-discipline. George exposes the leader who seeks short-term financial strategies for the purpose of diving up stock prices for their own personal financial benefit. George argues that these leaders are destroying our corporations and our country. George contends that mission-driven companies, led by authentic leaders, will create much greater long-term stakeholder value than the firms that are exclusively profit seeking. George also provides strategies for developing the five essential dimensions of authentic leaders.
Gardner, Avolio, Luthans, Walumbwa & May (2005)	**Critical behaviors of an authentic leader are self-awareness and self-regulation:** As the construct of authentic leadership evolved, there were many definitions and descriptions of authentic leadership behaviors. Gardner et al. (2005) attempted to clarify, categorize and integrate the different perspectives that had emerged. The model presented argued that the critical behaviors of an

authentic leader were self-awareness and self-regulation. The researchers also outlined the dimensions of authentic self regulation to include: internalized regulation, balanced processing of information, relational transparency, and authentic behavior. The researchers outline that the factors that enable the development of authentic leader include the leader's personal history (family influences, early challenges, educational and work experiences, etc.), key trigger events (crises as well as positive trigger events), and positive role models (authentic leaders that demonstrated integrity, commitment to core ethical values and contributed to a positive organizational climate). The authors observed that positive outcomes for authentic leader-follower relationships included increased follower trust; workplace well-being; and genuine, sustainable performance improvement. The research concluded that in the 21st century, lack of knowledge is not our concern. Society, companies, and leaders have the necessary information to be authentic, moral and life giving leaders. Unfortunately, though, authenticity can be lost quickly and scholars and practitioners lack sufficient knowledge on how to develop authenticity in our leaders and their followers.

Gardner, Avolio & Walumbwa (2005)	**Authentic leadership necessitates an inherent and developed moral component***:* Gardner, Avolio and Walumbwa (2005) argued that for leaders to be authentic they must have high levels of moral development.
Ilies, Morgeson & Nahrgang (2005)	**Authentic leadership, self-realization and eudemonic well-being:** Ilies et al. (2005) defined authentic leadership in terms of self-realization or eudemonic well-being. The authors outlined authenticity as "a broad psychological construct reflecting one's general tendencies to view oneself within one's social environment and to conduct one's life according to one's deeply held values" (p. 376). Authentic leaders were characterized by those able to "express their true self in daily life, live a good life (in an Aristotelian way)," and in doing so the result is leaders that acquire self-realization or eudemonic well-being and are able to positively impact the eudemonic well-being of their followers (Ilies et al., p. 376). Included self-esteem, self-efficacy and self-development as dimensions of an authentic leader.
Shamir & Eilam (2005)	**Authentic leadership does not necessitate a high level**

	of moral development: Shamir and Eilam (2005) disagreed with Gardner et al. (2005) and intentionally omitted a leader's values and morality from their description of an authentic leader. Shamir and Eilam argued that a leader's ability to be "true to oneself" was the differentiating characteristic of an authentic leader and that high levels of moral development or ethical conduct were not critical dimensions for a leader to be considered authentic.
Michie & Gooty (2005)	**An individual's self transcendent values***:* Michie and Gooty (2005) suggested that inspirational leadership was unethical, as it relied on emotions instead of reason to motivate followers. Michie and Gooty proposed that development of authentic leaders included increasing an individual's self transcendent values and positive, other centered emotions.
Avolio & Garner (2005)	**Authentic Leadership Development:** Avolio and Garner theorized that authentic leadership could be developed in leaders. The authors suggested that increasing a leaders: 1) positive psychological capital (confidence, optimism, hope and resiliency) (Luthans and Avolio, 2003), 2) positive moral perspective, 3) leader self awareness, 4) leader self regulation, 5) improvement of leadership processes and behaviors 6) follower self-awareness regulation, 7) follower development, 8) moderating the impact of organization climates can lead to more authentic leadership and ultimately to improved, sustainable organizational performance, beyond expectations.
Novicevic, Harvey, Buckley, Brown & Evans (2006)	**Authenticity matrix for executive leadership:** Novicevic et al. (2006) addressed the definitions of authentic leadership and spent the majority of their efforts addressing a leader's ability or inability to be an authentic leader by properly balancing their individual responsibility with their responsibility to the organization. They developed the authenticity matrix for executive leadership. Novicevic et al. summarized the four quadrants of the matrix as follows: Failure of executive leadership reflects moral deterioration of the leaders who generally are unwilling to take personal responsibility and are indifferent to the impact of their actions on others and the entity as a whole. Crisis of executive authenticity is described as the immobility of executive management where emotional tensions, frustrations, lack of confidence

result in a leaders inability to complete actions that are in the best interest of the entity. Perfectionists, micromanagers can sometimes get trapped by this moral paralysis. Tragedy of executive leadership is described by Novicevic et al. when executive leadership morally disengages exhibits compromising actions. Leaders who fall into the tragic spectrum tend to be narcissistic, proceed in denial, and fail to take personal responsibility for their actions. The last and preferred quadrant, described as successful executive authenticity, is described by Novicevic et al. as a state where leaders are able to conform to the acceptable code of conduct within an organization and defer gratification, sedate impulses and act as Barnard (1939) described with "1) transparent honesty/character, 2) moral courage and 3) experienced-informed intuition" (Novicevic et al., p.72).

Avolio & Luthans (2006)   **The high impact leader: Authentic, resilient leadership that gets results and sustains growth:** Avolio and Luthans book outlines strategies for developing authentic, effective leaders within organizations. The text utilizes the Gallup Leadership Institute's innovative "positive strengths" as a foundation for its recommendations for developing leaders. It also outlines how to measure personal progress toward becoming a more authentic leader. The text contains many examples and facts derived from their proprietary Gallup poll data as well as innovative leadership-building tools. This manual was one of the seminal texts written on developing authentic, effective leaders.

Brown & Treviño (2006)   **Authenticity and self awareness:** Brown and Treviño summarize that "self-awareness, openness, transparency, and consistency are at the core of authentic leadership', as well as "being motivated by positive end values and concern for others (rather than by self-interest) is essential to authentic leadership" (p. 599). The researchers summarized that authenticity and self awareness were the behaviors that differentiated an authentic leader from similar constructs of ethical and transformational leadership.

Klemke (2007)   **Spirituality and Authentic Leadership:** Klemke proposes that that "spirituality and spiritual identity are at the core of authentic leadership" (p. 68). Klemke proposes a model of authentic leadership that places its foundation

	on the one's identity. Klemke outlines her belief that a leader's identity is composed of three interrelated systems, ones self-identity, leader-identity and the spiritual-identity.
Walumbwa, Avolio, Gardner, Wernsing & Peterson (2008)	**The authentic leadership questionnaire.** The authors developed the authentic leadership questionnaire (ALQ), a theory based measure for authentic leadership. The researchers established that authentic leadership is multi-dimensional model which consists of leader self-awareness, relational transparency, internalized moral perspective, and balanced processing. The study concluded that authentic leadership qualities provided stronger predictive validity for essential work related attitudes and behaviors above what could be explained by ethical or transformational leadership behaviors.
Luthans & Avolio (2009)	**Positive organizational behavior (POB) and Authentic Leadership.** The authors argue that leadership research should utilize the POB approach. The researchers use the construct of authentic leadership to demonstrate the importance of utilizing a POB methodology when further researching topics that have the potential for improving performance of leaders and within organizations. Luthans and Avolio also propose joining the authentic leadership and POB literature streams, as they argue this combined study could greatly enhance the development of leaders and increase the performance of leaders and subordinates within organizations.

Authentic Leadership - Convergence, Divergence and Next Steps

This paper has outlines the prevalent definitions and theories of authentic leadership. Practitioners, scholars and authors seemed to concur that there is a great need for authenticity and authentic leadership in our 21st century leaders (Avolio, 2005; Avolio & Gardner, 2005; Avolio. et al., 2004; George, 2003; House & Shamir, 1993; Klenke, 2007; Luthans & Avolio, 2003; Michie, and Gooty, 2005; Sparrowe, 2005). Researchers diverge on the definition of an authentic leader and what is required to access and develop authentic leaders. It is not unusual for a new construct to have a number of different theories and conclusions initially as scholars, researchers and practitioners wrestle with the many potential theories and truths surrounding a new construct. It is necessary and critical to continue research and analysis to further clarify the construct of authentic leadership theory and to expand our understanding how authentic leaders can be developed.

Ethical Leadership

The ethical leadership construct also gained increased momentum in the second half of the decade as scholars observed that a greater intersection of leadership and ethics was essential if our nation was to recover from the apparent epidemic of moral deficiency identified in its 21st century leaders (Brown et al., 2005; Treviño, Brown & Hartman, 2003; Brown & Treviño, 2006).

The increasing attention to the concept of ethical leadership, its origins and its outcomes is exemplified as several prominent academic and legislative organizations held special sessions, established task forces or initiated regulations to address the topic. These included: (a) a special ethics session of the Academy of Management, (b) the establishment an independent ethics task force by the Association to Advance Collegiate Schools of Business' (AACSB) ethics education division, (c) the Sarbanes–Oxley Act being passed into law and having regulated oversight and ethics provisions and (d) the revision of the U.S. Federal Sentencing Guidelines (Brown and Treviño, 2006).

Historically, "ethics" has been considered from a philosophical perspective. Research that evaluates and describes what ethical leadership is and the implications of leaders that lead ethically has been scant and fragmented prior to the extensive work of Brown, Treviño and Harrison (2005) and Brown and Treviño (2006) which were the seminal studies that launched the ethical leadership construct. Brown and Treviño argued that ethical leaders, like authentic and transformational leaders are "altruistically motivated, demonstrating a genuine caring and concern for people" and "are thought to be individuals of integrity who make ethical decisions and who become models for others (p. 600). According to Brown and Treviño, an ethical leader's proactive concern for the ethical behavior of their followers is their differentiating characteristic from authentic and transformational leaders. Ethical leaders communicate and place great emphasis on the establishment of ethical standards as well as accountability for adhering to those principles (Brown & Treviño). Foundational research on ethical leadership is summarized in table 4.

Table 4: Foundational Ethical Leadership Literature (In chronological order based on first occurrence)

Study	Research, Findings and Relevance
Bandura (1977); Bandura (1986)	**Social learning theory provides antecedents and outcomes of ethical leadership.** Ethical leaders are a source of guidance and influence their followers because their attractiveness and credibility as role models makes their followers want to emulate them. Ethical leaders are nurturing, caring, trustworthy and treat others fairly which garners positive attention resulting in followers being drawn to them.
Kirkpatrick & Locke (1991); Kouzes & Posner, (1993); Den Hartog et al. (1999)	**Perceptions of ethical characteristics in leaders predict perceived leader effectiveness.** Perceptions of a leader's honesty, integrity, and trustworthiness linked to how effective a leader is perceived to be.

Study	Research, Findings and Relevance
Treviño, Hartman & Brown (2000); Treviño, Brown, & Hartman (2003)	**Personal characteristics and ethical leadership.** This research revealed that ethical leaders were those that were honest, trustworthy, fair, made decisions based on principles, acted ethically in their professional setting and personal lives. This was defined as a moral person component of ethical leadership.
Treviño, Hartman & Brown (2000); Treviño, Brown, & Hartman (2003)	**Moral Manager.** This researched outlined that a leader's effort to influence the ethical behavior of their followers (being a moral manager) is an important aspect of an ethical leader.
Treviño, Hartman & Brown (2000); Weaver, Treviño, & Agle (2005)	**The Importance of Ethical Role Models.** The study identified ethical role modeling. Argued the importance of leaders having an ethical role model if they are to develop as ethical leaders.
Dirks & Ferrin (2002)	**Effective leadership and cognitive trust.** Leaders who are able to build cognitive trust with subordinates by being professional, dependable and showing that they care for those that work for them are evaluated as more effective leaders.
Brown, Treviño & Harrison (2005)	**Definition and Validation of Ethical Leadership.** This study proposed social learning theory (Bandura, 1977) as a theoretical basis for explaining ethical leadership. The researchers defined and validated the construct of ethical leadership by examining seven interlocking studies. They identified that "ethical leadership is related to consideration behavior, honesty, trust in the leader, interactional fairness, socialized charismatic leadership (as measured by the idealized influence dimension of transformational leadership), and abusive supervision, but is not subsumed by any of these" (p. 117). Their study also outlined that "ethical leadership predicts outcomes such as perceived effectiveness of leaders, followers' job satisfaction and dedication, and their willingness to report problems to management" (p. 117).
Brown, Treviño, & Harrison (2005)	**Ethical Leadership Scale (ELS).** Brown, Treviño, and Harrison developed a ten-item instrument to measure perceptions of ethical leadership. The Ethical

Study	Research, Findings and Relevance
	Leadership Scale (ELS) examined numerous studies to validate different dimensions of the construct. The researchers concluded that supervisory ethical leadership was "positively associated with, yet empirically distinct from leader consideration, interactional fairness, leader honesty, as well as the idealized influence dimension of transformational leadership" (Brown, Treviño, & Harrison, 2005, p. 117).
Brown & Treviño (2006)	*Identified similarities and differences between Ethical Leadership and related theories*. Brown and Treviño argued that ethical leaders, like authentic and transformational leaders are "altruistically motivated, demonstrating a genuine caring and concern for people" and "are thought to be individuals of integrity who make ethical decisions and who become models for others (p. 600). According to Brown and Treviño, an ethical leader's proactive concern for the ethical behavior of their followers is their differentiating characteristic from authentic and transformational leaders. Identified that transformational, authentic, spiritual and ethical leadership theories had many overlapping characteristics and that they shared an ethical component. The study identified similarities and differences of each of these.
De Hoogh & Den Hartog (2008)	**Ethical behavior is vital for organizations.** De Hoogh and Den Hartog outlined that ethical behavior is vital for organizations and lapses in ethics, on the part of leaders can have costly organizational consequences. The researchers outlined that organizations should take care in selecting managers who show integrity and act in an ethical manner, are not self serving or exploitive of others. De Hoogh and Den Hartog concluded when leadership is perceived as ethical, upper level management is perceived as more effective and subordinates express greater optimism about the future potential of the organization.
Copeland (2009)	**Ethical leadership and leader effectiveness**. Provided preliminary evidence that ethical leadership, as compared to authentic and transformational leadership, may be a stronger predictor of leader

Study	Research, Findings and Relevance
	effectiveness.
Kalshoven, Hartog & Hoogh (2011)	**Ethical Leadership at Work (ELW) measurement. Kalshoven et al. (2011) developed a** multidimensional measurement that provided additional insights on the antecedents and consequences of leaders who are ethical. Kalshoven et al. demonstrated positive relationships between ethical leadership and leader effectiveness by showing a significant contribution of ethical leadership behaviors and employee satisfaction, commitment, and leader and follower effectiveness. The ELW measures seven ethical leader behaviors: fairness, integrity, ethical guidance, people orientation, power sharing, role clarification, and concern for sustainability. ELW behaviors explained the variances in trust, organizational citizenship behaviors, and leader and follower effectiveness beyond the explanations provided by the ELS—a one dimensional measure. The power-sharing and fairness dimensions measured by the ELW predicted higher levels of organizational citizenship behaviors in followers.
Copeland (2013)	**A multivariate model that examined the leader, follower preferences and situational variables. This study** examined a multivariate model for predicting leader effectiveness that included both the assessment of the contribution of ethical leadership in predicting the effectiveness of a leader, as well as the impact of related variables that could moderate the relationship between a leader's ethical behaviors and leader effectiveness. Moderating variables included employee preferences and expectations for ethical leadership and the perceived ethical climate of an organization. The study examined leaders within the accounting profession. The research provided evidence that leaders who are ethical and transformational are more effective, and each of these behaviors can incrementally contribute to explaining and predicting the effectiveness of a leader.

Authentic, Ethical and Transformational Leadership

Brown and Treviño (2006) and Copeland (2009; 2013) examine the overlap and combined impact of leaders that possess multiple VBL behaviors. Brown and Treviño (2006) outline the similarities and differentiating characteristics of ethical leadership with constructs of spiritual, authentic and transformational leadership, which each have an ethical component. Table 5 outlines how these styles overlap and diverge.

Table 5: Ethical, Authentic, Spiritual and Transformational Leadership Characteristics:

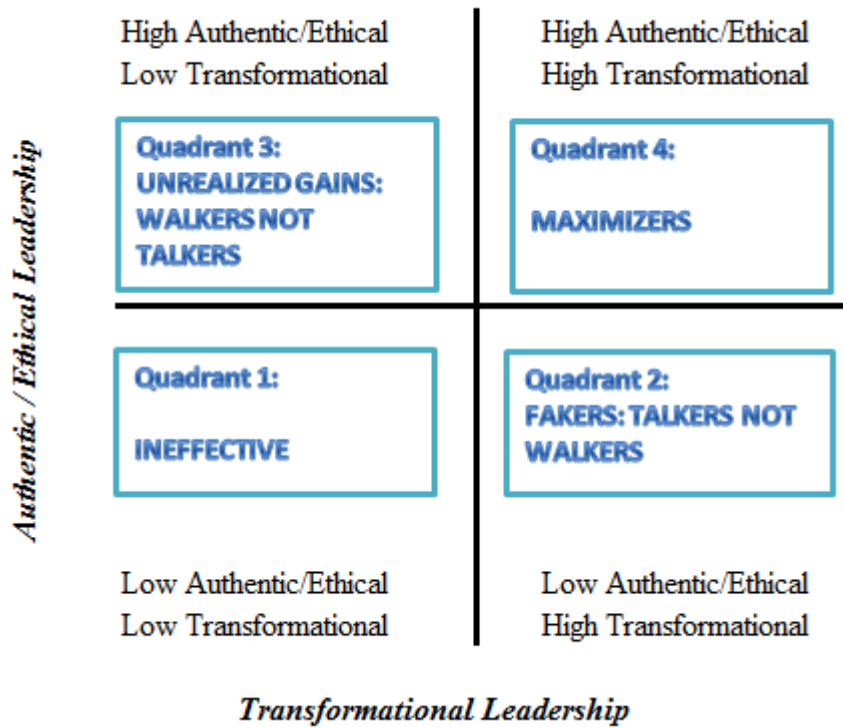| Leadership Trait	Ethical Leadership	Authentic leadership	Spiritual leadership	Transformational leadership
Concern for others (Altruism)	X	X	X	X
Ethical decision-making	X	X		X
Integrity	X	X	X	X
Role modeling	X	X	X	X
Ethical leaders emphasize moral management (more transactional) and "other" awareness	X			
Authentic leaders emphasize authenticity and self-awareness		X		
Spiritual leaders emphasize visioning, hope/faith; work as vocation			X	
Transformational leaders emphasize vision, values, and intellectual stimulation				X

Source: Brown and Treviño (2006)

A Model - Outcomes Combinations of Authentic, Ethical and Transformational Leadership

Copeland (2009) extended Brown and Trevino's model of ethical leadership and proposed a model for the theoretical categorization of leaders based on the leader's combination of authentic, ethical and transformational leadership behaviors. Copeland suggests that these combinations place leaders in different groups or quadrants which summarize their potential for leadership effectiveness. Copeland's proposed model and outcomes are depicted in Figure 1.

Figure 1:

The model's proposed leadership outcomes are summarized in Table 6 as follows.

Table 6: Outcomes of a Combination of Authentic, Ethical and Transformational Leadership

Quadrant	Authentic/ Ethical	Trans- formational	Model Classification	Proposed Leader and Organizational Effectiveness
Quadrant 1	Low	Low	***Ineffective***	Fewer positive outcomes
Quadrant 2	Low	High	***Fakers:*** Talkers not Walkers	Misleading outcomes; Higher probability of negative results
Quadrant 3	High	Low	***Unrealized Gains:*** Walkers not Talkers	Fewer negative outcomes; long term outcomes not realized or maximized
Quadrant 4	High	High	***Maximizers***	Highest positive short term and long term leader effectiveness outcomes

The model theorizes the impact and outcomes when leaders possess different levels and combinations of authentic, ethical and transformational behaviors and is further explained as follows.

Quadrant 1: Ineffective Leaders. Leaders who fall into the first quadrant are classified as ineffective and are those that are described as possessing low levels of authentic, ethical and transformational leadership behaviors. Leader's who are authentic, ethical or transformational are found to be more effective, so leader's that lack these behaviors will inherently be less effective as compared to leaders that possess them (Bass, 1985; Bass & Avolio, 1993; Brown & Treviño, 2006; Copeland, 2009).

Quadrant 2: Fakers. Leaders in the second quadrant are fakers or in other words, talkers and not walkers. These leaders lack authenticity and true ethical behaviors, but possess some level of transformational leadership behaviors. Bass and Steidlmeier (1999) call these leaders pseudo transformational leaders, as they argue a leader must be authentic and ethical to truly be transformational. These pseudo transformational leaders possess charismatic characteristics, a component of transformational leadership, and seek to motivate and guide through rhetoric and promotion of their position. They are deficient in the ability to be in touch with their inner selves and lack a moral and ethical dimension. The leaders promote and require authenticity and ethics in others but fail to possess and model these behaviors themselves. In other words, they talk the talk but don't walk the walk.

Quadrant 3: Unrealized Gains. Leader's characterized as walkers and not talkers are those that have high levels of authentic and ethical leadership but lack transformational and charismatic leadership behaviors. These leaders experience unrealized gains as their lack of transformational leadership behaviors results in their inability to reap the returns that leaders with a combination of authentic, ethical and transformational behaviors experience.

Quadrant 4: The Maximizers. Copeland (2009) demonstrated that authentic, ethical and transformational leadership behaviors each made a separate and significant contribution to explaining the effectiveness of a leader. Leader's that were most effective were those that possessed all three behaviors. This model outlines that leaders in this forth quadrant are optimal and will have the most significant follower and organizational outcomes.

This matrix attempts to explain why ethical/authentic leadership coupled with a leader that is transformational has positive leader outcomes and why the absence of these behaviors has negative consequences or lower overall leader effectiveness. While the outcomes proposed by the model in figure 1 are not specifically researched in Copeland (2009), they provide a theoretical foundation for future analysis and may provide further theories that attempt to explain the outcomes of research that addresses leaders that are authentic, ethical and transformational.

 The model suggests that a leader's style, values and ethic/authentic disposition influences follower behavior and impacts overall leader effectiveness. Explanation of each quadrant and the leader behaviors associated with that quadrant is further described in Table 7. This theory is provided as a potential hypothesis to be researched in the future, but is not specifically tested in this study.

Table 7: Explanations of Authentic, Ethical and Transformational Leadership Quadrants

Quadrant Proposition	Leader Outcomes
Proposition – Quadrant 1: Ineffective	***Low Ethical/Authentic; Low Transformational*** Lack of authentic, ethical and transformational leadership leads to minimized positive leader effectiveness.

Proposition – Quadrant 2: Fakers: Talkers, not Walkers

Leaders that are rated low on ethical/authentic evaluations, but possess high transformational traits (other than authenticity and ethics) are classified as pseudo transformational leaders and may be produce positive perceived outcomes in the short-run, but are observed to have lowered overall leader effectiveness as compared to quadrant 4 leaders and possess a higher propensity for negative leader outcomes.

Low Ethical/Authentic; High Transformational

Example 1: During the stock market crash of 2008, mistrust, skepticism and fear return to America, as our nation once again, faced the reality that self-serving, greed stricken business leaders salvaged their earnings while the many Americans had their retirements disappear. Market crashing headlines also included, invincible, untouchable financial giants, Bears and Sterns and Lehman Brothers exposed for placing their stockholders and client's assets and earnings at unprecedented, unacceptable levels of risk that lead to financial demise for many, as leaders were financially motivated to deliver outstanding and continued returns, at any cost. Leaders that lacked ethics and authenticity achieved perceived short-term positive outcomes, with devastating long term corporate and societal effects.

The pseudo-transformational leader leads followers down a path that is perceived as positive in the short term that results in negative outcomes in the long run. Subordinates and affiliates eventually lose confidence in and begin to mistrust the leader.

Proposition – Quadrant 3: Unrealized Gains: Walkers, not Talkers

High Ethical/Authentic; Low Transformational

Quadrant 3 leaders have core ethical and authentic leadership characteristics, but the absence of transformational qualities fails to optimize the transformation of these traits into maximized leader effectiveness, which is observed with the quadrant 4 leader.

Proposition – Quadrant 4: Maximizers

High Ethical/Authentic; High Transformational

Positive overall leader outcomes achieved and maximized. All the leader benefits achieved through the qualities of an authentic, ethical and transformational leader are combined, with few deficiencies. Progress is continual and steady, as there is no one step forward, two steps back phenomenon.

Table 7 provides interesting theories that require additional testing and validation. Copeland (2009) validated that leaders that had combined behaviors of authentic, ethical and transformational leadership were more effective and that each of the behaviors contributed incrementally to the leader's effectiveness. Copeland (2013) validated that leaders that had ethical and transformational leadership behaviors each significantly predicted leader effectiveness for leaders in the accounting industry.

Implications and Next Steps

VBL has received increased attention at the onset of the 21st century, as many powerful, successful and admired leaders were exposed for unethical and sometimes immoral practices. Researchers and practitioners were called upon to provide answers to why seemingly transformational leaders were being exposed as being in fact, pseudo-transformational. Professional and regulatory organizations were asked to put in place legislation and regulations to promote, develop and enforce ethical conduct. Despite this edict, research on VBL is lacking and what exists is rudimentary. The following areas of focus are proposed as seminal next steps.

Developing Morals and Ethics in Leaders

Future research is needed to determine if existing leaders can be trained, inspired and developed to be ethical and moral if they lack these inner qualities. Numerous researchers (Bass &Avolio, 1990b; Brown et al., 2005; Gardner et al., 2005) have proposed that these qualities can be developed, but there is not sufficient empirical data to argue that this is definitively true.

Methodologies for Developing Value Based Leaders

If research supports that VBL can be developed, future study is needed to outline methodologies for developing VBL in individuals. Longitudinal studies are then needed to determine that these leaders are as effective as those whose prior personal development included a foundation of morality and ethics.

Examination of Specific Industries and Positions

It is likely that results on existing studies may vary as different industries and individuals in different positions are studied. For example the relationship between leaders who are ethical, authentic or transformational leaders in the accounting, medical or public service professions and the leaders' effectiveness may differ. Copeland (2009) demonstrated that authentic, ethical and transformational leadership behaviors, each individually predicted the evaluation of a leader as more effective by subordinates in differing industries. Copeland (2013) demonstrated that ethical and transformational leadership behaviors, each individually predicted the evaluation of a leader as more effective by subordinates for professionals in the accounting industry. Continued study in varying industries would be useful to support the importance of establishing VBL in differing professions.

Examining VBL relationships at different professional ranks within an organization would also provide useful insights. For example, in the accounting industry, is the relationship between ethical leadership behaviors and leader effectiveness consistent between staff accountants and firm partners? Additional study would be useful in most professions.

Promotion of the Benefits of Developing VBL

Research has shown that leaders who are ethical, authentic and transformational and have an authentic, moral and ethical frame of reference are more successful as leaders than those who lack these values based qualities (Brown et al., 2005; Copeland, 2009). This fact needs to be

promoted among organizations and leaders and used as an impetus for those lacking these qualities to consider the merits of developing values and VBL behaviors.

Combinations of VBL behaviors

Future study is needed to determine if the theories outlined in figure 1 and tables 6 and 7 hold true. Minimal examination of the impact of combinations of VBL on predicting leader effectiveness have been assessed.

Increasing Ethical Behavior through Regulation and Legislation

Research is also needed to assist professions who have seen high degree of ethical leadership failures to determine what recommendations need to be implemented to improve the outcomes of leaders and organizations. An example of includes the accounting profession, which has experienced increased regulation and legislation as a result of ethical leadership failures over the past decade. Researchers need to assist professions, such as those in the financial industry on what is the recommended way for improving ethical leadership in the profession. To date, the attempt has been to make these improvements through legislation and regulation. There is little evidence that this effort is accomplishing the intended goal. For example, in 2002, the most noteworthy legislation, the Sarbanes-Oxley (SOX) bill was enacted in response to the long list of corporate and accounting scandals exposed at Enron, Tyco International, Adelphia, Peregrine Systems, WorldCom, and others. SOX was referred to as the *Public Company Accounting Reform and Investor Protection Act*. While, research suggests that SOX compliance has had a cost to the American economy of as much as $1.4 trillion dollars (Bhamornsiri, Guinn, & Schroeder, 2009), many argue that SOX has had little ability to change the mindset and characters of corporate leaders and has been inept at averting scandals and unethical decisions, which continue to cost investors billions of dollars, as share prices of the affected companies collapse. While the hope was that SOX would prevent future immoral and unethical leadership failures in the business sector, it appeared to be a band aid, as the regulation did not appear to eradicate the unethical practices of many business leaders. The plummeting market in 2008 and the exposure once again to unethical, self serving business practices at prominent companies, such as AIG, was a stark reminder that at best SOX and the revised vision and strategies in the corporate world, less than a decade later, were at best one step forward, two steps back. Our businesses and our nation require infusion of morality and ethics, which is a slow process and requires that those that lead organizations, embrace the development and promotion of ethical and moral behaviors. As evidenced, the financial and accounting profession is one that could benefit from research to assist in strategies for preventing unethical practices, as legislation and regulation do not appear to have been effective.

Conclusion

History has demonstrated repeatedly that leaders that lack ethical and value based dimensions can have serious adverse consequences on their followers, their organizations, our nation and the world. This analysis has examined literature and research to date on VBL. It summarizes the seminal studies that have lead to the development of VBL constructs. It examined in greater detail the most established VBL constructs; authentic, ethical and

transformational leadership. It outlined that leaders that exhibit authentic, ethical and transformational leadership are more effective than their counterparts that lack a values based dimension to their leadership. Lastly it provided recommendations for future research to promote the development and measurement of leaders who have morality, ethics, and authenticity as foundational behaviors to their leadership. Leadership and management research must continue this important pursuit to define, clarify, validate and develop the construct and application of VBL.

About the Author

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