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Ethical leadership: through the eyes of employees

Kalshoven, K.

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Chapter 4

Ethical Leadership and Follower Helping Behavior: Moral Awareness and Empathic Concern as Moderators

Abstract

This study uses a multi-level approach to examine the moderating influence of the ethical context on the relationship between ethical leadership and follower helping (operationalized as altruism and courtesy). Using multisource data from a field sample including leaders and followers, we found, as expected, that moral awareness and empathic concern of the work-group moderated the relationship between ethical leadership and follower helping behavior. Relationships between individual and group perceptions of ethical leadership and followers' altruism and courtesy behavior were positive when moral awareness was low, whereas these relationships weakened when moral awareness was higher. Further, the relationship between individual and group perceptions of ethical leadership and courtesy behavior was positive when empathic concern was high, whereas this relationship weakened when empathic concern was lower. Thus, although ethical leadership relates positively with follower helping, the strength of this relationship differs depending on ethical characteristics of the context.

Introduction

The expenses of doing business in a completely unethical environment would preclude any organization from making profit (Beu & Buckley, 2004). Accordingly, creating an ethical surrounding is a challenge for many of today's organizations. Organizations therefore increasingly rely on ethical behavior of leaders at different levels. These leaders are seen as role models of appropriate behavior and followers are likely to copy their fair, open and honest behaviors (cf. Brown, Treviño, & Harrison, 2005). Indeed, research shows ethical leadership relates positively with desired follower behavior, such as helping (e.g., Kalshoven, Den Hartog, & De Hoogh, in press; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009; Piccolo, Greenbaum, Den Hartog, & Folger, 2010; Walumbwa, & Schaubroeck, 2009). These previous studies show varying and often relatively weak correlations between ethical leadership and helping ranging from .11 to .49. Not surprisingly then, several authors have called for research on moderators (e.g., Brown & Treviño, 2006; De Hoogh & Den Hartog, 2009a) to clarify *when* ethical leadership is most strongly related to these desired behaviors.

In the current study we address this call. We examine distinct ethical characteristics of the context at the work group level, which are shared norms about what is appropriate (Schneider, 1987). We focus on two ethical context characteristics, namely moral awareness and empathic concern of the work group. We expect that the first acts as a neutralizer and the second as an enhancer of the relationship between ethical leadership and follower helping. Previous research suggests that the context may have different effects on the relationship between leader and follower behavior (cf. Erdogan, Liden, & Kraimer, 2006; Hofmann, Morgeson, & Gerras, 2003). Values and norms of an organization may provide employees with directions for what might be valuable exchange resources to reciprocate appreciated leader behaviors (Dienesch & Liden, 1986). When the leader conveys congruent messages about valued behavior that are congruent with this context, the context may act as an enhancer and optimize the influence of leader behavior. For example, in a context where empathy is stressed and the leader also shows concern for people, helping forms a valid way to reciprocate the leader (e.g., Erdogan et al., 2006). Yet, the context may also act as a neutralizer as it may generate uniform expectancies concerning desired behavior, so that leadership is less needed and wanted to guide follower behavior (cf., Mischel, 1977).

In these circumstances leader's influence on follower behavior is weaker (e.g., Den Hartog, De Hoogh, & Keegan, 2007).

In the current paper, we propose and empirically test a model that incorporates moral awareness as a substitute or neutralizing type of moderator and empathic concern as an enhancing type of moderator of the relationship between ethical leadership and helping. We test this in a multi-source and multi-level field study using leader ratings of follower helping behavior (i.e., altruism and courtesy) and follower ratings of ethical leadership and moral awareness and empathic concern of the workgroup.

Ethical Leadership

Ethical leadership has been the focus of much practitioner oriented literature and a growing body of empirical work (e.g., Brown, et al., 2005; Fulmer, 2004). Many books and articles address the need for and effectiveness of ethical leadership (e.g., Kanungo & Mendoca, 1996; Maak & Pless, 2006). Also, ethical behaviors of leaders have received a growing amount of attention in leadership research. Transformational leadership, for example, has been described as having an ethical component. Bass (1985) argued that transformational leaders can take ethical as well as unethical forms and later distinguished between authentic transformational leaders, who are ethical, genuine and use power to attain moral and social end-values, and pseudo-transformational leaders, who are self-interested and lack morality (e.g., Bass & Steidlmeier, 1999). Recently, rather than focusing only on ethical aspects of other leadership styles, research has started to focus on ethical leadership as a set of behaviors or a behavioral style in itself. Indeed, researchers have shown that ethical leadership is empirically related, but distinguishable from transformational and other leadership styles (cf., Brown et al., 2005; Kalshoven et al., in press; Walumbwa et al., 2008).

Brown and colleagues (2005, p. 120) see ethical leadership as a separate leadership style and define ethical leadership as: "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". Different leader behaviors have been suggested to be part of ethical leadership, including acting fairly, allowing voice, demonstrating consistency and integrity, taking responsibilities

for one's actions, promoting ethical conduct, being concerned for others, and rewarding ethical conduct (Brown et al., 2005; De Hoogh & Den Hartog, 2008; Kalshoven et al., in press; Resick, Hanges, Dickson, & Mitchelson, 2006; Treviño, Brown, & Hartman, 2003). Ethical leaders use different ways, including transactional ones to influence ethics-related behaviors among followers, such as communication, rewards and punishments (Brown et al., 2005). Ethical leaders send clear messages about expected behavior and use reward systems to hold subordinates accountable to those expectations (Treviño et al., 2003). Besides communication and reward systems, ethical leaders act as role models and promote ethical behavior among followers (Brown et al., 2005; Trevino et al., 2003). Role modelling refers to observational learning, imitation and identification (Bandura, 1977).

Ethical Leadership and Helping Behavior

A growing body of work investigates the relationship between ethical leadership and follower behavior. Various studies found a positive relationship between ethical leadership and various forms of citizenship behavior (e.g., Kalshoven et al., in press; Mayer et al., 2009; Walumbwa & Schaubroeck, 2009). Organ defined citizenship behavior as: "behavior that contributes to the maintenance and enhancement of the social and psychological context that supports task performance" (Organ, 1997, p. 91). Overall, citizenship behavior refers to behavior that goes beyond the task requirements and benefits the effective functioning of the organization (cf., Podsakoff, Whiting, Podsakoff, & Blume, 2009). Several authors hold that this behavior is stated as inherently moral in that the actor chooses to perform behavior that is beneficial to another person and is generally regarded as virtuous, over behavior that is not (Graham 1995; Ryan, 2001). The citizenship behavior literature distinguishes between challenging and affiliative behaviors (Van Dyne, Cummings, & McLean Parks, 1995). Affiliative citizenship behaviors are about strengthening relationships and include helping colleagues and showing courtesy toward others (Van Dyne et al., 1995).

Helping behavior, an example of affiliative citizenship, is one of the most frequently studied forms of citizenship. As noted, scholars view helping behavior, if it is performed willingly, as a form of moral behavior (e.g., Blasi, 1980). Podsakoff, MacKenzie, Paine and Bachrach (2000, p. 516) define helping behavior as "voluntary helping others with or

preventing the occurrence of work related problems". Altruism and courtesy can be distinguished as two forms of helping (Podsakoff et al., 2000) and in the current study both are used to operationalize helping. Helping behavior among members, such as spending time, energy and effort to aid colleagues is important for the smooth and effective functioning of workgroups and ethical leaders are expected to encourage this behavior.

Research to date finds positive relationships between ethical leadership and helping behavior operationalized as altruism (Mayer et al., 2009; Piccolo et al., 2010). Altruism is defined by Smith, Organ, and Near (1983) as behavior that is directly and intentionally aimed at helping a specific person in face-to-face situations. This behavior could be job-related, such as cooperation between colleagues on a task. However, courtesy, which is another dimension of helping behavior (Podsakoff et al., 2000), has not often been studied in relation to ethical leadership (for one exception see Kalshoven et al., in press). Courtesy reflects avoiding doing harm and being mindful of how one's action affects others, and can therefore also be seen as moral behavior (e.g., Borman, Penner, Allen, & Motowidlo, 2001; Organ, 1988). In the current study helping will be operationalized as courtesy and altruism (Podsakoff et al., 2000).

Scholars studying the link between ethical leadership and helping have used both social learning and social exchange theory to explain this relationship and have focused on different levels of analysis and theorizing (e.g., Brown, et al., 2005; Kalshoven et al., in press; Mayer et al., 2009; Piccolo et al., 2010). The social exchange perspective applied to ethical leadership (e.g., Mayer et al., 2009) suggests that each employee has a unique exchange relationship with the leader. In this individual exchange, followers want to reciprocate ethical leader behavior and helping others can be a way to do so. This focuses on individual level perceptions and exchange processes that play a role in the leadership process. These may differ for each employee, which implies focusing on the individual level of analysis (e.g., Piccolo et al., 2010). Social learning theory, however, suggests ethical leadership is also relevant at the group level. For example, research shows that ethical leaders are perceived as group prototypical (e.g., Kalshoven & Den Hartog, 2009). Brown and colleagues note that imitation and observational learning play a role in ethical leadership and through such processes may also have group level effects. Ethical leaders model desirable

behaviors for followers to emulate and copy. Employees also learn about desired behavior by witnessing how other employees are rewarded by the leader (Brown et al., 2005; Treviño et al., 2003). Combined, we expect that both individual and group level perceptions of ethical leadership are positively related to follower helping behavior.

Hypothesis 1: Ethical leadership will be positively related to follower helping.

Moral Awareness and Empathic Concern as Moderators

Recently, research has started to unpack ethical characteristics of the work context. As mentioned earlier, we conceptualize the ethical context as a moderator of the relationship between ethical leadership and helping behavior. Ethical characteristics of the work context include the established ethical values, attitudes, feelings and behaviors within a work group and represent “how things are done around here”. These characteristics emerge at the group level, because over time work groups become more homogenous in their members’ attributes and values (e.g., Schneider, 1987). Members are exposed to similar policies, procedures and practices and may have shared interpretations of these practices (Simons & Roberson, 2003).

In the current study, we focus on two ethical characteristics of the work context, namely empathic concern and moral awareness. In a work context characterized by a high empathic concern, group members sympathize with others, evaluate the consequences of their actions and are concerned with how these actions affect others (Rest & Narvaez, 1994 cf., Schneider, 1975). In contrast, in a work context characterized by high moral awareness, group members recognize a moral dilemma and are aware of ethical issues (Arnaud, in press; Jordan, 2008). Thus, within a context high on empathic concern, helping is valued and emphasized and in a context of moral awareness recognition and awareness of ethical issues is high. The degree to which the work context is collectively perceived by members of a work group as morally aware and empathically concerned (Arnaud, in press) seem relevant as moderators of follower reactions to ethical leadership.

Ethical characteristics of the work group may have different influences on the ethical leader and follower helping relationship. Previous leadership studies suggest that

the context may be an enhancer or a neutralizer for leader behavior (e.g., Howell, Dorfman, & Kerr, 1986). Here, we propose an enhancer role for empathic concern and a neutralizer role for moral awareness. In the sections below, we explain why we propose two different types of moderators for the context characteristics. Thus, we propose a model in which the effect of ethical leadership on follower helping behavior is weaker in a context where moral awareness is high and is stronger when empathic concern is high.

Empathic Concern

Empathic concern reflects evaluating the consequences of actions in terms of how they affect others (cf., Arnaud & Schminke, 2007; Davis, 1983; Rest & Narvaez, 1994). It reflects an emotional (i.e., empathy) element and concerns sympathy, emotional responsiveness or affective perspective taking (e.g., Stephan, & Finlay, 1999). For example, a work group is characterized as high on empathic concern if people in the group sympathize with someone who is having difficulties at the job. In a high empathic concern context, group members are oriented towards others within the work group rather than the self.

Within a high empathic concern context, helping behavior is strongly valued and we propose that as a result helping behavior will be regarded as an appropriate way to reciprocate valued ethical leader behaviors. This legitimization of empathic concern as an avenue for reciprocation, together with the perceived obligation arising from the social exchange with an ethical leader, is likely to result in individuals expanding their helping behavior. In line with this, a work group high on empathic concern will be characterized by relatively strong interpersonal relationships (Davis, 1983). Likewise, in a high empathic concern context the social in-group is stronger as there is a merge between the self and other group members (cf., Davis, Conklin, & Luce, 1996). In such a context high on empathic concern, it seems likely that followers reciprocate the fair and honest leader behaviors by helping each other. Thus, when both ethical leadership and empathic concern are high, followers' helping behavior may be optimized. However, when in a context of high empathic concern the leader does not show such concern for people, employees receive conflicting messages about the importance of empathic concern. This may result in a decrease of followers' helping behavior.

Related research on leadership and context also suggests that the impact of leaders on followers is stronger in work contexts where followers are able to reciprocate the close relationship with their leader. For example, Erdogan et al. (2006) found that the relationship between interactional justice and LMX is stronger when respect for employees is high. In such context, treating employees sensitively is part of the organizational schemata and will serve to maintain social exchanges (Erdogan et al., 2006). Similarly, Hofmann and colleagues (2003) found that the relationship between LMX and safety citizenship role definitions is moderated by safety climate, such that this relationship is stronger in a positive safety climate. They argue that in safety situations, safe performance is likely to be strongly valued and thus safety will be salient and legitimate in reciprocating LMX relationships (Hofmann et al., 2003). In line with this, we argue that ethical leadership may have a stronger positive effect on employees' helping when empathic concern is high. In this context, showing helping behavior forms an appropriate and valued way to reciprocate ethical leaders.

In a work context characterized by a low empathic concern, members will place less emphasis on taking the consequences of one's actions into account or on having concern for others. Although followers are still likely to reciprocate ethical leader behaviors, they are less likely to view helping colleagues as the most obvious way to reciprocate their implicit obligations to the ethical leader. Helping is less salient and legitimate in this low concern context. Followers are less likely to show concern for others and behave with empathy if the priority of showing empathic concern is low in their work group. Employees may conclude that the use of limited resources for the purpose of helping others is not one of the goals that the work group values or rewards and thus less likely to exhibit this behavior. To summarize, we expect a stronger positive relationship between ethical leadership and followers' helping behavior in context high on empathic concern, because treating individuals with respect and in a fair way will be part of the shared schemata in the group, will be valued, and will serve to sustain social exchanges. We hypothesize:

Hypothesis 2: The positive relationship between ethical leadership and subordinates' helping will be stronger in strong empathic concern than in weak empathic concern work group context.

Moral Awareness

From a contextual perspective, moral awareness is about the prevalent norms for moral awareness that exist in a social system, such as a work group (Arnaud, in press; Arnaud & Schminke, 2006). Researchers suggest that attention is an important first step in encoding information, because in work groups the focus is selectively on certain aspects of the stimulus environment and other aspects may be ignored – this also holds for ethical issues (Arnaud, in press; Arnaud & Schminke, 2007; Schminke et al., 2007). Butterfield and colleagues (2000) address that without moral awareness, a decision or action will be evaluated as a straightforward business decision. Ethical issues or concerns will not be elaborated on. Ethical issues or concerns will not be elaborated on. In contrast, when moral awareness is high in a work group, ethical considerations are taken into account in decisions and actions.

Generally speaking, so-called strong as opposed to weak situations will often generate a relative consensus for appropriate behavior by providing clear incentives, a supportive learning environment, or normative expectations (Mischel, 1973, 1977). In a “strong” situation individuals share a common interpretation of what is important and what behaviors are expected and rewarded, thereby producing lower variance in perceptions about the situation (Schneider et al., 2002). In high moral awareness contexts, work group members have similar interpretations about the environment in terms of its ethical components. They will recognize a moral dilemma and know how to incorporate ethical considerations into their decision-making. Thus, the high moral awareness situation provides cues and reinforces to guide their behavior. For example, about when moral behavior such as helping is appropriate. If the work context is high on moral awareness, work group members know what is right and wrong and understand what the ethical choices are. They will know when and how to take responsibility and behave morally, for example by helping each other. In these situations, ethical modeling behavior and guidance of leaders is less needed as followers are already aware of ethical issues. Thus, ethical leader behaviors should have a weaker effect on helping when this behavior is already elicited by a context high on moral awareness.

In contrast, in situations that are not uniformly encoded, do not generate uniform expectancies concerning the desired behavior and do not offer sufficient incentives

for successful behavior, leaders may have a stronger impact on followers' behavioral choices (e.g., Shamir & Howell, 1999). A context low on moral awareness is characterized by little attention for and low agreement on ethical issues and this context provides fewer guidance on how to interpret or decide on ethical issues or how to deal with ethical dilemmas. Within a low moral awareness context, ethical and moral issues are subject to different interpretations. Work group members are unlikely to automatically incorporate moral considerations into their deliberations and decision making. Employees can construct their own version of what messages are being communicated by the context and therefore the need for an ethical leader to guide their behavior is stronger. In other words, ethical leaders are likely to have a stronger influence on followers' moral behavior when the situation offers less ethical guidance or cues. Thus, we expect that in low moral awareness context, ethical leadership will have a stronger impact on followers' helping behavior than in a high moral awareness context in which more cues are present and followers can more easily recognize the need for acting morally.

These arguments are consistent with the "substitutes for leadership" theory which suggests that certain contextual variables may neutralize the leader's ability to affect follower attitudes, perceptions and performance (Podsakoff, et al., 1996). The basic assumption made by Kerr and Jermier (1978) in their "substitutes for leadership" model is that the substitutes for leadership variables have their main effects on subordinate behavioral variables and replace the effect of a leader's behavior. Podsakoff et al. (1996) found that some substitutes moderated the relationship between transformational leadership and followers' citizenship. Among proposed substitutes are team characteristics. So far, the substitute for leadership literature has not been used in the ethical leadership research field. However, here we propose that the moral awareness of a group may play a similar "substituting" role in the relationship between ethical leadership and helping, such that perceived ethical leadership relates less strongly to follower helping when moral awareness is high than when it is low.

Although there is no research directly on this, related research on leadership and context also suggests that the impact of leaders on followers is stronger in a context that does not provide clear directions or cues for how to behave. So far, these situations in

leadership research are usually characterized as high on uncertainty. Under conditions of uncertainty and crisis, followers feel the need for greater direction and guidance (Bass, 1990), and their preference to accept influence may be stronger (Shamir & Howell, 1999). Thus, willingness to follow the leader may be more evident in uncertain situations. This emphasis on the importance of uncertainty corresponds with the demonstration of charisma and its outcomes (e.g., Waldman, Javidan, & Varella, 2004). Other situations may also be important in this regard. For example, specification of processes and procedures reduce the need for leadership (Jermier & Kerr, 1997). Similarly, where moral behavior is concerned, we propose that moral awareness in the context may reduce the need for ethical leaders. Taken together, we expect an interaction between ethical leadership and moral awareness in which a strong moral awareness in the context reduces the importance of perceived ethical leadership in relation to followers' helping behavior.

Hypothesis 3: The positive relationship between ethical leadership and subordinates' helping will be stronger in workgroup contexts of low moral awareness than in workgroup contexts of high moral awareness.

Method

Participants and Procedures

Individual-level data for the present study was requested from 256 employees working in different organizations located in various parts of the Netherlands. In each organization, formally defined work groups of independent employees at the same hierarchical level performed similar or dissimilar tasks and shared a supervisor. At the work group-level, 88 supervisors leading such a work group were requested to participate in the study. The organizations were located in non-profit sectors such as health care and governmental agencies and in profit sectors such as insurance and construction. Management team members were our organizational contacts and provided contact information of leaders and their direct reports. A minimum of two and a maximum of five employees per work group were approached to complete a questionnaire. Employees completed surveys that assessed their perceptions of the immediate supervisors' ethical leader behavior, the work group level of

moral awareness and empathic concern and personal information. Supervisors were asked to rate the work behaviors of three followers and were also asked about personal and organizational information. Supervisors were given the names of the employees and employees were given the name of the leader they needed to evaluate in the survey. The employees whose behavior was rated by the leader were randomly chosen from the work groups by our management contacts in close collaboration with the researchers.

For 20 work groups, supervisor questionnaires were not received. As a result, the employees from these work groups ($n = 60$) were excluded from the analyses. Further, in 27 cases only one employee questionnaire was returned and both the leader and employee data were excluded from the analyses. For testing our hypotheses we needed at least two employees per leader to indicate the work group context of moral awareness and empathic concern (i.e., 36 employee questionnaires were only used to measure ethical leadership and the context as there were no leader ratings for these particular employees). The follower sample size available to test our hypotheses was 170 and we obtained leader ratings of helping behavior for 133 followers. This resulted in a final sample of 53 work group and thus 53 supervisors. On average a supervisor rated 2.5 employees each. This translates to response rates of 60 % for the supervisor and 50 % for the employees. The average age of supervisors was 50 years ($SD = 9$); 30 % were women. The average age of employees was 46 ($SD = 9$); 42 % were women. The work groups were mostly smaller than 10 people (87 %). For 84 % supervisor-employee tenure was over six months and 81 % of the leaders were employed for at least six months.

Surveys were administrated paper-and-pencil or online. The paper version was only used on request of our management contacts (when employees did not extensively work with computers). Within each organization only one way of data collection was used. Of all completed surveys 80 % used the online version. The researchers directly sent the surveys including a cover letter (or email) to both supervisors and employees, thus researchers were sure all participants received the questionnaires. The online surveys of the similar work groups were matched by the email addresses and the paper surveys by an identical code. The cover letter (or email) explained the purpose of the study, the voluntary nature of participation, assured confidential treatment of the data, and promised an overall report at

the close of the study. The letter also included approval and support from the management team of the organization. Surveys could be completed during work time and after two weeks participants received a reminder.

Measures

Ethical leadership. Ethical leadership was assessed with the 38-item Ethical Leadership at Work questionnaire (ELW) developed and validated by Kalshoven et al. (in press). The ELW overall scale includes several ethical leader behaviors: fairness, integrity, ethical guidance, people orientation, power sharing, role clarification and concern for sustainability (these dimensions were based on work by Brown et al., 2005; De Hoogh & Den Hartog, 2008; Treviño et al., 2003). Kalshoven et al. (in press) show these behaviors can be assessed separately or combined in an overall score for ethical leadership as we do in this study. Measuring leadership styles as a combined second-order construct including several behavioral components is often done in leadership research (see e.g., transformational leadership see e.g., Podsakoff, MacKenzie, Moorman, & Fetter, 1990; or authentic leadership see e.g., Walumbwa et al., 2008).

The behaviors measured with the ELW include fairness (6 items), which measures leaders' honesty, acting responsibly, treating followers equally and being dependable. Integrity (4 items) reflects being consistent in word and deed and keeping promises. Ethical guidance (7 items) assesses acting according to ethical standards, being a role model, and setting expectations about work-related ethical issues. People orientation (7 items) refers to caring about people, respecting others and their feelings and taking interest in their welfare. Power sharing (6 items) focuses on providing voice and opportunities for input. Role clarification (5 items) refers to clarification of expectations and responsibilities and engaging in open communication. Concern for sustainability (3 items) reflects being sensitive to environmental issues and caring for sustainability. Sample items are: "Can be trusted to do the things (s)he says/ (s)he will do"; "Clearly explains integrity related codes of conduct" "Stimulates recycling of items and materials in our department" and "Allows subordinates to influence critical decisions". The items were rated from 1 (*strongly disagree*) to 5 (*strongly agree*). The overall ethical leadership scale had a Cronbach's α of .95.

To test the appropriateness of using the overall scale a second-order confirmatory factor analysis (CFA), in which the individual ethical leadership items were modeled as indicators of their underlying dimensions (fairness, integrity, people orientation, power sharing, role clarification, ethical guidance, concern for sustainability), which in turn were modeled as indicators of an overarching latent ethical leadership construct was performed. The CFA showed a good fit, χ^2 second-order factor model (658, $N = 139$) = 961.27, $p < .01$, CFI = .98; NNFI = .97 RMSEA = .05; SRMR = .08 (cf. Hu & Bentler, 1999). A measurement model including all variables will be tested below.

Helping behavior. Employees' helping behavior is operationalized with two forms, namely altruism and courtesy behavior and both were assessed with 4-items of the OCB scale of MacKenzie, Podsakoff and Fetter (1991). The items were reformulated to be used as supervisor ratings. Courtesy reflects polite and respectful behavior toward co-workers that is intended to prevent work-related conflicts before they occur. A sample item is: "Touches base" with others (informs them in advance) before initiating actions that might affect them" Altruism behavior refers to the process of helping a co-worker. A sample item of altruism behavior is: "is always ready to help or lend a helping hand to those around him/her". The items had a 5-point response scale, ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Cronbach's alpha was for courtesy .81 and for altruism .87. In the measurement model section below we show that the measures of courtesy and altruism are empirically distinct.

Empathic concern and moral awareness. Empathic concern and moral awareness were each assessed with 3-items of the Ethical Climate Index developed and validated by Arnaud (in press) and Arnaud and Schminke (2006). The empathic concern items are based on role taking and perspective taking. The items for empathic concern are: "People in my department sympathize with someone who is having difficulties in their job", "For the most part, when people around here see that someone is treated unfairly, they feel pity for that person" and "People around here feel bad for someone who is being taken advantage of". Cronbach's α was .74. Items measuring moral awareness are: "People around here are aware of ethical issues", "People in my department recognize a moral dilemma right away" and "people in my department are very sensitive to ethical problems". Cronbach's α was .73.

Participants indicated the degree to which each items described their workgroup on a five-point scale, ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

Control variables. As noted above, previous research found ethical leadership to correlate with transformational leadership (Brown et al., 2005; Kalshoven et al., in press). Thus, we controlled for employees' perception of their leader's transformational leadership measured using Dutch Charismatic Leadership In Organizations questionnaire (cf., De Hoogh & Den Hartog, 2009b; De Hoogh, Den Hartog, & Koopman, 2004). Sample items for transformational leadership are: "Has a vision and imagination of the future" and "Mobilizes a collective sense of a mission" (5 items). Cronbach's α was .80.

Measurement model. Prior to testing the hypotheses we tested a measurement model at the item-level to determine if scale items were adequate indicators of their underlying constructs. Particularly, in the literature there is a debate about the distinctiveness of the citizenship behavior dimensions (cf., Lepine, Erez, & Johnson, 2002; Podsakoff et al., 2000) and thus we conducted CFA's to determine whether our measures of courtesy and altruism were empirically distinct. A confirmatory factor analysis involving the ethical leadership, empathic concern, moral awareness, altruism and courtesy measures was conducted as a means of assessing their viability as separate constructs. To increase indicator stability (e.g., West, Finch, & Curran, 1995) and meet sample size guidelines for parameter estimation (see Landis, Beal, & Tesluk, 2000), we used the seven behavioral dimensions or sub-scales of ethical leadership as indicators to form a reduced set of indicators. This procedure reduced the number of indicators for the latent variable ethical leadership to seven (in stead of 38 at the item level). The other latent variables had three or four indicators (item level) each.

Results for the proposed five factor measurement model provided a good fit to the data ($\chi^2 = 225.72$, $df = 160$, $p < .01$; CFI = .95; NNFI = .94 RMSEA = .055; SRMR = .069; cf., Hu & Bentler, 1999). In order to test the discriminant validity of altruism and courtesy, we compared the fit of our measurement model with competing models. For example, the items of altruism and courtesy were set to load on a single factor. The fit of this competing four factor model, including, ethical leadership, moral awareness, empathic concern and OCB, was inferior to our measurement model ($\chi^2 = 288.26$, $df = 164$, $p < .01$; CFI = .91; NNFI = .89 RMSEA = .08; SRMR = .08; cf., Hu & Bentler, 1999) as was a three-factor model

that included ethical leadership, combined moral awareness and empathic concern into one factor, and combined altruism and courtesy into one factor, model ($\chi^2 = 317.26$, $df = 167$, $p < .01$; CFI = .89; NNFI = .88 RMSEA = .09; SRMR = .09). Finally, a one-factor model including all study variables showed poor fit to the data ($\chi^2 = 624.20$, $df = 170$, $p < .01$; CFI = .68; NNFI = .64; RMSEA = .17; SRMR = .15). These models supported the empirical distinctiveness of all study variables and more specifically of courtesy and altruism.

Aggregation of empathic concern and moral awareness. Our level of theory for empathic concern and moral awareness was the work group level. As recommended by Kozlowski and Klein (2000), we focused on the appropriate level of analysis. The items of empathic concern and moral awareness are formulated at the work group level. As the work context is a shared perception, the individual level work context perception is aggregated into a work group level measure. Subordinates' responses were averaged by work group (i.e., leader). To assess the degree of agreement across subordinates regarding each of the climate dimensions, we calculated a within-leader correlation (rwg; James, Demaree, & Wolf, 1984). The rwg statistic reflects the degree of interrater agreement between members of a work group, with 1 reflecting perfect agreement across all members. Mean rwg values of .70 or higher provide evidence of acceptable agreement among member responses (Klein, & Kozlowski, 2000). The mean rwg was .87 for moral awareness and .89 for empathic concern. Thus, aggregation of moral awareness and empathic concern seems appropriate.

Analytical Approach

Our hypotheses consisted of variables both at the individual-level (e.g., ethical leadership, employee courtesy behavior and employee altruism behavior) and group-level (e.g., ethical leadership, and moral awareness and empathic concern). Furthermore, employees are nested within the work groups guided by the same leader as leaders provide ratings on employees' behavior for up to three followers. Thus, the data in the present study were multi-level in nature (cf. Bliese, Halverson & Schriesheim, 2002). Therefore, we performed a two-level Hierarchical Linear Modeling (HLM) analysis to decompose the variance of the variables into within-group and between-group components. In addition, HLM

is valuable for modeling cross-level interaction effects between group-level predictors and individual-level independent variables on outcome variables (Hofmann, Griffin, & Gavin, 2000; Klein, & Kozlowski, 2000).

We calculated the intra-class correlation coefficient ICC(1), which is an estimate of the degree to which subordinates of the same leader answer similarly (cf. Shrout & Fleiss, 1979) and a within-leader correlation (rwg) to assess the amount of agreement across subordinates (James et al., 1984). There was meaningful between-group variance for ethical leadership ICC(1) = .20, rwg = .96, which is consistent with our interpretation of ethical leadership. Given the between-group variance, it is important to investigate whether the ethical context moderation is a cross-level or between group interaction (Hofmann & Gavin, 1998; Hofmann et al., 2003). To test the cross-level interaction, we used group-mean centering with the between-group variance in ethical leadership included in the Level 2 intercepts model and the other variables were grand-mean-centered (Hofmann & Gavin, 1998). We also analyzed the data by using more traditional cross-level analysis in ordinary least square statistics. The patterns of results of these OLS analyses were consistent with the multi-level results reported below.

Results

Table 1 presents the means, standard deviations and correlations among all study variables. Results provide initial support for hypothesis 1 by showing that individual perceptions of ethical leadership significantly correlate with altruism ($r = .25, p < .01$) and courtesy ($r = .20, p < .05$). A group-level perception of ethical leadership was significantly correlated with altruism ($r = .19, p < .05$), however not with courtesy ($r = .12, p < .10$). Transformational and ethical leadership were highly related ($r = .75, p < .01$), in line with previous studies (cf., Kalshoven et al., in press). Empathic concern was not related to ethical leadership at individual- or group-level (both $r = .07, ns$). Nevertheless, moral awareness was positively associated with ethical leadership at both levels ($r = .35, p < .01$; $r = .45, p < .01$). This is consistent with our suggestion that ethical context and ethical leadership at all levels may be related. These correlates do not take the multi-level nature of the data into account.

Table 1 - Means, standard deviations and correlations

Variables	M	SD	1	2	3	4	5	6
1 Transformational leadership	3.66	.44						
2 Ethical leadership	3.82	.54	.75**					
3 Ethical leadership mean	3.64	.30	.52**	.67**				
4 Moral awareness	3.52	.39	.31**	.35**	.45**			
5 Empathic concern	3.88	.27	.20*	.07	.07	.38**		
6 Altruism behavior	4.10	.63	.13†	.25**	.19*	.11	.16*	
7 Courtesy behavior	3.86	.62	.12†	.20*	.12	.10	.10	.45**

Note: $N = 133$. Moral awareness and empathic concern are work group level variables.

* $p < .01$; ** $p < .05$; † $p < .10$. All tests are one-tailed.

Before testing the hypotheses using HLM, we examined whether there was significant systematic within- and between work group variance in supervisory rated altruism and courtesy behavior. First, we ran null models (no individual- or group-level predictors) to examine whether significantly systematic between-group variance in the employee behaviors variables was present. This null models forces all within-group variance in the outcome variable into Level 1 and all of the between-group variance in the outcome variable into the Level 2 residual term (Gavin & Hofmann, 2002). The null models were used to calculate the interclass correlations 1 (ICC1) for employee behaviors, which were .62, for altruism behavior and .21 for courtesy behavior. These results suggest that approximately 62 % of the variance in altruism and 21 % of the variance in courtesy is between-work group variance. The chi-square tests also indicated between-group variance for courtesy ($\tau_{00} = .08$, $\chi^2(54) = 240.60$, $p = .05$) and altruism $\tau_{00} = .16$, $p < .01$. In other words, the intercept terms of the models significantly varied across groups (cf., Schaubroeck, Lam, & Cha, 2007). Taken together, this suggests that leader ratings of employee behavior were to some extent due to group membership. These results supported the precondition for cross-level analyses for the employee behavioral variables. Table 2 provides an overview of the tested models and the results for testing the hypotheses. To test hypothesis 1, the individual level ethical leader-

ship variable was entered in the model. The model was tested for the two follower behavior variables (altruism and courtesy) and takes the following form:

$$\text{Level 1: Altruism}_{ij} = \beta_{0j} + \beta_{1j}(\text{Ethical leadership}_{ij}) + r_{ij}$$

$$\text{Level 2: } \beta_{0j} = \gamma_{00} + U_{0j}$$

$$\beta_{1j} = \gamma_{10} + U_{1j}$$

In line with hypothesis 1, results demonstrated that individual perceptions of ethical leadership were significantly related to altruism $\gamma_{20} = .40, p < .05$ and courtesy $\gamma_{20} = .49, p < .05$. Additionally, in line with the correlations, shared perceptions of ethical leadership were significantly related to altruism $\gamma_{01} = .48, p < .05$ and not to courtesy $\gamma_{01} = .17, ns$. Overall, individual and aggregated perceptions of ethical leadership are related to followers' altruism and only individual perceptions of ethical leadership are related to followers' courtesy.

Hypothesis 2 and 3 propose that moral awareness and empathic concern moderate the relationship between ethical leadership and employee behavior. As can be seen in Table 2, to be conservative, we controlled for transformational leadership in our test of each hypothesis. When examining the correlations, the control variable transformational leadership was marginally related to courtesy and altruism, however these relationships were not significant in the hierarchical linear models for altruism or courtesy. For testing interactions, according to Hofmann and Gavin (1998) it is important to distinguish between cross-level and between-group interaction as the variable (ethical leadership) being moderated contains both individual- and group- level variance. In doing so, we added the interaction term of group-mean ethical leadership, moral awareness and empathic concern as predictors of the intercept and we added moral awareness and empathic concern as predictors of the variance in the slopes relating ethical leadership to follower behaviors (i.e., outcome variables). The results of the interaction effects are shown in Table 2.

The results of the model for altruism revealed that the between-group interaction and the cross-level interaction of empathic concern were both not significant (respectively, $\gamma_{05} = 1.31, \gamma_{23} = .60, ns$), which is not in line with hypothesis 3. For moral awareness both the between-group and the cross-level interaction were significant in relation to altruism,

Table 2 - Results of hierarchical linear models of interactions on follower behavior

Variables		Altruism			Courtesy					
		Estimate	SE	t	Estimate	SE	t			
1	Intercept	Y ₀₀	4.19	.06	66.54	**	3.96	.05	65.70	**
2	Transformational	Y ₁₀	-.17	.15	-1.14	ns	-.13	.15	-.82	ns
3	EL a	Y ₂₀	.40	.20	2.02	*	.49	.23	2.16	*
4	Mean EL	Y ₀₁	.48	.27	1.81	*	.17	.26	.66	ns
5	Moral awareness	Y ₀₂	-.12	.18	-.71	ns	-.03	.17	-.15	ns
6	Empathic concern	Y ₀₃	.51	.24	2.12	*	.34	.23	1.47	ns
7	MeanEL*moral awareness	Y ₀₄	-1.04	.59	-1.78	*	-1.63	.56	-2.92	**
8	MeanEL*empathic concern	Y ₀₅	1.31	1.01	1.29	ns	1.73	.97	1.79	*
9	EL*moral awareness	Y ₂₂	-1.18	.69	-2.20	*	-1.24	.61	-2.02	*
10	EL*empathic concern	Y ₂₃	.60	.66	.91	ns	1.32	.77	1.72	*

Note. a) EL = Ethical Leadership; ns = not significant.

* $p < .05$; ** $p < .01$. All tests are one-tailed.

respectively $\gamma_{04} = -1.04$, $\gamma_{22} = -1.18$, $p < .05$. The significant cross-level interaction is depicted in Figure 1 and the between-group level interaction in Figure 2. Both were plotted at one standard deviation above and below the mean. The slope for the relationship between ethical leadership and altruism was positive and significant for employees who experience low levels of moral awareness, $t(126) = 2.75$, $p < .01$, but not for those experiencing high level of moral awareness, $t(126) = -.19$, *ns*. A similar pattern arises when calculating the simple slope analysis for ethical leadership at the group level. That is, significant for employees who experience low levels of moral awareness, $t(126) = 2.96$, $p < .01$, but not for employees experiencing high level of moral awareness, $t(126) = -.21$, *ns*.

Figure 1 illustrates that the relationship between ethical leadership and altruism behavior was positive when moral awareness was low, but this relationship weakened and became not significant when moral awareness of the work group became higher. The cross-level interaction represents how the within-group relationship between ethical leadership and altruism changes as a function of moral awareness. Thus, the relationship between ethical leadership and altruism within work groups changes as a function of between work group differences in moral awareness. The above presented results support our hypothesis 3.

The results of the model for courtesy revealed that the between-group interactions of moral awareness and empathic concern were both significant (respectively, $\gamma_{04} = -1.63$, $p < .01$; $\gamma_{05} = 1.73$, $p < .05$). Furthermore, both the cross-level interaction of empathic concern as well as the cross-level interaction of moral awareness were significant (respectively, $\gamma_{23} = 1.32$, $p < .05$; $\gamma_{24} = -1.24$, $p < .05$). The results support hypothesis 2 and 3. The slope for the relationship between ethical leadership and courtesy was positive and significant for employees who experience low levels of moral awareness, $t(126) = 2.98$, $p < .01$, but not for employees experiencing high levels of moral awareness, $t(126) = .02$, *ns*. Simple slope analyses for ethical leadership at the group level indicated that the slope for the relationship between ethical leadership and courtesy was significant for employees who experience low levels of moral awareness, $t(126) = 2.60$, $p = .01$, but not for employees experiencing high level of moral awareness, $t(126) = -1.27$, *ns*. A similar pattern was found for ethical leadership at the work group level, the slope for the relationship between ethical leadership and courtesy was positive and significant for employees perceiving high levels of empathic

Figure 1 - Follower altruism behavior as a function of ethical leadership at individual level and moral awareness interaction

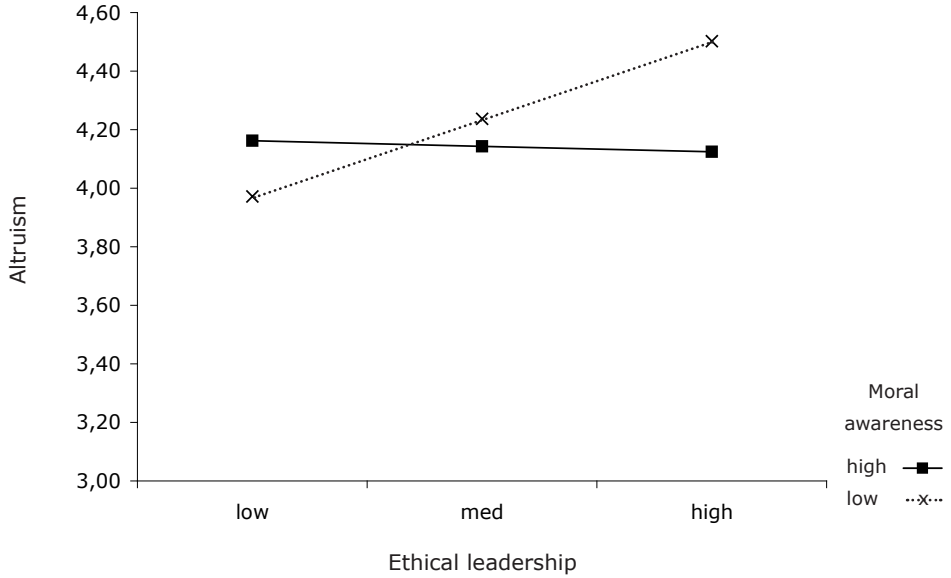


Figure 2 - Follower altruism behavior as a function of ethical leadership at group level and moral awareness interaction

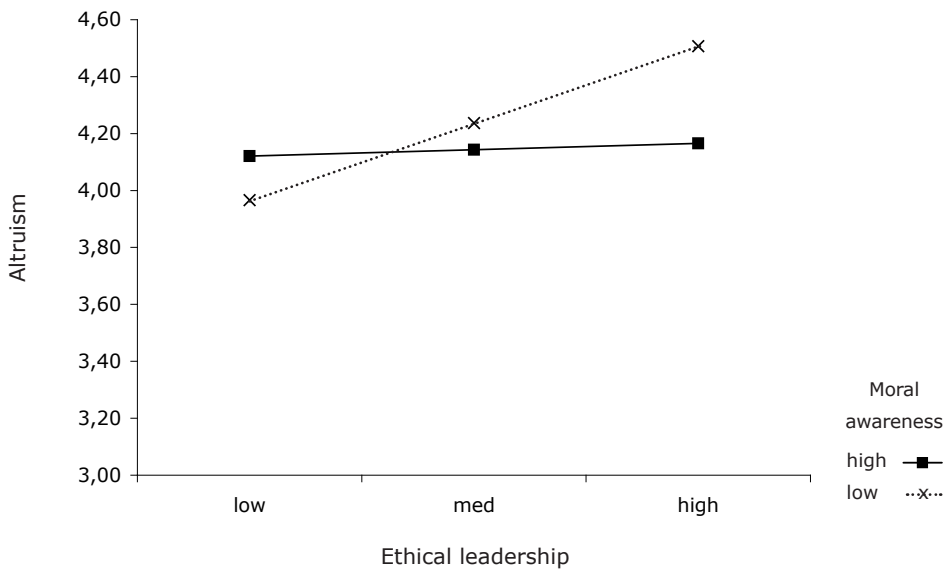


Figure 3 - Follower courtesy behavior as a function of ethical leadership at individual level and moral awareness interaction

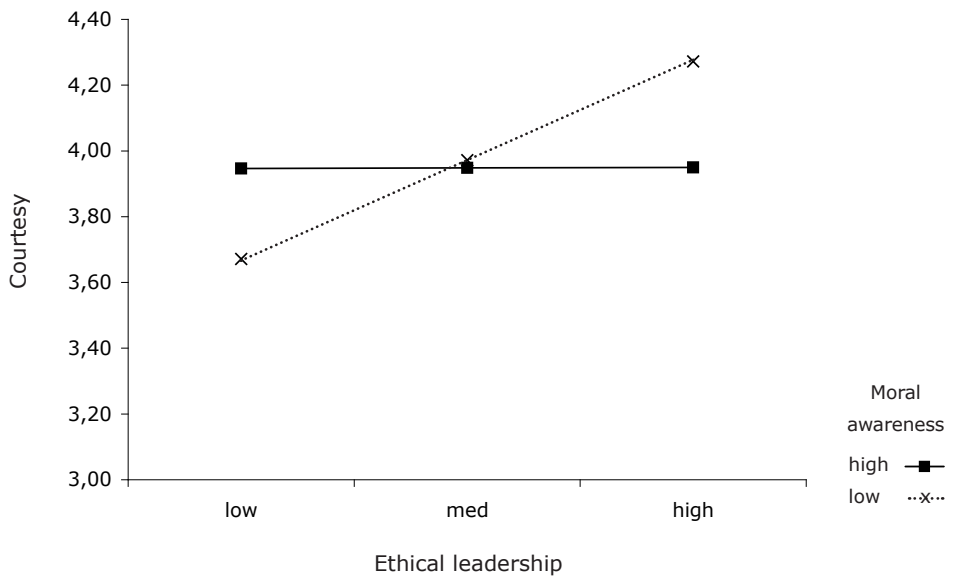


Figure 4 - Follower courtesy behavior as a function of ethical leadership at group level and moral awareness interaction

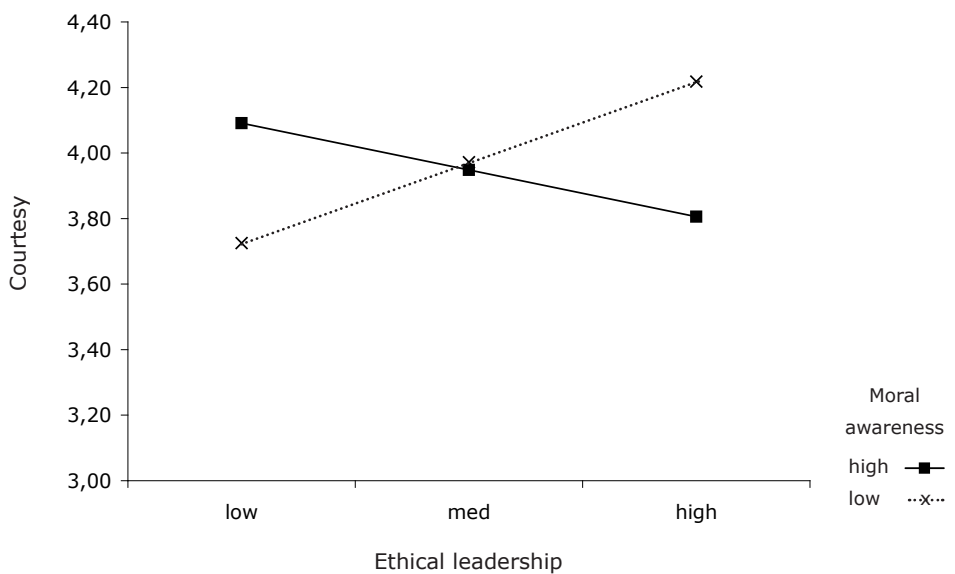


Figure 5 - Follower courtesy behavior as a function of ethical leadership at individual level and empathic concern interaction

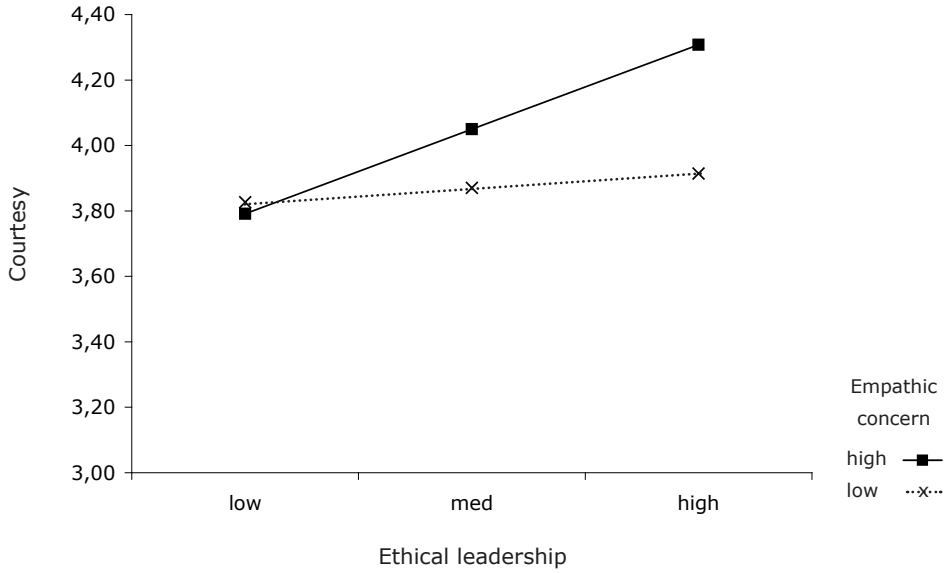
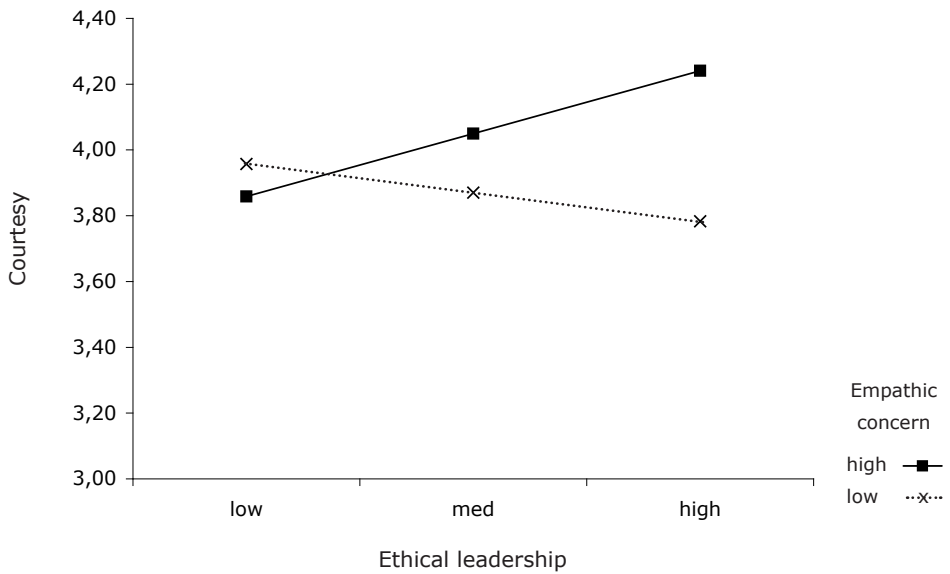


Figure 6 - Follower courtesy behavior as a function of ethical leadership at group level and empathic concern interaction



concern, $t(126) = 2.81, p < .01$, but not for those perceiving low levels of empathic concern, $t(126) = .47, ns$. The slopes for the relationship between ethical leadership at group level and courtesy were significant for high levels of empathic concern, $t(126) = 1.81, p < .05$, but not significant for low levels of empathic concern $t(126) = -.67, ns$.

To estimate the level of variance in follower behaviors accounted for by the interactions, hierarchical regression analyses was conducted to estimate the R² change, when the interaction terms were added in the model (Hofmann et al., 2003; see also, Erdogan et al., 2006; Tse et al., 2008). Interactions of both moral awareness and empathic concern with ethical leadership on altruism behavior explained 8 % of the variance, whereas the interactions of moral awareness and empathic concern with ethical leadership on courtesy behavior explained 10%. According to Cohen, Cohen, West and Aiken (2003) interactions typically explain 1 % -3 % of the variance in outcome variables. Thus, the R² changes in our models can be considered relatively high.

Discussion

In the current study we found that individual perceptions of ethical leadership are significantly related to moral awareness in the work group, as well as followers' courtesy and altruism behavior. Also, group level perceptions of ethical leadership are related to moral awareness and followers' altruism. In addition, the core findings of the current study are that moral awareness and empathic concern acted as contextual moderators of the relationship between ethical leadership and follower helping behavior. These interaction effects are found within and between work groups. Specifically, as expected in work contexts high on empathic concern, employees show more courtesy. This is in line with our hypotheses and suggests that in a context that emphasizes helping, followers are more likely to reciprocate ethical leader behaviors by exhibiting courtesy. When empathic concern is low, this relationship between ethical leadership and courtesy is not found. Additionally, in line with our hypotheses, in work context high on moral awareness, ethical leaders have a weaker effect on followers' altruism and courtesy behavior. When moral awareness is low, no relationship is found between ethical leadership and followers' altruism and courtesy.

Theoretical Implications

The most important contribution of this study to the ethical leadership literature is that it investigates the ethical context as a moderator on the relationship between ethical leadership and followers' altruism and courtesy behavior. Our results suggest a neutralizer effect of moral awareness on the relationship between ethical leadership and follower helping, because we did not find a main effect for the moderator (cf., Howell et al., 1986). A neutralizer decreases the relationship between leader behavior and follower behavior. In contrast, for empathic concern we expected and found an enhancer effect. That is, empathic concern increases the relationship between ethical leadership and follower helping. Enhancers and neutralizers are two varieties of the same basic type of a moderator (Howell et al., 1986).

In line with previous leadership studies, the leader substitutes theory helps explain under which conditions leaders have more or less influence on followers. Using this theory, we proposed and found an important role for moral awareness. The results show that ethical leadership has more impact on helping in a low moral awareness context. Once employees helping behavior is ensured through high moral awareness in the context, the additional impact of ethical leadership on helping is weakened. In high moral awareness contexts, ethical leadership does not affect followers' helping behavior. In these contexts, followers will construe the context similarly and therefore draw similar conclusions as how to respond appropriately. They may then not be open to the direction and role modeling of desired behavior shown by ethical leaders in contrast to a context that does not offer sufficient guidance.

The findings of empathic concern as a moderator are consistent with the social exchange view that followers are likely to reciprocate ethical leader behaviors (e.g., Diensch & Liden, 1986). The results suggest that the context can serve to emphasize or de-emphasize certain valued behavior and that followers who work for an ethical leader may reciprocate this behavior in ways consistent with this valued behavior. Followers are likely to reciprocate ethical behaviors of their leader who acts in a trustworthy, fair and considerate manner. Followers will be motivated to behave in ways that are desired and rewarded by the ethical leader. In an empathic context, helping others is clearly a desired behavior. Thus, we

add to the ethical leadership literature by showing two contextual factors that have different effects on the ethical leader and follower helping behavior relationship.

Examining contextual influences on the relationship between leadership and follower behavior is important. However, leaders may also have some role in the creation of the context. For example, Dickson and his colleagues (2001) argue that the founder and early leaders bring their personal values to the organization and these values play a primary role in determining the strategy, structure, climate, and culture of an organization. By passing on these values to new leaders and selecting leaders with similar values, the strategy, structure, climate, and culture get deeply rooted in the organization. This conceptual work suggests an association between ethical leadership and the ethical context, such as climate regarding ethics (cf., Dickson et al., 2001). However, to our knowledge this has not been tested yet. A related study from Schminke et al. (2005) only found for two out of five ethical climate dimensions a direct relationship with moral development of the CEO (i.e., individual characteristic). Thus, they did not find consistent main effects between leader moral development and ethical climate. This may be due to different forces within an organization that shape the ethical context, such as top management, codes of ethics, HRM practices and even bottom-up processes driven by employees (cf. Bowen & Ostroff, 2004; Dickson, Smith, Grojean, & Ehrhart, 2001; Kozlowski & Klein, 2000; Schneider & Reichers, 1983).

In the current study, in our sample of lower level managers we also did not find support for the idea that ethical leadership and the ethical context are consistently related. We found a positive relationship between ethical leadership and moral awareness, however, ethical leadership and empathic concern were not related. Thus, our study again suggests that ethical leadership and ethical context elements are not always related. Future research may further elaborate on the role of the ethical context for leadership. For example, ethical leaders at CEO or top management team level may have more influence on the ethical context in the organization whereas leaders at lower levels may have less of an impact on this general climate and instead have to work within the broader ethical setting in their firms (cf., Tsui, Zhang, Wang, Xin, & Wu, 2006). However, conversely, scholars also have argued that the ethical context may influence ethical leadership (cf., Brown & Trevino, 2006). Liden and Antonakis (2009) note that leadership and context may be best portrayed as reciprocally

related (cf. Kozlowski & Doherty, 1989). The design of the current study does not allow testing for such causality. Future longitudinal research could help further unpack this.

Another finding of the present study that extends previous research and contributes to the theoretical work on ethical leadership concerns the findings for individual versus shared perceptions of ethical leadership among employees working in the same work group. The results show that individual perceptions of ethical leadership are more strongly related to follower behavior than shared perceptions of ethical leadership. Although in previous studies ethical leadership is often approached as a work-unit variable, individual employee perceptions are relevant as well. For various forms of helping behavior both individual- and group-level ethical leadership are shown to be important (e.g., Kalshoven et al., in press; Mayer et al., 2009; Piccolo et al., 2010). Thus, studies assume that ethical leadership is an individual- oriented as well as a group-level oriented phenomenon. Den Hartog and De Hoogh (2009) also show both individual and group level effects of ethical leader behaviors and find more individual than group level effects on follower attitudes. We add to this literature by showing that ethical leadership at the individual level is positively related to followers' altruism and courtesy behavior and perceptions of work-group level ethical leadership is related to altruism behavior. In line with the findings of Den Hartog and De Hoogh we found stronger effects for ethical leadership at the individual than at the group level.

The relationship found between individual perceptions of ethical leadership and follower behavior may be encouraged by the design of the study in which leaders rated follower behaviors. This design emphasizes the relationship between leaders and followers. Additionally, ethical leadership at the group level is likely to occur, because individuals within a work-group are more homogenous in their ethical leadership perceptions (cf. Schneider, 1987). While ethical leadership can be a within- and between-group variable, the theoretical basis should determine the level of analysis (Kozlowski & Klein, 2000). For example, the impact of the different levels of ethical leadership could also be dependent on the outcome variables. Hackman (1992) notes that work groups are more likely to influence individual employees' behaviors than their attitudes, because attitudes are more personal than behaviors. In this study, we found that shared perceptions of ethical leadership were related to

altruism. However, we did not find this for courtesy. Future research may incorporate different levels of analysis depending on, for example, the outcome variables.

We found different results for our two dependent variables as stated above. For altruism we found that ethical leadership at the individual- and group-level is related to altruism. However, only individual perceptions of ethical leadership are related to courtesy. Thus, altruism and courtesy show similar results at the individual level, but not at the work group level. While altruism and courtesy are two forms of helping behavior and both involve formal and informal cooperation among colleagues (Konovsky & Organ, 1996), they were distinctive in the measurement model. Schnake and Dumler (2003) argue that despite the potential for group-level and mixed- or cross-level theory in citizenship research, relatively few studies have examined the effects of group phenomena on individual-level citizenship behavior. Thus, we add to this literature by studying a group level antecedent of citizenship. Additionally, results differ for various forms of citizenship. In our study, approximately 62 % of the variance in altruism and 21 % of the variance in courtesy is between-work group variance. Other studies have found similar patterns. For example, Kidwell, Mossholder and Bennett (1997) showed that 25 % of the variance in courtesy was between groups. More attention for these levels issues is clearly needed.

Practical Implications

In organizational settings in which leaders are less directly available or accessible for followers, creating strong moral awareness in the context seems beneficial as our results suggest that context can substitute for the ethical behavior of leaders. If members from a work group are all morally aware, moral behavior such as courtesy and altruism is still likely to occur even without the leader being there to offer an ethical role model. According to Schminke et al. (2007) moral awareness in the context can be improved by clear and open communication about what constitutes (un)ethical behavior and desired behavior. Training on improving moral awareness should not only educate about the moral values, rules and guidelines (cf., Butterfield et al. 2000; Reynolds, 2006), but also on the informal grey area. Training ideas are games, scenarios or interactive videos (Arnaud & Schminke, 2007) that allow experience and probably help identify ethical issues at work. Training on empathic

concern is more of a challenge than moral awareness, yet training ideas are interactive role playing and learn to be receptive and interactive in order to understand another's need (Schminke et al., 2007). Since the moderators moral awareness and empathic concern have different effects (i.e, enhance and neutralize), it will pay off if a leader can recognize the ethical context present in the work group in order to develop a successful strategy for influencing follower helping behavior.

Strengths, Potential Limitations and Future Research

Main strengths of our study include its multilevel field research design and multisource nature. Most research on ethical leadership has been conducted at a single level without taking the influence of contextual variables into account. Common source bias was reduced by using different raters of leader behavior and follower work behaviors (Podsakoff et al., 2003). Although the two antecedents of this study, ethical leadership and ethical context, were provided by the same employees, common method bias is unlikely to result in statistical interactions which are the main purpose of this study (Aiken & West, 1991; Epitropaki & Martin, 2005). Thus, common method bias is not likely to be a concern here. Additionally, the followers that participated in the study were randomly selected whenever leaders had multiple followers in their work group. To encourage fair and honest answers, all participants were assured confidentially and were informed that the organization and their leader would only receive an overall report and not their specific responses.

Our study has potential limitations as well. First, recognition of the limits of the generalizability of the study is important. We investigated a sample of leaders and followers in various organizations in the Netherlands. The organizations and work groups had different tasks and goals and these characteristics may have affected the ethical context variables. Work by Weber (1995) showed that employees within different departments within one organization showed different preferences for ethical climate related to their core tasks. In our study, employees within a work-group sometimes had different core tasks and thus may have had different preferences for context. Future research may use a more structured setting in this regard. Future research is thus needed to replicate the findings within other organizations and in other countries.

Second, the cross-sectional design of this study does not allow testing for causality. Further, we controlled for transformational leadership and did not find a direct relationship between follower helping and such leadership. This is not in line with a meta-analysis performed by Podsakoff et al. (2000). They report relationships between various forms of leadership and altruism and courtesy. Finally, our study was limited to two dimensions of the ethical context. Although these two dimensions are important, the ethical context is a complex construct and additional ethical context facets should be studied in relation to leadership to gain further understanding of the circumstances under which ethical leaders are effective. Avenues for future research would be to investigate the context of concern for sustainability (Arnaud & Sekerka, in press) or procedural justice climate (e.g., Naumann & Bennett, 2000) as potential moderators for the ethical leadership and follower behavior relationship. In line with this, research could involve a broader range of followers' moral behaviors. Future research could, for example, address the influence of ethical leaders and the ethical context on followers' initiative. Organizations need employees who behave ethically, anticipatory and future-oriented (e.g., Grant, 2000) and it is possible that leadership and the context may interact to affect these other forms of follower behavior as well.

Stimulating ethical behavior at work is important for organizations. Leaders are often seen as a role model of appropriate behavior by which they motivate followers to help others. However, this study shows that the role of the work group context is also important in this regard. Specifically, this study contributes to the field by showing that moral awareness and empathic concern are relevant contextual variables in the relationship between ethical leadership and helping. Our results support the argument that individual and shared perceptions of ethical leadership in combination with moral awareness and empathic concern have significant influences upon employee moral behavior.