The Leader’s Light or Shadow

We know where light is coming from by looking at the shadows.

—HUMANITIES SCHOLAR PAUL WOODRUFF

WHAT’S AHEAD

This chapter introduces the dark (bad, toxic) side of leadership as the first step in promoting good or ethical leadership. The metaphor of light and shadow dramatizes the differences between moral and immoral leaders. Leaders have the power to illuminate the lives of followers or to cover them in darkness. They cast light when they master ethical challenges of leadership. They cast shadows when they (1) abuse power, (2) hoard privileges, (3) mismanage information, (4) act inconsistently, (5) misplace or betray loyalties, and (6) fail to assume responsibilities.

A DRAMATIC DIFFERENCE/ THE DARK SIDE OF LEADERSHIP

In an influential essay titled “Leading from Within,” educational writer and consultant Parker Palmer introduces a powerful metaphor to dramatize the distinction between ethical and unethical leadership. According to Palmer, the difference between moral and immoral leaders is as sharp as the contrast between light and darkness, between heaven and hell:

A leader is a person who has an unusual degree of power to create the conditions under which other people must live and move and have their being, conditions that can be either as illuminating as heaven or as shadowy as hell. A leader must take special responsibility for what’s going on inside his or her own self, inside his or her consciousness, lest the act of leadership create more harm than good.¹

For most of us, leadership has a positive connotation. We have been fortunate enough to benefit from the guidance of teachers or coaches, for example, or we admire noteworthy historical leaders. As we saw in the introduction, ethical leaders brighten the lives of those around them significantly by building trust, commitment, and satisfaction; by reducing
negative behavior; and by increasing individual and collective performance. However, Palmer urges us to pay more attention to the shadow side of leadership. Political figures, parents, clergy, and business executives have the potential to cast as much shadow as they do light. Refusing to face the dark side of leadership makes abuse more likely. All too often, leaders “do not even know they are making a choice, let alone how to reflect on the process of choosing.”

Other scholars have joined Palmer in focusing on the dark or negative dimension of leadership. Claremont Graduate University professor Jean Lipman-Blumen uses the term toxic leaders to describe those who engage in destructive behaviors and who exhibit dysfunctional personal characteristics. These behaviors and qualities (summarized in Table 1.1) cause significant harm to followers and organizations.

Harvard professor Barbara Kellerman believes that limiting our understanding of leadership solely to good leadership ignores the reality that a great many leaders engage in destructive behaviors. Overlooking that fact, Kellerman says, undermines our attempts to promote good leadership:

I take it as a given that we promote good leadership not by ignoring bad leadership, nor by presuming that it is immutable, but rather by attacking it as we would a disease that is always pernicious and sometimes deadly.

According to Kellerman, bad leaders can be ineffective, unethical, or ineffective and unethical. She identifies seven types of bad leaders:

Incompetent. These leaders don’t have the motivation or the ability to sustain effective action. They may lack emotional or academic intelligence, for example, or be careless, distracted, or sloppy. Some cannot function under stress, and their communication and decisions suffer as a result. Former Defense Secretary Donald Rumsfeld failed as leader of the invasion of Iraq. He didn’t understand the political situation and that the war wasn’t over when American troops entered Baghdad. He was unable to generate an effective strategy for waging an extended campaign against highly motivated insurgents.

Rigid. Rigid leaders may be competent, but they are unyielding, unable to accept new ideas, new information, or changing conditions. Thabo Mbeki is one such leader. After becoming president of South Africa in 1999, he insisted that HIV does not cause AIDS and withheld antiretroviral drugs from HIV-positive pregnant women. These medications would have dramatically cut the transmission of the disease to their babies.

Intemperate. Intemperate leaders lack self-control and are enabled by followers who don’t want to intervene or can’t. The political career of Toronto mayor Rob Ford demonstrates intemperate leadership in action. Ford admitted to using illegal drugs, sometimes while drunk, and was photographed using crack cocaine. Despite calls for his resignation, he stood for reelection until cancer forced him to withdraw from the race. He ran instead for his old district seat and won by a large margin.

Callous. The callous leader is uncaring or unkind, ignoring or downplaying the needs, wants, and wishes of followers. Former hotel magnate Leona Helmsley personifies the
TABLE 1.1
The Behaviors and Personal Characteristics of Toxic Leaders

<table>
<thead>
<tr>
<th>Destructive Behaviors</th>
<th>Toxic Qualities</th>
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<tr>
<td>Leaving followers worse off</td>
<td>Lack of integrity</td>
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<tr>
<td>Violating human rights</td>
<td>Insatiable ambition</td>
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<td>Feeding followers’ illusions; creating dependence</td>
<td>Enormous egos</td>
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<td>Playing to the basest fears and needs of followers</td>
<td>Arrogance</td>
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<td>Stifling criticism; enforcing compliance</td>
<td>Amorality (inability to discern right from wrong)</td>
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<td>Misleading followers</td>
<td>Avarice (greed)</td>
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<td>Subverting ethical organizational structures and processes</td>
<td>Reckless disregard for the costs of their actions</td>
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<td>Engaging in unethical, illegal, and criminal acts</td>
<td>Cowardice (refusal to make tough choices)</td>
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<td>Building totalitarian regimes</td>
<td>Failure to understand problems</td>
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<tr>
<td>Failing to nurture followers, including successors</td>
<td>Incompetence in key leadership situations</td>
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<td>Setting constituents against one another</td>
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<tr>
<td>Encouraging followers to hate or destroy others</td>
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<tr>
<td>Identifying scapegoats</td>
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<tr>
<td>Making themselves indispensable</td>
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<tr>
<td>Ignoring or promoting incompetence, cronyism, and corruption</td>
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callous leader. She earned the title “the Queen of Mean” by screaming at employees and firing them for minor infractions such as having dirty fingernails. Helmsley later served time in prison for tax evasion. (She once quipped, “Only the little people pay taxes.”)
Corrupt. These leaders and (at least some of their followers) lie, cheat, and steal. They put self-interest ahead of the public interest. The top officers of FIFA, the governing body of world soccer, are exemplars of this type of leader. Most of the group’s leaders are targets of a corruption probe. They are accused of taking bribes from cities hoping to host the World Cup as well as from broadcasters and athletic apparel companies.

Insular. The insular leader draws a clear boundary between the welfare of his or her immediate group or organization and outsiders. Former U.S. President Bill Clinton behaved in an insular manner when he didn’t intervene in the Rwandan genocide that took the lives of 800,000 to 1 million people in 1994. He later traveled to Africa to apologize for failing to act even though he had reliable information describing how thousands of Tutsis were being hacked to death by their Hutu neighbors.

Evil. Evil leaders commit atrocities, using their power to inflict severe physical or psychological harm. Abu Bakr al-Baghdadi is one example of an evil leader. He heads ISIS, the Middle Eastern terrorist group known for beheading male captives and turning female captives into sex slaves for Islamic State in Iraq and Syria (ISIS) soldiers. Al-Baghdadi told his followers that Muslim believers have the right to enslave all nonbelievers.

Lipman-Blumen and Kellerman developed their typologies based on case studies of prominent leaders. Now investigators are shifting the focus to ordinary leaders. In one project, two researchers at Bond University in Australia (along with a colleague from the United States) asked employees to explain why they would label someone as a bad leader, describe how a bad leader made them feel, and describe the impact bad leaders had on them and the organization as a whole. Respondents reported that bad leaders are incompetent (they are unable to use technology, for example, and can’t work with subordinates or plan strategy) and unethical (they demonstrate poor ethics as well as poor personal and interpersonal behavior). Such leaders made respondents angry and frustrated while lowering their self-esteem. Individual and collective performance suffered as a result. Those working under bad leaders reported feeling more stress at home. They had trouble sleeping, for instance, and felt fatigued. Negative emotions toward their leaders consumed their thoughts and hurt their family relationships. According to the survey, bad leaders often go unpunished; instead, many are promoted or rewarded.

Using information generated by this study, the researchers developed a tool to measure destructive organizational leadership. They discovered that demonstrating just a couple of bad behaviors was enough to label a leader as destructive, even though he or she might also have lots of positive qualities. The Bond scholars identified seven clusters of destructive leader behaviors:

**Cluster 1:** This type of leader makes poor decisions (often based on inadequate information), lies and engages in other unethical behavior, cannot deal with new technology, and typically fails to prioritize and delegate.

**Cluster 2:** This type of leader lacks critical skills. She or he is unable to negotiate or persuade and cannot develop or motivate subordinates.
Cluster 3: This type of leader makes good decisions and has the necessary leadership skills but is overly controlling and micromanages followers.

Cluster 4: This type of leader can't deal with conflict but plays favorites and behaves inconsistently.

Cluster 5: This type of leader isn't all that bad but isn't all that good either. Leaders in this category don't seek information from others, don't change their minds, and don't do a good job of coordinating followers.

Cluster 6: This type of leader isolates the group from the rest of the organization.

Cluster 7: This type of leader creates a situation of “significant misery and despair.” Leaders in this group are brutal and bullying, frequently lying and engaging in other unethical behavior.

Ståle Einarsen and his Norwegian colleagues offer an alternative classification of bad leadership based on its negative effects either on the organization or on followers. Destructive leaders can be antiorganization, antisubordinates, or both. Tyrannical leaders reach organizational goals while abusing followers. Supportive-disloyal leaders care for the welfare of subordinates at the expense of organizational goals. They may tolerate loafing or stealing, for example. Derailed leaders act against the interests of both subordinates and the organization. As they bully, manipulate, deceive, and harass followers, they may also be stealing from the organization, engaging in fraudulent activities, and doing less than expected. Laissez-faire leaders engage in passive and indirect negative behavior. They occupy leadership positions but don’t exercise leadership, therefore hurting followers and their organizations. Constructive leaders, on the other hand, care about subordinates and help the organization achieve its goals while using resources wisely. Einarsen and his fellow researchers found a high rate of bad leadership in Norwegian organizations, with 61% of respondents reporting that their immediate supervisors engaged in ongoing destructive behavior over the past six months. Laissez-faire behavior was by far most common form of bad leadership, followed by supportive-disloyal leadership, derailed leadership, and tyrannical leadership. Evidence that bad leaders can cause significant damage continues to grow. In an analysis of the results of 57 studies, investigators found that destructive leader behavior is linked to a wide range of negative outcomes. Those serving under destructive leaders have negative attitudes toward their superiors, resist their leaders’ influence attempts, and engage more frequently in counterproductive work behaviors. In addition, these followers have negative attitudes toward their jobs and their organizations. Their personal well-being also suffers as they experience negative emotions and stress.

In sum, Palmer was right to emphasize the importance of the shadow side of leadership. Followers from around the world have lots of firsthand experience with bad leaders and report that such leaders cause significant damage. It apparently takes only a few destructive behaviors to overcome a leader’s positive qualities. In addition, the shadows
cast by destructive leaders extend beyond the workplace; the home lives of followers are
damaged as well.

THE LEADER’S SHADOWS

When we function as leaders, we take on a unique set of ethical burdens in addition to a
set of expectations and tasks. These involve issues of power, privilege, information, consist-
tency, loyalty, and responsibility. How we handle the challenges of leadership determines
whether we cause more harm than good or, to return to Palmer’s metaphor, whether we
cast light or shadow. Unless we’re careful, we’re likely to cast one or more of the shadows
described in this section. (For a list of the ethical challenges faced by those in the follower
role, see “Focus on Follower Ethics: The Ethical Challenges of Followership.”)

The Shadow of Power

Power is the foundation for influence attempts. The more power we have, the more likely
others are to comply with our wishes. Power comes from a variety of sources. One typology,
for example, divides power into two categories: hard and soft.11 Hard power uses inducements
(bonuses, raises) and threats (arrests, firings) to get people to go along. Soft power is based
on attracting others rather than forcing them or inducing them to comply. Leaders use soft
power when they set a worthy example, create an inspiring vision, and build positive relation-
ships with subordinates. Typically, those without formal authority rely more heavily on soft
power, but even those in formal leadership positions, such as military officers, try to attract
followers by acting as role models and emphasizing the group’s mission. Effective leaders
combine hard and soft power into smart power to achieve their goals. For instance, a manager
may try to persuade an employee to follow a new policy while at the same time outlining the
penalties the subordinate will face if he or she does not comply.

The most popular power classification system identifies five power bases.12 Coercive
power is based on penalties or punishments such as physical force, salary reductions,
student suspensions, or embargoes against national enemies. Reward power depends on
being able to deliver something of value to others, whether tangible (bonuses, health
insurance, grades) or intangible (praise, trust, cooperation). Legitimate power resides in
the position, not the person. Supervisors, judges, police officers, drill sergeants, instruc-
tors, and parents have the right to control our behavior within certain limits. A boss can
require us to carry out certain tasks at work, for example; but in most cases, he or she has
no say in what we do in our free time. In contrast to legitimate power, expert power is
based on the characteristics of the individual regardless of that person’s official position.
Knowledge, skills, education, and certification all build expert power. Referent (role model)
power rests on the admiration one person has for another. We’re more likely to do favors
for a supervisor we admire or to buy a product promoted by our favorite sports hero.

Leaders typically draw on more than one power source. The manager who is appointed
to lead a task force is granted legitimate power that enables her to reward or punish. Yet
in order to be successful, she’ll have to demonstrate her knowledge of the topic, skillfully
direct the group process, and earn the respect of task force members through hard work
and commitment to the group. (“Leadership Ethics at the Movies: Selma” describes one
leader who skillfully uses his power, and the power used by his opponents, to achieve a
worthy objective.)
Focus on Follower Ethics

THE ETHICAL CHALLENGES OF FOLLOWERSHIP

Followers, like leaders, face their own set of ethical challenges. Followers walk on the dark side when they fail to meet the moral responsibilities of their roles. Important ethical challenges confronted by followers include those described below.

The Challenge of Obligation. Followers contribute to a shadowy atmosphere when they fail to fulfill their minimal responsibilities by coming to work late, taking extended breaks, not carrying out assignments, undermining the authority of their leaders, stealing supplies, and so on. However, they can also contribute to an unethical climate by taking on too many obligations. Employees forced to work mandatory overtime and salaried staff at many technology and consulting firms work 70–80 hours a week, leaving little time for family and personal interests. They experience stress and burnout, and their family relationships suffer.

Followers also have ethical duties to outsiders. Carpenters and other tradespeople involved in home construction have an obligation to buyers to build high-quality houses and to meet deadlines, for example. Government employees owe it to taxpayers to spend their money wisely by working hard while keeping expenses down.

These questions can help us sort out the obligations we owe as followers:

- Am I doing all I reasonably can to carry out my tasks and further the mission of my organization? What more could I do?
- Am I fulfilling my obligations to outsiders (clients, neighbors, community, customers)? Are there any additional steps I should take?
- Am I giving back to the group or organization as much as I am taking from it?
- Am I carrying my fair share of the workload?
- Am I serving the needs of my leaders?
- Am I earning the salary and benefits I receive?
- Can I fulfill my organizational obligations and, at the same time, maintain a healthy personal life and productive relationships? If not, what can I do to bring my work and personal life into balance?

The Challenge of Obedience. Groups and organizations couldn’t function if members refused to obey orders or adhere to policies, even the ones they don’t like. As a result, followers have an ethical duty to obey. However, blindly following authority can drive followers to engage in illegal and immoral activities that they would never participate in on their own. Obeying orders is no excuse for unethical behavior. Therefore, deciding when to disobey is critical. To make this determination, consider the following factors: Does this order appear to call for unethical behavior? Would I engage in this course of action if I weren’t ordered to? What are the potential consequences for others, and for myself, if these directions are followed? Does obedience threaten the mission and health of the organization as a whole? What steps should I take if I decide to disobey?

The Challenge of Cynicism. There is a difference between healthy skepticism, which prevents followers from being exploited, and unhealthy cynicism, which undermines individual and group performance. Followers darken the atmosphere when they become organizational cynics. That’s because cynicism destroys commitment and
undermines trust. Collective performance suffers as a result. Few give their best effort when they are disillusioned with the group. Cynical employees feel less identification with and commitment to their employers while being more resistant to change; they are less likely to go beyond their job duties to help their colleagues and their organizations. The greater the degree of cynicism, the more effort is directed toward attacking the organization at the expense of completing the task at hand.

**The Challenge of Dissent.** Expressing disagreement is an important ethical duty of followership. Followers should take issue with policies and procedures that are inefficient, harmful, or costly and with leaders who harm others or put the organization at risk. Doing so serves the mission of the organization while protecting the rights of its members and the larger community. Although followers contribute to a shadowy environment when they fail to speak up, they can go too far by generating a constant stream of complaints. Ethical followers know when to speak up (not every issue is worth contesting) and when to wait until a more important issue comes along. They must also determine whether the problem is significant enough to justify going outside the organization (becoming a whistle-blower) if leaders don’t respond.

**The Challenge of Bad News.** Delivering bad news is risky business. Followers who tell their bosses that the project is over budget, that sales are down, or that the software doesn’t work as promised may be verbally abused, demoted, or fired. Organizations and leaders pay a high price when followers hide or cover up bad news, deny responsibility, or shift blame. Leaders can’t correct problems they don’t know exist. Failure to address serious deficiencies such as accounting fraud, cost overruns, and product contamination can destroy an organization. Leaders who don’t get feedback about their ineffective habits—micromanaging, poor listening skills, indecisiveness—can’t address those behaviors. When leaders deny accountability and shift blame, this undermines trust and diverts people’s focus from solving problems to defending themselves.

To avoid contributing to a shadowy environment, followers must deliver bad news and accept responsibility for their actions. They also need to pay close attention to how they deliver bad tidings, selecting the right time, place, and message channel. Significant problems should be brought to the leader’s attention immediately, when he or she is most receptive, and delivered face-to-face whenever possible, not through e-mail, faxes, and other less personal channels.


**Additional Sources**


The use of each power type has advantages and disadvantages. For instance, the dispensing of rewards is widely accepted in Western culture but can be counterproductive if the rewards promote the wrong behaviors (see Chapter 10) or go to the wrong people. U.S. workers are more satisfied and productive when their leaders rely on forms of power that are tied to the person (expert and referent) rather than forms of power that are linked to the position (coercive, reward, and legitimate). In addition, positional power is more susceptible to abuse. Coercive tactics have the potential to do the most damage, threatening the dignity as well as the physical and mental health of followers. Leaders, then, have important decisions to make about the types of power they use and when. (Complete Self-Assessment 1.2 to determine the types of power you prefer to use.)

The fact that leadership cannot exist without power makes some Americans uncomfortable. We admire powerful leaders who act decisively, but we can be reluctant to admit that we have and use power. Sadly, our refusal to face up to the reality of power can make us more vulnerable to the shadow side of leadership. Cult leader Jim Jones presided over the suicide–murder of 909 followers in the jungles of Guyana. Perhaps this tragedy could have been avoided if cult members and outside observers had challenged Jones’s abuse of power. Conversely, ignoring the topic of power prevents the attainment of worthy objectives, leaving followers in darkness. Consider the case of the community activist

**Leadership Ethics at the Movies**

**SELMA**

*Key Cast Members:* Davis Oyelowo, Carman Ejogo, Tom Wilkinson, Oprah Winfrey, Andre Holland

*Synopsis:* In 1965, the American civil rights movement is in full swing. Congress has outlawed segregation, but poll taxes and other restrictions keep blacks from registering to vote. Martin Luther King (played by Oyelowo) organizes a voting rights march from Montgomery to Selma, Alabama. King and his followers face resistance from Alabama governor George Wallace, National Guardsmen, county sheriffs, and President Lyndon Johnson (Wilkinson), who wants King to stop the march. King refuses, insisting instead that Johnson introduce a voting rights bill to Congress. King wins the battle of wills, and the march goes forward with the support of federal authorities. Johnson then sends Congress voting rights legislation that is passed into law.

*Rating:* PG-13 for vivid scenes of violence and mature themes

*Themes:* types of power, use and abuse of power, courage, justice and injustice, vision, shadow of misinformation

**Discussion Starters**

1. What types of power do the major figures in the film use?
2. How does the abuse of power by King’s opponents contribute to his success?
3. How does King appeal to white audiences?
4. What character weaknesses do you note in President Johnson? Do you find anything in his character to admire?
who wants to build a new shelter for homeless families. He can’t help these families unless he skillfully wields power to enlist the support of local groups, overcome resistance of opponents, raise funds, and secure building permits.

I suspect that we are suspicious of power because we recognize that power has a corrosive effect on those who possess it. We’ve seen how U.S. President Richard Nixon used the power of his office to order illegal acts against his enemies and how Russian president Vladimir Putin used military force to take over part of the neighboring country of Ukraine. Many corporate leaders have been intoxicated by their power, using their positions to abuse their subordinates. One such boss kept an employee in an all-day meeting even as her mother was dying. Another called the paramedics when an employee had a heart attack and then ordered everyone else to go back to work even as the victim was still lying on the floor. Yet another berated and humiliated a subordinate who suffered an emotional breakdown and had to be hospitalized. His response? “I can’t help it if she is overly sensitive.”

Unfortunately, abuse of power is an all-too-common fact of life in modern organizations. In Europe, 3%-4% of employees report being the victim of bullying behavior at least once a week and 10%-15% say that they have been the targets of psychological aggression in the past six months. In one U.S. survey, 90% of those responding reported that they had experienced disrespect from a boss at some time during their working careers; 20% said they were currently working for an abusive leader. “Brutal” bosses regularly engage in the following behaviors, some of which will be discussed in more detail later in the chapter:

- **Deceit**: lying and giving false or misleading information
- **Constraint**: restricting followers’ activities outside work, such as telling them whom they can befriend, where they can live, with whom they can live, and the civic activities they can participate in
- **Coercion**: making inappropriate or excessive threats for not complying with the leader’s directives
- **Selfishness**: blaming subordinates and making them scapegoats
- **Inequity**: supplying unequal benefits or punishments based on favoritism or criteria unrelated to the job
- **Cruelty**: harming subordinates in such illegitimate ways as name-calling or public humiliation
- **Disregard**: ignoring normal standards of politeness; obvious disregard for what is happening in the lives of followers
- **Deification**: creating a master–servant relationship in which bosses can do whatever they want because they feel superior

The cost of the petty tyranny of bad bosses is high. Victims suffer low self-esteem and psychological distress, are less satisfied with their jobs and lives, are less productive, and are more likely to quit. The work unit as a whole is less trusting and cohesive, reducing collective performance. The majority of employees in one study reported spending 10 or more hours every month complaining about abusive and other kinds of bad bosses or listening to the complaints of fellow workers. In addition to complaining, workers
respond to tyranny by surrendering their personal beliefs, keeping a low profile, engaging in revenge fantasies, taking indirect revenge (i.e., not supporting the boss at a critical moment), challenging the supervisor directly, or bringing in outsiders (such as the human resources department or the boss’s boss) to get help in dealing with the abusive leader.20

The greater a leader’s power, the greater the potential for abuse. This prompted Britain’s Lord Acton to observe that “power corrupts, and absolute power corrupts absolutely.” The long shadow cast by absolute power, as in the case of North Korea’s Kim Jong-II (see Chapter 4) and, until recently, the military junta in Burma, can be seen in censorship, repression, torture, imprisonment, murder, and starvation. Businesses and other organizations foster centralization of power through top-down structures that emphasize status differences, loyalty, dependence, fear, and obedience while celebrating “tough” bosses and business practices like hard bargaining and aggressive marketing tactics.21

Psychologists offer several explanations for why concentrated power is so dangerous.22 First, power makes it easier for impulsive, selfish people to pursue their goals without considering the needs of others. They are likely to justify their actions by claiming that their personal rights and interests take priority over obligations to others. Second, those in power protect their positions by attacking those they perceive as threats. Third, powerful leaders are prone to biased judgments.23 They generally make little attempt to find out how followers think and feel. As a result, they are more likely to hold and act on faulty stereotypes that justify their authority. Powerful people believe that they deserve their high status because powerless people aren’t as capable as they are. Fourth, possessing power makes individuals more resistant to feedback from others.

Power deprivation exerts its own brand of corruptive influence.24 Followers with little power become fixated on what minimal influence they have, becoming cautious, defensive, and critical of others and new ideas. In extreme cases, they may engage in sabotage, such as when one group of fast-food restaurant employees took out their frustrations by spitting and urinating into the drinks they served customers.

To wield power wisely, leaders have to wrestle with all the issues outlined here. They have to consider what types of power they should use and when and for what purposes. They also have to determine how much power to keep and how much to give away. Finally, leaders must recognize and resist the dangers posed by possessing too much power while making sure that followers aren’t corrupted by having too little. Fortunately, there is evidence, when it comes to power, that a number of leaders are casting light rather than shadow. They recognize that sharing power prevents power abuses and improves organizational performance. Executives at Zappos, Johnsonville Sausage, Patagonia, Harley-Davidson, McCormick & Company, and other successful organizations have relinquished much of their legitimate, coercive, award, and expert power bases to lower-level leaders. At a great many other companies, self-directed work teams have taken over functions—hiring, scheduling, quality control—that used to be the province of mid- and lower-level managers.

The Shadow of Privilege

Leaders almost always enjoy greater privileges than followers do. The greater the leader’s power, generally the greater the rewards he or she receives. Consider the earnings of corporate chief executive officers (CEOs), for example. Top business leaders in the United States are the highest paid in the world. Over the past thirty-five years, the average
salary for chief executives of large U.S. firms skyrocketed to $15.2 million (including salary, bonuses, stock, and stock option grants), up an inflation-adjusted 937%. In a recent salary survey, the highest-paid CEOs were David Zaslav of Discovery Communications ($156.1 million), followed by Michael Fries of Liberty Global ($111.9 million) and Mario Gabelli of GAMCO Investors ($88.5 million). A number of CEOs can expect generous payouts even if their companies are taken over. Stephen Wynn of Wynn Resorts is guaranteed $431.9 million, Zaslav $266.8 million, and Yahoo’s Marissa Mayer $157.9 million. As the pay of top leaders soared, the paycheck of the average American was left in the dust. Typical U.S. workers now make less, when adjusted for inflation, than did their counterparts in the 1970s. The top 1% of Americans makes approximately 22% of all income, which exceeds the share made by the bottom 50% of the population.

Nonprofit leaders can also abuse the perks that come from their positions of influence. Take the pay of not-for-profit healthcare executives, for example. In one year, the compensation of the top 20 nonprofit hospital CEOs jumped 29.6%, including major increases for Ascension executive Anthony Tersigni (who earned $7.1 million) and Ronald Peterson of the Johns Hopkins Health System (who took home $1.7 million). Greg Mortenson, who founded the Central Asia Institute, which builds schools for girls in Afghanistan and Pakistan, had to repay $1 million to the charity. He purchased luxury items and vacations for himself and his family using Central Asia Institute credit cards. He also billed Central Asia Institute for travel expenses where he was paid up to $30,000 to speak.

Most of us would agree that leaders deserve more rewards than followers do because leaders assume greater risks and responsibilities; many would also agree that some leaders get more than they deserve. Beyond this point, however, our opinions are likely to diverge. Americans are divided over questions such as these: How many additional privileges should leaders have? What should be the relative difference in pay and benefits between workers and top management? How do we close the large gap between the world’s haves and the have-nots? We will never reach complete agreement on these issues, but the fact remains that privilege is a significant ethical burden associated with leadership. Leaders must give questions of privilege the same careful consideration as questions of power. The shadow cast by the abuse of privilege can be as long and dark as that cast by the misuse of power. (Turn to Case Study 1.1 for evidence of the dangers of privilege.) Conversely, sharing privilege can cast significant light. Every year, for example, thousands of Americans (often members of religious congregations) leave their comfortable homes to spend their vacations serving in developing nations. There they build schools and homes, dig wells, and provide medical care. Some of the world’s richest people, including Warren Buffett, Bill and Melinda Gates, Sheryl Sandburg, Mark Zuckerberg, and Paul Allen, have pledged to give the vast majority of their wealth to philanthropic causes.

The Shadow of Mismanaged Information

Leaders have more access to information than do others in an organization. They are more likely to participate in decision-making processes, network with managers in other units, review personnel files, and formulate long-term plans. Knowledge is a mixed blessing. Leaders must be in the information loop in order to carry out their tasks, but possessing knowledge makes life more complicated. Do they reveal that they are in the know? When should they release information and to whom? How much do they tell? Is it ever right for them to lie?
No wonder leaders are tempted to think ignorance is bliss! If all these challenges weren’t enough, leaders face the very real temptation to lie. For instance, government and industry officials denied that the Rocky Flats nuclear facility outside Denver posed a health risk even as the facility continued to release plutonium and toxic chemicals into the air and water. Managers at the Veterans Administration falsified patient access records to disguise the long wait times facing veterans seeking medical treatment. At other times, leaders are eager to hide the truth. The Panama Papers, a massive data leak, revealed that political leaders and wealthy individuals from around the world are secretly sheltering billions in assets in offshore companies. Other leaders don’t want to reveal that their judgment might be clouded by conflicts of interest. Executives at the nonprofit Global Energy Balance Network argue that exercise, not diet, is the key to weight loss. However, they failed to mention on their website that the organization is largely funded by Coca Cola, which produces sugary drinks that many experts believe contribute to the obesity epidemic. Three psychiatrists at Harvard medical school advocated for the use of antipsychotic drugs with children while failing to disclose that they had received $4.2 million in payments from the drug industry.

The issues surrounding access to information are broader than deciding whether to lie, to hide the truth, or to tell the truth. Although leaders often decide between lying and truth telling, they are just as likely to be faced with questions related to the release of information. Take the case of a middle manager who has learned about an upcoming merger that will mean layoffs. Her superiors have asked her to keep this information to herself for a couple of weeks until the deal is completed. In the interim, employees may make financial commitments—such as home and car purchases—that they would postpone if they knew that major changes were in the works. Should the manager voluntarily share information about the merger with such employees despite her orders? What happens when a member of her department asks her to confirm or deny the rumor that the company is about to merge? (Turn to Case Study 1.2 to see how leaders at several organizations wrestled with a controversial decision about how much information to release.)

Privacy issues raise additional ethical concerns. E-commerce firms routinely track the activity of Internet surfers, collecting and selling information that will allow marketers to target their advertisements more efficiently. Supermarkets use “courtesy” or “club” cards to track the purchases of shoppers. Children use popular apps for smartphones and tablets to share personal information without their parents’ knowledge. Hundreds of thousands of video cameras track our movements at automated teller machines, in parking lots, at stores, and in other public places (and even in not-so-public places, such as high school bathrooms and hospital rooms). Drones now make it possible for law enforcement officials and private citizens to secretly film our homes and backyards from the sky. Our interactions with police officers are likely to be recorded now that body cameras are becoming standard equipment for many police departments.

Employers are also gathering more and more information about employee behavior both on and off the job. Technology allows supervisors to monitor computer keystrokes and computer screens, phone calls, website use, voice mail, and e-mail. According to one survey, at least 66% of U.S. companies track employee Internet use, 45% log key strokes, and 43% track employee e-mails. One digital program tracks every move of every waiter and every order at restaurants. Sociometric Solutions conducts research in the banking, pharmaceutical, health care, and technology industries using sensors embedded in ID
badges. These microphones, location sensors, and accelerometers track the communication behaviors of workers—tone of voice, posture, body language, and which employees talk to other employees and for how long. Employers also monitor worker behavior outside the workplace. Employees have been fired for posting offensive comments and pictures on blogs and social networking sites. Employers use personal information on Facebook and other social networking sites to screen out job applicants. In a few cases, companies have asked applicants to provide their social media user names and passwords or to log on to their accounts during job interviews so interviewers can look over their shoulders as they scroll through their sites. Applicants can refuse these requests, but many may not because they fear they won’t get hired.

Companies have a right to gather information in order to improve performance and eliminate waste and theft. Organizations are also liable for the inappropriate behavior of members, such as when they send sexist or racist messages using their companies’ e-mail systems. Investigators discovered that the restaurant monitoring not only reduced employee theft but increased revenue substantially as staff, knowing they were being observed, encouraged more patrons to order drinks and dessert. Truck sensors enabled UPS to deliver 1.4 million additional packages a day with 1,000 fewer drivers. And monitoring can also lead to better working conditions. Bank of America added a 15-minute shared coffee break after a Sociometric Solutions study revealed that employees who took breaks together were more productive and less likely to quit. However, efforts to monitor employee behavior are sometimes done without the knowledge of workers and are inconsistent with organizational values such as trust and community. Invading privacy takes away the right of employees to determine what they reveal about themselves; unwanted intrusion devalues their worth as individuals.

In conclusion, leaders cast shadows not only when they lie but also when they mismanage information and engage in deceptive practices. Unethical leaders

- deny having knowledge that is in their possession,
- hide the truth,
- fail to reveal conflicts of interest,
- withhold information that followers need,
- use information solely for personal benefit,
- violate the privacy rights of followers,
- release information to the wrong people, and
- put followers in ethical binds by preventing them from releasing information that others have a legitimate right to know.

Patterns of deception, whether they take the form of outright lies or the hiding or distortion of information, destroy the trust that binds leaders and followers together. Consider the popularity of conspiracy theories, for example. Many Americans are convinced that the U.S. Air Force is hiding the fact that aliens landed in Roswell, New Mexico. Many also believe that law enforcement officials are deliberately ignoring evidence that John F. Kennedy and Martin Luther King, Jr. were the victims of elaborate assassination plots. More than one-third of Americans polled (and the majority of
respondents between the ages of 18 and 29) believe that the George W. Bush admin-
istration either planned the attacks on the World Trade Center in 2001 or did nothing
after learning in advance of the terrorist plot. These theories may seem illogical, but they
flourish in part because government leaders have created a shadow atmosphere through
deceit. It wasn’t until after the first Gulf War that we learned that our “smart bombs”
weren’t really so smart and missed their targets. The president and other cabinet officials
 overstated the danger posed by Saddam Hussein in order to rally support for the second
Gulf War.

University of California, Davis history professor Kathryn Olmsted argues that many
Americans believe that the government is out to get them in large part because govern-
ment officials have previously engaged in secret conspiracies.38 In 1962, for example, the
Joint Chiefs of Staff cooked up a plan to get citizens to support a war on Fidel Castro's
Cuba by sending a drone plane painted to look like a passenger airliner over the island to
be shot down. Fortunately, this plot (dubbed “Operation Northwoods”) never went into
effect. However, many others were implemented. According to Olmsted,

By the height of the Cold War, government agents had consorted
with mobsters to kill a foreign leader, dropped hallucinogenic drugs
into the drinks of unsuspecting Americans in random bars, and con-
sidered launching fake terrorist attacks on Americans in the United
States. Public officials had denied potentially life-saving treatment to
African American men in medical experiments, sold arms to terrorists
in return for American hostages, and faked documents to frame past
presidents for crimes they had not committed. . . . Later, as industrious
congressmen and journalists revealed these actual conspiracies by the
government, many Americans came to believe that the most outra-
gous conspiracy theories about the government could be plausible.39

Leaders must also consider ethical issues related to the image they hope to project to
followers. In order to earn their positions and to achieve their objectives, leaders carefully
manage the impressions they make on others. Impression management can be compared
to a performance on a stage.40 Leader-actors carefully manage everything from the set-
ting to their words and nonverbal behaviors in order to have the desired effects on their
follower audiences. For example, presidential staffers make sure that the chief executive
is framed by visual images (Mount Rushmore, the Oval Office) that reinforce his (or her)
messages and presidential standing. Like politicians, leaders in charge of such high-risk
activities as mountain climbing and whitewater kayaking also work hard to project the
desired impressions. In order to appear confident and competent, they stand up straight,
look others in the eye, and use an authoritative tone of voice.

Impression management is integral to effective leadership because followers have
images of ideal leaders called prototypes.41 We expect that the mountain climbing guide
will be confident (otherwise, we would cancel the trip!), that the small-group leader
will be active in group discussions, and that the military leader will stay calm under fire.
The closer the person is to the ideal, the more likely it is that we will select that person
as leader and accept her or his influence. Nonetheless, some people (including a num-
ber of students) find the concept of impression management ethically troubling. They
particularly value integrity and see such role-playing as insincere because a leader may have to disguise his or her true feelings in order to be successful.

There is no doubt that impression management can be used to reach immoral ends. Disgraced financier Bernie Madoff, for example, convinced investors that he was a financial genius even as he was stealing their money in a gigantic fraud scheme. Careerists who are skilled at promoting themselves at the expense of others are all too common. It would be impossible to eliminate this form of influence, however. For one thing, others form impressions of us whether we are conscious of that fact or not. They judge our personality and values by what we wear, for instance, even if we don’t give much thought to what we put on in the morning. Most of us use impression management to convey our identities accurately, not to conceal them or to manipulate others.

When considering the morality of impression management, we need to consider its end products. Ethical impression managers meet group wants and needs, not just the needs of the leaders. They spur followers toward highly moral ends. These leaders use impression management to convey accurate information, to build positive interpersonal relationships, and to facilitate good decisions. Unethical impression managers produce the opposite effects, subverting group wishes and lowering purpose and aspiration. These leaders use dysfunctional impression management to send deceptive messages, to undermine relationships, and to distort information, which leads to poor conclusions and decisions.

The Shadow of Inconsistency

Leaders deal with a variety of constituencies, each with its own set of abilities, needs, and interests. In addition, they like some followers better than others. Leader–member exchange (LMX) theory is based on the notion that a leader develops a closer relationship with one group of followers than with others. Members of the “in-group” become the leader’s advisers, assistants, and lieutenants. High levels of trust, mutual influence, and support characterize their exchanges with the leader. Members of the “out-group” are expected to carry out the basic requirements of their jobs. Their communication with the leader is not as trusting and supportive. Not surprisingly, members of in-groups are more satisfied and productive than members of out-groups. For that reason, LMX theorists encourage leaders to develop close relationships with as many of their followers as possible.

Situational variables also complicate leader–follower interactions. Guidelines that work in ordinary times may break down under stressful conditions. A professor may state in a syllabus that five absences will result in a student’s flunking the class, for instance. However, she may have to loosen that standard if a flu epidemic strikes the campus.

Diverse followers, varying levels of relationships, and elements of the situation make consistency an ethical burden of leadership. Should we, as leaders, treat all followers equally even if some are more skilled and committed or closer to us than others? When should we bend the rules and for whom? Shadows arise when leaders appear to act arbitrarily and unfairly when faced with questions such as these, as in the case of a resident assistant who enforces dormitory rules for some students but ignores infractions committed by friends. Of course, determining whether a leader is casting light or shadow may depend on where you stand as a follower. If you are the star player on your team, you may feel justified taking it easy during practices. If you are less talented, you probably resent the fact that the team’s star doesn’t have to work as hard as you.
Too often, inconsistency arises between what a leader advocates and how he or she behaves, such as when rabbis and pastors have affairs at the same time they are encouraging members of their congregations to build strong marriages. Employee postings on the website Glassdoor.com reveal that many business leaders fail to live up to the values they espouse. Ross Stores made the list of worst companies to work for (based on Glassdoor ratings) even though the company “makes it an ‘everyday priority’ to treat its associates with respect.” Employees complained about their extremely low salaries and heavy workloads even as the company’s profits increased dramatically. Dillard department store CEO William Dillard III urges his managers to bring out what is unique to each employee, but Glassdoor reviewers complained that top management doesn’t seem to care about what goes on at lower levels of the company.45

In recent years, a number of prominent figures seem to have taken inconsistency to a new level. Former Speaker of the House Dennis Hastert advocated for stronger punishment for sex crimes and sexual abuse of children while paying hush money to a man he molested when working as a high school wrestling coach. Josh Duggar of the reality show 19 and Counting (which promoted religious values) and employee of the conservative Family Research Council confessed to molesting girls when he was a teen, being addicted to pornography, and cheating on his wife.46 (Turn to Case Study 1.3 to see yet another example of a celebrity whose private behavior failed to match his public persona.)

Issues of inconsistency can also arise in a leader’s relationships with those outside the immediate group or organization. Misgivings about the current system of financing political elections stem from the fact that large donors can buy access to elected officials and influence their votes. Take the sugar subsidy, for example. Under the federal subsidy program, a small number of mostly wealthy farmers are protected by tariffs on imported sugar and can repay their crop loans with raw sugar, which is then sold at a loss to ethanol producers. Economists estimate that American consumers could save $3.5 billion if the sugar program ended because they could then buy cheaper, imported sugar. In addition, candy makers could add 17,000–20,000 new jobs if sugar prices dropped. However, Congress keeps renewing the subsidy program in large part because sugar producers make generous campaign contributions to representatives from both parties. In 2014, the American Chrystal Sugar Company, for example, donated over $1.3 million to 221 members of Congress.47

The Shadow of Misplaced and Broken Loyalties

Leaders must weigh a host of loyalties or duties when making choices. In addition to their duties to employees and stockholders, they must consider their obligations to their families, their local communities, their professions, the larger society, and the environment. Noteworthy leaders put the needs of the larger community above selfish interests. For example, outdoor clothing manufacturer Timberland receives praise for its commitment to community service and social responsibility. Company leaders pay employees for volunteer service, partner with community groups, and support nonprofit organizations through the sale of selected products. In contrast, those leaders who appear to put their own interests first are worthy of condemnation.

Loyalties can be broken as well as misplaced. If anything, we heap more scorn on those who betray our trust than on those who misplace their loyalties. Many of history’s villains are traitors: Judas Iscariot, Benedict Arnold, Vidkun Quisling (he
sold out his fellow Norwegians to the Nazis), and Tokyo Rose, a U.S. citizen who broadcast to American troops on behalf of the Japanese during World War II. More recent examples of leaders who violated the trust of followers include Enron CEO Kenneth Lay, who assured workers that the firm was in good shape even as it was headed toward collapse, and the leaders of Lehman Brothers, who told investors that the firm was strong even as it was struggling to raise money to stave off bankruptcy during the financial crisis.48

Employees are often victimized by corporate betrayal motivated by the bottom line. Individuals commonly develop deep loyalties to their coworkers and to their employers. As a consequence, they may do more than is required in their job descriptions, turn down attractive job offers from other employers, and decide to invest their savings in company stock.49 Unfortunately, companies and their leaders often fail to respond in kind. During economic downturns, they are quick to slash salaries and benefits and to lay off even the most loyal workers. Even if business is good, they don’t hesitate to merge with other firms, eliminating positions, or to shut down domestic plants and research facilities in order to move their operations overseas, where labor costs are lower. Organizational leaders admit that their organizations aren’t as loyal as they used to be. One survey of senior level North American managers found that only 13% believe that their organizations are more loyal than they were five years ago.50 It’s no wonder that leaders who stick by their workers shine so brightly. One such leader is Bob Moore, who turned over ownership of his Red Mill Natural Foods company to his employees on his 81st birthday. Another is oilman Jeffrey Hildebrand. He carried through on his promise to give bonuses to his 1,400 Hilcorp employees even though oil prices plummeted. Each worker received $100,000 when the firm doubled oil production.51

As egregious as corporate examples of betrayal appear, they pale in comparison to cases where adults take advantage of children. Catholic priests in Massachusetts, Oregon, New Mexico, Brazil, Ireland, Germany, and elsewhere used their positions as respected spiritual authorities to gain access to young parishioners for sexual gratification.52 Church leaders, bishops, and cardinals failed to stop the abusers. In far too many instances, they let offending priests continue to minister and to have contact with children. Often, church officials transferred pedophile priests without warning their new congregations about these men’s troubled pasts. Officials at Pennsylvania State University turned a blind eye to evidence that assistant football coach Jerry Sandusky was abusing young boys. In another example involving the betrayal of children, two Pennsylvania juvenile court judges sentenced undeserving young offenders to for-profit detention centers in return for cash payments.

The fact that I’ve placed the loyalty shadow after such concerns as power and privilege is not intended to diminish its importance. Philosopher George Fletcher argues that we define ourselves through our loyalties to families, sports franchises, companies, and other groups and organizations.53 Fellow philosopher Josiah Royce contends that loyalty to the right cause produces admirable character traits like justice, wisdom, and compassion.54 Loyalty is a significant burden placed on leaders. In fact, well-placed loyalty can make a significant moral statement. Such was the case with Pee Wee Reese. The Brooklyn Dodger never wavered in his loyalty to Jackie Robinson, the first black player in baseball’s major leagues. In front of one especially hostile crowd in Cincinnati, Ohio, Reese put his arm around Robinson’s shoulders in a display of support.55
Pay particular attention to the shadow of loyalty as you analyze the feature films highlighted in the “Leadership Ethics at the Movies” boxes in each chapter. In many of these movies, leaders struggle with where to place their loyalties and how to honor the trust others have placed in them.

The Shadow of Irresponsibility

Earlier, we observed that breadth of responsibility is one of the factors distinguishing between the role of leader and that of follower. Followers are largely responsible for their own actions or, in the case of a self-directed work team, for those of their peers. This is not the case for leaders. They are held accountable for the performance of entire departments or other units. However, determining the extent of a leader’s responsibility is far from easy. Can we blame a college coach for the misdeeds of team members during the off-season or for the excesses of the university’s athletic booster club? Are clothing executives responsible for the actions of their overseas contractors who force workers to labor in sweatshops? Do employers owe employees a minimum wage level, a certain degree of job security, and safe working conditions? If military officers are punished for following unethical orders, should those who issue those orders receive the same or harsher penalties?

Leaders act irresponsibly when they fail to make reasonable efforts to prevent misdeeds on the part of their followers, ignore or deny ethical problems, don’t shoulder responsibility for the consequences of their directives, or deny their duties to followers. We don’t hold coaches responsible for everything their players do. Nonetheless, we want them to encourage their athletes to obey the law and to punish any misbehavior. Most of us expect Gap, Nike, Sears, Walmart, and Banana Republic to make every effort to treat their overseas labor force fairly, convinced that the companies owe their workers (even the ones employed by subcontractors) decent wages and working conditions. When a company’s employees break the law or make mistakes, we want the CEO to take accountability. That was the case at J.P. Morgan Chase when a London trader lost more than $3 billion in risky trades. CEO Jamie Dimon first called the crisis a “tempest in a teapot,” a statement that drew heavy criticism from financial analysts. Only later did he take responsibility, saying, “I am absolutely responsible. The buck stops with me.”

Many corporate scandals demonstrate what can happen when boards of directors fail to live up to their responsibilities. Far too many boards in the past functioned only as rubber stamps. Made up largely of friends of the CEO and those doing business with the firm, they were quick to approve executive pay increases and other management proposals. Some board members appeared interested only in collecting their fees and made little effort to understand the operations or finances of the companies they were supposed to be directing. Other members were well-intentioned but lacked expertise. Now federal regulations require that the chair of a corporation’s audit committee be a financial expert. The compensation, audit, and nominating committees must be made up of people who have no financial ties to the organization. These requirements should help prevent future abuses, but only if board members take their responsibilities seriously. (I’ll have more to say about effective corporate governance in Chapter 10.)

These, then, are some of the common shadows cast by leaders faced with the ethical challenges of leadership. Identifying these shadows raises two important questions: (1) Why is it that, when faced with the same ethical challenges, some leaders cast light and
What steps can we take as leaders to cast more light than shadow? In the next chapter, we will explore the forces that contribute to the shadow side of leadership and outline ways to meet those challenges.

**IMPLICATIONS AND APPLICATIONS**

- Understanding the dark (bad, toxic) side of leadership is the first step in promoting good or ethical leadership.
- The contrast between ethical and unethical leadership is as dramatic as the contrast between light and darkness.
- Toxic or bad leaders engage in destructive behaviors. They may be ineffective, unethical, or both. Types of bad leaders include incompetent, rigid, intemperate, callous, corrupt, insular, and evil. Destructive leaders are common and have negative impacts on followers and organizations.
- Certain ethical challenges or dilemmas are inherent in the leadership role. If you choose to become a leader, recognize that you accept ethical burdens along with new tasks, expectations, and rewards.
- Power can have a corrosive effect on values and behavior. You must determine how much power to accumulate, what forms of power to use, and how much power to give to followers.
- If you abuse power, you will generally overlook the needs of followers as you take advantage of the perks that come with your position.
- Leaders have access to more information than do followers. In addition to deciding whether or not to hide or tell the truth, as a leader, you’ll have to determine when to reveal what you know and to whom, how to gather and use information, and so on.
- A certain degree of inconsistency is probably inevitable in leadership roles, but you will cast shadows if you are seen as acting arbitrarily and unfairly. You must also attempt to match your behavior with your words and values—to “walk your talk.”
- As a leader, you’ll have to balance your needs and the needs of your small group or organization with loyalties or duties to broader communities. Expect condemnation if you put narrow, selfish concerns first.
- Leadership brings a broader range of responsibility, but determining the limits of accountability may be difficult. You will cast a shadow if you fail to make a reasonable attempt to prevent abuse or to shoulder the blame, or deny that you have a duty to followers.
- Followers face their own set of ethical challenges. When filling a follower role, you will need to determine the extent of your obligations to the group, decide when to obey or disobey, combat cynicism, offer dissent, and deliver bad news to your leaders.
FOR FURTHER EXPLORATION, CHALLENGE, AND SELF-ASSESSMENT

1. Create an ethics journal. In it, describe the ethical dilemmas you encounter as a leader and as a follower, how you resolve them, how you feel about the outcomes, and what you learn that will transfer to future ethical decisions. You may also want to include your observations about the moral choices made by public figures. Make periodic entries as you continue to read this text.

2. Harvard professor Rosabeth Kanter argues that “powerlessness corrupts and absolute powerlessness corrupts absolutely.” Do you agree? What are some of the symptoms of powerlessness?

3. What does your score on the Destructive Leader Behavior Scale (Self-Assessment 1.1) reveal about your leader? How can you use this information to become a more effective follower? As an alternative, reflect on your Personal Power Profile (Self-Assessment 1.2). What do your scores reveal about your attitude toward power and the ethical issues you might face in exercising power? Would you like to change your power profile? How can you do so?

4. What factors do you consider when determining the extent of your loyalty to an individual, a group, or an organization?

5. Debate the following propositions in class:
   - The federal government should set limits on executive compensation.
   - Coaches should be held accountable for the actions of their players in the off-season.
   - Corporate leaders have an obligation to be loyal to their employees.
   - Married politicians and religious figures who have extramarital affairs should be forced to resign.
   - Employers have the right to monitor the behavior of workers when the workers are not on the job.

6. Evaluate the work of a corporate or nonprofit board of directors. Is the board made up largely of outside members? Are the members qualified? Does the board fulfill its leadership responsibilities? Write up your findings.

7. Which shadow are you most likely to cast as a leader? Why? What can you do to cast light instead? Can you think of any other ethical shadows cast by leaders?

8. Write a research paper on the privacy issues surrounding drones and/or police body cameras. Conclude with a set of recommendations on how these issues should be resolved.

9. Look for examples of unethical leadership behavior in the news and classify them according to the six shadows. What patterns do you note? As an alternative, look for examples of ethical leadership. How do these leaders cast light instead of shadow?

10. What is the toughest ethical challenge of being a follower? How do you meet that challenge?
Case Study 1.1

THE TRAGEDIES OF TEAM FOXCATCHER

Sometimes great privilege puts leaders at great risk. That was the case for John Du Pont. Du Pont was the great grandson of the founder of the Du Pont Company, the creator of nylon, polyester, Kevlar, Lycra, Teflon and other products. Worth an estimated $200 million, Du Pont grew up in a 40-room mansion modeled on President James Madison's home, set on 400 acres outside of Philadelphia.

Du Pont set his sights on becoming an Olympic champion, first in swimming and then in the five-event pentathlon. When it became obvious that he didn’t have world-class talent, he set out to associate with those who did. He brought in top swimmers, wrestlers, and pentathletes to join his Team Foxcatcher (named after his estate), providing training facilities and housing them on his property. He paid the athletes' salaries and covered their expenses when they competed at world events. At the same time, Du Pont gave generously to Villanova University, helping to pay for its basketball arena and swimming facility and funding a new wrestling program. When the Villanova wrestling program folded, he gave to USA Wrestling and became a member of the association's board of directors. Du Pont also donated generously to the local Newtown Square police department. He outfitted every officer with body armor, offered the use of his helicopter, built a shooting range on his estate for the force to use, and allowed some police personnel to live at Foxcatcher Farm.

Mark and Dave Schultz put Team Foxcatcher on the sports map. They were the first brothers to both win Olympic gold medals in wrestling in 1992 and, between them, held several national and international titles. Younger brother Mark took the world championship when wrestling for Du Pont and was featured on the Foxcatcher team poster. However, John Du Pont’s increasingly bizarre behavior meant that the team’s success was short lived. A loner, he used his money to gain approval, to manipulate others, and to fuel his self-esteem. He paid for competitions where he was guaranteed to win, for example, and held award ceremonies where he was honored. Du Pont insisted that he be called “Coach” even though he had no wrestling credentials. He blatantly violated National Collegiate Athletic Association (NCAA) recruiting rules by flying Villanova wrestling recruits on his private plane and housing them (Continued)
in expensive hotels. A cocaine user and heavy drinker, his behavior could be friendly at one moment and demeaning the next.

As time went on, John Du Pont's behavior grew darker and darker. He claimed that there were spirits and spies residing in his home and hiding in the treetops. He had the treadmills removed from the training center because he was convinced that their clocks were transporting him back in time. He kicked all African Americans off the team because he determined that black was the color of death. He variously wanted to be called Jesus, the last czar of Russia, and the Dalai Lama. In one incident, he pointed a machine gun at a wrestler and threatened to kill him if he didn't leave the farm.

Fed up with John's manipulative, controlling behavior, Mark Schultz left Team Foxcatcher; but brother Dave, who tried to befriend Du Pont, stayed on. In June 1996, John Du Pont drove to the house on Foxcatcher Farm where Dave and his family were living. As Schultz's wife looked on in horror, John shot Dave three times, killing him. Following the shooting, Du Pont took refuge for 48 hours in his mansion, surrounded by Special Weapons and Tactics (SWAT) teams, until he surrendered. There was little doubt of his guilt; his trial centered on whether or not he was legally insane at the time of the killing. He was convicted of 3rd degree manslaughter (a lesser charge based on the fact that he was apparently a paranoid schizophrenic) and sentenced to 15 to 32 years in prison. After being denied parole in 2009, he died of emphysema in 2010.

Many different people might have prevented Du Pont's downward spiral by challenging his behavior and getting him treatment, but they failed to act because they were dependent on his wealth and influence. Officials at Villanova apparently let him break the rules as long as he paid for the basketball arena and the wrestling program. A security company was happy to bill him for checking his mansion for imaginary listening devices. Newton Square police, who used his shooting range and the body armor he supplied, didn't investigate the report that he brought a gun to practice. (The police department claims that the wrestler didn't file a full report on the incident.) Officials at USA Wrestling debated whether or not to break ties with Du Pont but didn't want to give up the $400,000 he donated annually. The wrestlers were in the most vulnerable position because they had no way to support themselves as they trained between Olympics and world events. They needed proper facilities, world-class sparring partners, and income to compete at the highest levels, all of which Du Pont provided. They failed to intervene on behalf of their benefactor because they feared that they would be kicked off the team. As a consequence, John Du Pont's paranoia went unchecked, and Dave Schultz paid with his life. According to crime writer Tim Huddleston, "John's wealth enabled him to buy anything he wanted. It enabled him to set his own rules and vanquish his problems. It also kept him sheltered from everything, including the help he so desperately needed."

**Discussion Probes**

1. Who is most to blame for failing to stop John Du Pont's downward spiral?
2. Do you blame the members of Team Foxcatcher for staying on even as Du Pont's behavior became more erratic?
3. What are the costs of speaking up to powerful leaders? How do we equip ourselves to do so?
4. Can you think of other leaders whose power and/or wealth put them at great risk?
5. How can colleges and nonprofits ensure that donors don’t exert too much influence over their activities?

**Note**


**Source**


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**Case Study 1.2**

**KILLERS WITH CAMERAS**

Body cameras and social media sites have added a new chilling dimension to murder. Killers can now film their crimes and post them for the world to see. That was the case when a disgruntled former television station employee used a body camera to film his murder of television reporter Alison Parker and cameraman Adam Ward during a live report in Roanoke, Virginia. He then wrote about the shooting on Twitter and uploaded his video to Facebook.

News sources were faced with an ethical dilemma: How much (if any) of the shooter’s footage should they show to audiences? ABC News refused to show any of the video, as did CNN. According to ABC anchor George Stephanopoulos, “[it was] Something we wrestled with today: whether to grant the gunman his last wish by playing his video. We will not.” CBS News used video from Ward’s camera (which was also filming during the attack), though stopping before the actual shooting. CBS news president David Rhodes explained, “Using the material we did, we helped people understand the degree of premeditation behind the attack. If you don’t show some of what we showed, you can leave people with the impression that somebody just snapped.”

The *New York Daily News* received intense criticism for its decision to use three still photos from the shooter’s video under the headline “Shocking slay of reporter, cameraman (Continued)
EXECUTED.” In the first two pictures, a gun is aimed at Parker, interviewing a local chamber of commerce official. In the last frame, Parker displays her shock when seeing the gun’s muzzle flash. Daily News editors defended their use of the images, saying that the photos were a “definitive part of the story, however disturbing and horrific.” According to a spokesperson, the paper’s editors believe there should be stronger gun control laws and hoped to bring visibility to the issue “at a time when it is so easy for the public to become inured to such senseless violence.” In contrast, The New York Times decided not to run the pictures because they were so disturbing, as did the Boston Globe, which opted instead to use stills taken from Ward’s footage showing Flanagan standing over the cameraman.

Killers are apparently motivated to post videos of their deeds in hopes of drawing attention, as a way to say, “Look at me.” In so doing, they stand out from previous mass murderers like the Columbine killers or the Virginia Tech gunman who didn’t have the technology to easily film their crimes. As more shooters arm themselves with cameras as well as guns, editors can expect to make more decisions about what horrific images to broadcast or publish.

Discussion Probes

1. Would you watch the video of this or another shooting? Why or why not?
2. Does showing videos filmed by killers encourage others to imitate their behavior?
3. Was using the video of cameraman Ward a better option for media outlets than using the shooter’s video?
4. Do you think the Daily News was more motivated by principle or by the hope of attracting more readers?
5. Do you support the decision of Daily News editors to show the still shots of the shooting on its front page? Why or why not?
6. What ethical principles should editors and other leaders use when deciding what information to release?

Notes

2. Koblin.
4. Koblin

Sources

Case Study 1.3

PUBLIC MORALIST/PRIVATE SEXUAL PREDATOR

Comedian Bill Cosby is not your ordinary entertainment superstar. He helped break racial barriers as the African American costar of the popular *I Spy* television series of the 1960s. (Some Southern stations refused to carry the program because Cosby had a leading role.) He then went on to write an animated television show based on his creation, Fat Albert, and starred as the patriarch of the African American Huxtable family in *The Cosby Show*. He was also featured in ads for Crest toothpaste and Jell-O. All the while, he continued to tour the country, putting on sold-out comedy performances and producing comedy albums. In addition to his artistic achievements, Cosby earned his master's and doctorate degrees in education from the University of Massachusetts–Amherst. He raised money for his undergraduate alma mater, Temple University, and served on its board of trustees. He received honorary doctorates from a number of colleges and universities.

Cosby used his success, as well as his reputation as a racial pioneer and one of America's favorite television dads, as a platform to speak on moral issues in the African American community. In 2004, he delivered a speech at the National Association for the Advancement of Colored People (NAACP) awards ceremony commemorating the 50th anniversary of the Supreme Court *Brown v. Board of Education* decision, which eliminated separate schools for blacks and whites. In what has subsequently become known as the “Pound Cake Speech,” Cosby scolded fellow African Americans both for not taking personal responsibility and for bad parenting:

> These are people going around stealing Coca-Cola. People getting shot in the back of the head over a piece of pound cake! Then we all run out and are outraged: “The cops shouldn’t have shot him.” What the hell was he doing with the pound cake in his hand? I wanted a piece of pound cake just as bad as anybody else. And I looked at it and I had no money. And something called parenting said if you get caught with it you’re going

(Continued)
to embarrass your mother. Not you’re going to get your butt kicked. No. You’re going to embarrass your mother. You’re going to embarrass your family.¹

Cosby also criticized single mothers for having multiple children with different husbands and young black men for wearing backward hats and low-slung pants.

Cosby’s Pound Cake Speech marked him as a black conservative and as a moral spokesman. But the address would come back to haunt him. In 2014–2015, over 50 women came forward to accuse the megastar of sexual abuse, most claiming he had drugged and then raped them. The alleged assaults took place over decades; victims were typically young, starstruck women who were excited to meet the comedian and get help with their careers. As the accusations became public, Cosby’s defense team tried to keep testimony from an earlier civil sexual abuse trial private. Judge Eduardo Robreno, however, rejected their claim that the comedian was not speaking as a public figure in the earlier court case. In releasing documents to the Associated Press (AP), he cited the Pound Cake Speech and noted, “The stark contrast between Bill Cosby, the public moralist and Bill Cosby, the subject of serious allegations concerning improper (and perhaps criminal) conduct is a matter as to which the AP—and by extension the public—has a significant interest.”² In the court documents, Cosby admits to securing Quaaludes in order to give them to women he intended to have sex with.

Cosby denies the rape allegations and his legal team has adopted an “attack the accuser” defense strategy. His lawyer asserted it was “ridiculous” and “illogical” for these women to come forward decades after the alleged abuse took place. In court papers, he called one civil suit a “shakedown.” There are reports that Cosby’s legal advisors leaked negative information about his accusers to the news media. Fear of such aggressive tactics, along with Cosby’s power and status, kept women from coming forward when the alleged rapes occurred. According to one accuser, “Who was going to believe me? If he was a regular Joe, I might have done something.” Said the brother of another alleged victim, “It was a different time. We all also knew this was a really big guy with a big PR operation and lawyers, and that he could crush us—that he would crush us—and her.”³

Cosby faces criminal charges for one alleged assault as well as a series of civil suits and a defamation lawsuit based on the character attacks of his legal team. His planned comeback is on hold, likely forever. NBC shelved a new Cosby show featuring the comedian as the patriarch of a large multigenerational family; TV Land stopped showing repeats of The Cosby Show. Netflix postponed the debut of a Cosby stand-up comedy special.

### Discussion Probes

1. What role did power play in Cosby’s sexual misbehavior?
2. How do you account for the great inconsistency between Cosby’s public moralizing and his alleged predatory sexual behavior?
3. Can you think of other cases where the public image and private behavior of leaders are in stark contrast?
4. Evaluate the ethics of Cosby’s legal strategy. Is it ethical to attack the accuser?
5. Do you refuse to support some entertainers and professional athletes because of their unethical or criminal personal behavior? How do you make this determination?

**Notes**
2. Blake.

**Sources**
4. Discounts feedback or advice from subordinates
5. Fails to defend subordinates from attacks by others
6. Fails to give subordinates credit for jobs requiring a lot of effort
7. Falsely accuses or punishes subordinates for something they were not responsible for
8. Ignores phone calls and/or e-mails
9. Inadequately explains performance reviews
10. Insults or criticizes subordinates in front of others
11. Invades subordinates’ privacy
12. Is confrontational when interacting with subordinates
13. Says one thing and does another
14. Shows no clear standards for administering rewards and punishments
15. Accepts financial kickbacks
16. At times, appears to be under the influence of alcohol or recreational drugs while at work
17. Breaks the law while at work
18. Falsifies documents
19. Lets violations of company policy slide
20. Litters the work environment
21. Steals company funds
22. Steals company property and resources
23. Tells people outside the job what a lousy place he or she works for
24. Uses company property for personal use
25. Violates company policy/rules
26. Brings inappropriate sexual material to work (e.g., pornography)
27. Engages in romantic and/or sexual relationships with others from work
28. Hints that sexual favors will result in preferential treatment

Scoring: Possible score ranges from 28 to 140. The higher the score, the greater your leader’s destructive behavior. You can also determine the leader’s tendency to engage in three types of destructive behavior. Items 1–14 measure subordinate-directed behavior. Items 15–25 measure organization-directed destructive behavior. Items 26–28 measure sexual harassment behaviors.


**SELF-ASSESSMENT 1.2**

**Personal Power Profile**

*Instructions:* Below is a list of statements that describe possible behaviors of leaders in work organizations toward their followers. Read each statement carefully while thinking
about *how you prefer to influence others*. Mark the number that most closely represents how you feel.

<table>
<thead>
<tr>
<th>I prefer to influence others by</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
<tr>
<td>1. increasing their pay level.</td>
<td>1</td>
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<td>2. making them feel valued.</td>
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<td>3. giving undesirable job assignments.</td>
<td>1</td>
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<td>4. making them feel like I approve of them.</td>
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<td>5. making them feel that they have commitments to meet.</td>
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<td>6. making them feel personally accepted.</td>
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<td>7. making them feel important.</td>
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<td>8. giving them good technical suggestions.</td>
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<td>9. making the work difficult for them.</td>
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<td>2</td>
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<td>10. sharing my experience and/or training.</td>
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<td>11. making things unpleasant here.</td>
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<td>12. making work distasteful.</td>
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<td>13. helping them get a pay increase.</td>
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<th>making them feel they should satisfy job requirements.</th>
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<th></th>
<th>providing them with sound job-related advice.</th>
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<th>providing them with special benefits.</th>
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<th>helping them get a promotion.</th>
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<th></th>
<th>giving them the feeling that they have responsibilities to fulfill.</th>
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<td>18</td>
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<th></th>
<th>providing them with needed technical knowledge.</th>
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<th>making them recognize that they have tasks to accomplish.</th>
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**Scoring:** Record your responses to the 20 questions in the corresponding numbered blanks below. Total each column, then divide the result by 4 for each of the five types of influence.

<table>
<thead>
<tr>
<th></th>
<th>Reward</th>
<th>Coercive</th>
<th>Legitimate</th>
<th>Referent</th>
<th>Expert</th>
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<td><strong>Total</strong></td>
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<td></td>
<td><strong>Divide by 4</strong></td>
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**Interpretation:** A score of 4 or 5 on any of the five dimensions of power indicates that you prefer to influence others by using that particular form of power. A score of 2 or less indicates that you prefer not to employ this particular type of power to influence others. Your power profile is not a simple addition of each of the five sources. Some combinations
are more synergistic than the simple sum of their parts. For example, referent power magnifies the impact of other power sources because these other influence attempts are coming from a respected person. Reward power often increases the impact of referent power because people generally tend to like those who can give them things. Some power combinations tend to produce the opposite of synergistic effects. Coercive power, for example, often negates the effects of other types of influence.


NOTES


36. The rise of workplace spying; Lohr.
45. Frolich, T. C., Sauter, M. B., & Stebbins, S. (2015, June 29). The worst companies to work for. *24/7 Wall St/Yahoo Finance*.
Stepping Out of the Shadows

Darkness is most likely to get a “hold” when you are safely settled in the good and righteous position, where nothing can assail you. When you are absolutely right is the most dangerous position of all, because, most probably, the devil has already got you by the throat.

—PSYCHOTHERAPIST EDWARD EDINGER

If I only had a little humility, I’d be perfect.

—MEDIA MOGUL TED TURNER

WHAT’S AHEAD

In this chapter, we look at why leaders cast shadows instead of light and how they can master these forces. Shadow casters include (1) unhealthy motivations, (2) personality disorders, (3) faulty thinking caused by mistaken assumptions, (4) failure of moral imagination, (5) moral disengagement, (6) lack of ethical expertise, and (7) contextual (group, organizational, societal) pressures that encourage people to set their personal standards aside. To address these shadow casters, we need to look inward to address our motivations, improve our moral decision making, acquire ethical knowledge and skills, and resist negative situational influences as we create healthy ethical environments. Ethical development, like other forms of leader development, incorporates assessment, challenge, and support. We can track our progress by adopting the skills and strategies used by ethical experts.

Only humans seem to be troubled by the question “Why?” Unlike other creatures, we analyze past events (particularly the painful ones) to determine their causes. The urge to understand and to account for the ethical failures of leaders has taken on added urgency with the continuing string of corporate and political scandals. Observers wonder: Why would bright, talented chief executive officers (CEOs) lie to customers, government regulators, and investors; ignore serious safety problems; make fraudulent loans; and engage in insider trading? Why can’t multimillionaire executives be satisfied with what they already have? Why do they feel they need more? Why do politicians lose sight of the fact that they are public servants? How can they urge others to behave ethically at the same time they enrich themselves at taxpayer expense and break the law? (See Box 2.1 for one set of answers to these questions.)
Management professors Dean Ludwig and Clinton Longenecker believe that top managers often become the victims of their own successes, leading even highly moral individuals to abandon their principles. Having achieved their goals after years of service and hard work, these competent, popular, and ethical leaders destroy their careers by engaging in behavior they know is wrong. Ludwig and Longenecker refer to this pattern as the “Bathsheba syndrome,” named for the story of King David reported in both the Bible and the Torah. King David, described as a “man after His [God’s] own heart” in 1 Samuel 13:14, expanded the national borders of ancient Israel by vanquishing the country’s enemies. Yet, at the height of his powers, he began an affair with Bathsheba. After she got pregnant, he tried to cover up his actions by calling her husband, Uriah, back from the battlefield to sleep with her. When Uriah refused to enjoy the comforts of home while his comrades remained in battle, David sent Uriah back to the front lines to be killed. As Ludwig and Longenecker note, “David’s failings as a leader were dramatic even by today’s standards and included an affair, the corruption of other leaders, deception, drunkenness, murder, the loss of innocent lives” (p. 265). The fallout from David’s immoral behavior was devastating. He lost the child he fathered with Bathsheba; his top military commander, Joab, betrayed him; and one of his sons temporarily drove him from office.

There are four by-products of success that put otherwise ethical leaders in a downward spiral. First, personal and organizational success encourages leaders to become complacent and to lose their strategic focus. They begin to shift their attention to leisure, entertainment, and other self-centered pursuits and fail to provide adequate supervision. David’s problems began, for example, when he stayed home instead of going to war with his men. Second, success leads to privileged access to information and people, which the leader uses to fulfill personal desires (like having sex with Bathsheba) instead of serving the organization. Third, success leads to the control of resources, which the leader then uses selfishly. David employed his power to begin the affair, to call Uriah back from the battlefield, and then to order Joab to put Uriah in the thick of the battle and to withdraw, leaving Uriah and his colleagues to be killed. Fourth, control of resources is often tied to an inflated belief in one’s ability to control the outcomes of a situation. David was confident that he could cover up his actions, but the prophet Nathan later revealed his sins.

Professors Ludwig and Longenecker offer advice to successful leaders to keep them from becoming victims of the Bathsheba syndrome. Be humble—what happened to David and to other successful leaders can happen to any leader, no matter how smart or skilled. Keep in touch with reality by living a balanced life filled with family, relationships, and interests outside of work. Never be satisfied with current direction and performance. Recognize that privilege and status equip leaders for providing a strategic vision and executing strategy; they are not the reward for past performance or for personal gratification. Assemble a team of ethical managers to provide challenge or support as needed. Finally, recognize that ethical leadership is a component of good leadership. Ethical, effective leaders serve as role models, make wise use of resources, build trust, and make good decisions.

Coming up with an explanation provides a measure of comfort and control. If we can understand why something bad has happened (broken relationships, cruelty, betrayal), we may be able to put it behind us and move on. We are also better equipped to prevent something similar from happening again. Such is the case with shadows. If we can identify the reasons for our ethical failures (what I’ll call shadow casters), we can then step out of the darkness they create.

The first section of this chapter identifies common shadow casters; the second section outlines strategies for meeting these challenges. Keep in mind that human behavior is seldom the product of just one factor. For example, leaders struggling with insecurities are particularly vulnerable to external pressures. Faulty decision making and inexperience often go hand in hand; we’re more prone to make poor moral choices when we haven’t had much practice. To cast more light and less shadow, we need to address all the factors that undermine ethical performance.

**SHADOW CASTERS**

**Unhealthy Motivations: Internal Enemies or Monsters**

Parker Palmer believes that leaders project shadows out of their inner darkness. That’s why he urges leaders to pay special attention to their motivations, lest “the act of leadership create more harm than good.” Palmer identifies five internal enemies or “monsters” living within leaders that produce unethical behavior. I’ll include one additional monster to round out the list.

**Monster 1: Insecurity.** Leaders often are deeply insecure people who mask their inner doubts through extroversion and by tying their identities to their roles as leaders. Who they are is inextricably bound to what they do. Leaders project their insecurities on others when they use followers to serve their selfish needs.

**Monster 2: Battleground mentality.** Leaders often use military images when carrying out their tasks, speaking of wins and losses, allies and enemies, and doing battle with the competition. For example, as we’ll see in Chapter 10, Amazon’s Jeff Bezos is one leader who is ready to declare war on the competition. He is willing to lose millions in order to undercut competitors and capture product categories. Acting competitively becomes a self-fulfilling prophecy; competition begets competitive responses in return. This militaristic approach can be counterproductive. More often than not, cooperation is more productive than competition (see Chapter 9). Instead of pitting departments against each other, for instance, a number of companies use cross-functional project teams and task forces to boost productivity.

**Monster 3: Functional atheism.** Functional atheism is a leader’s belief that she or he has the ultimate responsibility for everything that happens in a group or an organization. As Palmer describes it, “It is the unconscious, unexamined conviction within us that if anything decent is going to happen here, I am the one who needs to make it happen.” This shadow destroys both leaders and followers. Symptoms include high stress, broken relationships and families, workaholism, burnout, and mindless activity.
Monster 4: Fear. Fear of chaos drives many leaders to stifle dissent and innovation. They emphasize rules and procedures instead of creativity and consolidate their power instead of sharing it with followers.

Monster 5: Denying death. Our culture as a whole denies the reality of death, and leaders, in particular, don’t want to face the fact that projects and programs should die if they are no longer useful. Leaders also deny death through their fear of negative evaluation and public failure. Those who fail should be given an opportunity to learn from their mistakes, not be punished. Only a few executives display the wisdom of IBM founder Thomas Watson. A young executive entered his office after making a $10 million blunder and began the conversation by saying, “I guess you want my resignation.” Watson answered, “You can’t be serious. We’ve just spent $10 million educating you!”

Monster 6: Evil. There are lots of other demons lurking in leaders and followers alike—jealousy, envy, rage—but I want to single out evil for special consideration, making it the focus of Chapter 4. Palmer doesn’t specifically mention evil as an internal monster, but it is hard to ignore the fact that some people seem driven by a force more powerful than anxiety or fear. Evil may help us answer the question “Why?” when we’re confronted with monstrous shadows such as those cast by the Holocaust, the genocides in Serbia and Sudan, and Islamic State in Iraq and Syria (ISIS) terrorist attacks.

A great deal of destructive leadership behavior is driven by self-centeredness, which manifests itself through pride and greed. Self-centered leaders are proud of themselves and their accomplishments. They lack empathy for others and can’t see other points of view or learn from followers. They are too important to do “little things” such as making their own coffee or standing in line, so they hire others to handle these tasks for them. Their focus is on defending their turf and maintaining their status instead of on cooperating with other groups to serve the common good. Ego-driven leaders ignore creative ideas and valuable data that come from outside their circles of influence. Goal blockage helps explain the impact of self-centeredness on bad leadership. If self-centered leaders believe that they can’t achieve money, status, organizational recognition or other goals, they often respond with deviant and aggressive behavior. They might engage in fraud and embezzlement, for instance, or mistreat followers who appear to be keeping them from reaching their objectives.

Hubris describes the excessive pride of top leaders. The term first appears in Greek mythology to refer to “a sense of overweening pride, a defiance of the gods” which generally ends in death and destruction. The myth of Icarus is the best known of these myths. Icarus’s father fashioned a set of artificial wings out of wax and feathers so that he and his son could escape the island where they were being held captive. Icarus ignored his father’s warning not to fly to close to the sun. Infatuated with his ability to soar and the adoration of onlookers who mistook him for a god, Icarus rose too high. The wax on his wings melted and he crashed to his death in the sea. Modern hubristic leaders equate themselves with their organizations and resist attempts to step down from power. Former Disney CEO Michael Eisner, for example, had a reputation for arrogance, engaging in nasty court fights with top executives he hired and then fired. He had to be forced to retire, and few mourned his exit.

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Greed is another hallmark of self-oriented leaders. They are driven to earn more (no matter how much they are currently paid) and to accumulate additional perks. Greed focuses attention on making the numbers—generating more sales, increasing earnings, boosting the stock price, recruiting more students, collecting more donations. In the process of reaching these financial goals, the few often benefit at the expense of the many, casting the shadow of privilege described in Chapter 1.

The international financial crisis, which stemmed from the collapse of the U.S. housing market, can largely be attributed to greed.9 Mortgage brokers generated higher commissions and profits by making risky and fraudulent loans. Borrowers often took on too much credit, buying homes or consumer items they couldn’t afford. Wall Street banks, eager to make money off of the mortgage market, repackaged mortgages and sold them to investors as “low-risk” products in the United States, Europe, and elsewhere. AIG and other insurers generated revenue by guaranteeing what turned out to be toxic investments. The financial system nearly collapsed when housing prices dropped and consumers defaulted on their loans, putting lenders, investment bankers, investors, and insurers at risk. Economic observers worry that the pattern could repeat itself as the U.S. housing market heats up again with soaring prices and lower down payment requirements.

**Personality Disorders**

A number of psychologists believe that unethical leadership is the product of destructive personality traits. They identify three closely related traits—narcissism, Machiavellianism, and psychopathy—as the “dark triad” behind the dark side of leadership.10 (See “Focus on Follower Ethics: The Susceptible Follower” for more information on what motivates subordinates to follow leaders who cast shadows.)

* Narcissism has its origins in an ancient Greek fable. In this tale, Narcissus falls in love with the image of himself he sees reflected in a pond. Like their ancient namesake, modern-day narcissists are self-absorbed and self-confident. According to researchers, a certain degree of narcissism is normal and healthy, giving us faith in our own abilities and enabling us to recover from setbacks. The problem comes with high levels of this trait. Extreme narcissists have a grandiose sense of self-importance, believe that they are special, like attention, constantly seek positive feedback, lack empathy, and feel entitled to their power and positions. They also have an unrealistic sense of what they can accomplish.11

Moderate narcissism may be positive trait for leaders, at least in the short term. Confident and outgoing, narcissists often as emerge as leaders. They exude confidence, take bold action, and craft inspirational visions for their followers.12 However, extreme narcissistic leaders engage in a wide range of unethical behaviors. They claim special privileges, demand admiration and obedience, abuse power for their personal ends, fail to acknowledge the contributions of subordinates, claim more than their fair share, lash out in anger, are dishonest, ignore the welfare of others, and have an autocratic leadership style. Narcissists put their groups, organizations, and countries at risk because their dreams and visions are unrealistic and can’t be implemented. For example, Napoleon stretched France’s resources beyond the breaking point. Jean-Marie Messier, a modern French business leader, followed in Napoleon’s footsteps by overextending his financial empire.13 Messier spent $100 billion trying to build Vivendi—originally a French water and sewage provider—into the largest media and entertainment company in the world.
Focus on Follower Ethics

THE SUSCEPTIBLE FOLLOWER

Most researchers interested in studying the impact of destructive leadership concentrate on the traits and behaviors of the leaders. They want to know why these individuals engage in selfish, unethical behavior that undermines the organization and harms others. Focusing solely on the leader, however, can obscure the fact that destructive leadership requires the participation of followers. For example, a medical clinic operator can’t overbill insurance companies for treatments without the cooperation of administrative staff, accountants, and (perhaps) nurses and physicians.

One group of scholars argues that we can gain a better understanding of the process of destructive leadership by identifying the factors that make followers susceptible to the influence of destructive superiors. They place susceptible subordinates into two categories: conformers and colluders. Conformers engage in destructive behavior while obeying their leaders. Colluders actively support or contribute to their leaders’ destructive missions.

Conformers: Lost souls. Lost souls are needy individuals. They are vulnerable to destructive leaders because they have basic unmet needs (for love and affection, for example), may be experiencing high levels of distress (e.g., flunking out of college, losing a parent), lack a clear sense of self, and have low self-esteem. They comply because they identify with the leader, who offers them a sense of direction, community, and a stronger sense of self and self-esteem.

Conformers: Authoritarians. Authoritarians believe that leaders have a right to demand obedience, and it is their belief in the legitimacy of the leader that triggers their obedience. They reflect an unconditional respect for authority, prefer a simple, well-defined environment, and believe in a just world where people get what they deserve.

Conformers: Bystanders. Bystanders, likely the largest group of susceptible followers, are generally passive and motivated by fear. They let destructive leaders have their way because they think they will be punished if they object. Bystanders generally have negative self-evaluations that convince them that they can’t resist, believe that have to submit to whoever is in power, and often see themselves as victims. Highly sensitive to elements of the situation, they remain passive in order to avoid punishment. These individuals are often introverts who lack a courageous, prosocial orientation.

Colluders: Opportunists. Opportunists carry out the destructive directives of their leaders because they believe that they will be rewarded for doing so. Opportunists are ambitious, greedy, and manipulative, lacking in self-control. Rewards—money, status, power—are the key to motivating them to participate in unethical and illegal behaviors.

Colluders: Acolytes. Acolytes are “true believers.” They actively partner with the leader because they share the leader’s goals and values. They are largely self-motivated. Collaborating with the destructive leader helps them fulfill their personal identities, which have toxic qualities.

Thoroughgood and Padilla apply their model to the child sex abuse scandal at Penn State University. They believe that the university failed

(Continued)
to prevent an assistant coach from abusing young boys because a number of officials conformed to the wishes of powerful football Coach Joe Paterno. Others (including some former football players who served on the Board of Trustees) were devoted acolytes of Paterno and his success.


**Additional Sources**


By buying phone companies, Internet ventures, cable networks, and Seagram (which owned Universal Studios and Universal Records). His grandiose ambitions outstripped his ability to bring them to fruition. Losses from his collection of mismatched companies mounted, and he was forced out. The result was the greatest financial loss in French corporate history. (Case Study 2.1 describes another leader who demonstrates strong narcissistic tendencies.)

We can expect even more narcissistic leaders in the future if current trends continue. By all indications, narcissism is on the rise. Researchers report, for example, that between 1982 and 2009, narcissism scores among college students increased significantly. (Among business students, finance majors are more narcissistic and less empathetic than accounting and marketing majors.) This “epidemic” of narcissism has been attributed to a range of factors, including permissive parenting, celebrity culture, social media, and materialism.¹⁴

*Machiavellianism,* like narcissism, is highly self-centered. Richard Christie and Florence Geis first identified this personality factor in 1970. Christie and Geis named this trait after Italian philosopher Niccolò Machiavelli, who argued in *The Prince* that political leaders should maintain a virtuous public image but use whatever means necessary—ethical or unethical—to achieve their ends.¹⁵ High Machiavellian individuals are skilled at manipulating others for their own ends. They have a better grasp of their abilities and reality than narcissists but, like their narcissistic colleagues, engage in lots of self-promotion, are emotionally cold, and are prone to aggressive behavior. Machiavellian leaders often engage in deception because they want to generate positive impressions while they get their way. They may pretend to be concerned about others, for example, or they may assist in a project solely because they want to get in good with the boss. Machiavellians often enjoy a good deal of personal success—organizational advancement, higher salaries—because they are so skilled at manipulation and at disguising their true intentions. Nonetheless, Machiavellian leaders put their groups in danger. They may be less qualified to lead than others who are not as skilled as they in impression management. They are more likely to engage in unethical practices that put the organization at risk because they