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## Being Ethical When the Boss Is Not

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**Abstract**

A missing element in discussions of ethical leadership is: What happens to enforcement of ethics if it is the *managers* who are behaving unethically? In this article we address this question by describing a framework of *upward ethical leadership*. This framework expands conceptualizations of leadership beyond top-down models to a view that considers employees to be active participants in the leadership process. Upward ethical leadership is defined as leadership behavior displayed by individuals who take action to maintain ethical standards in the face of questionable moral behaviors by higher-ups. It is fostered when employees are encouraged to establish personal power bases and develop upward leadership skills that help reduce their sense of powerlessness when faced with choosing how to respond to ethical misconduct by managers. By developing employees who are more willing and capable to take a stand in the face of ethical violations, we hope to broaden the resource base for ethical leadership in organizations and bring much needed attention to the role of *employees* in maintaining ethical climates.

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## Being Ethical When the Boss Is Not

Mary Uhl-Bien and Melissa K. Carsten

Too many people who thought something “didn’t feel right” failed to raise a red flag for a variety of reasons: They wanted to win a contract, they feared retaliation, they just didn’t want to rock the boat, or they lacked the courage to speak up in a command-and-control culture.

—Speech by Boeing CEO Jim McNerney, Conference Board, April 27, 2006

In 2003, a congressional investigation concluded that the Boeing Corporation had used illegal measures to win a military contract worth \$21 billion. The contract, which was open to public bid, was granted to Boeing after the chief financial officer (CFO) offered up the position of vice president to a top acquisitions official in the U.S. Air Force. This came shortly after Boeing had been accused of stealing trade information from competitors and tampering with satellite launch information from China. Whereas the company was able to survive these scandals better than many of their unethical counterparts (e.g., WorldCom Inc. or Enron Corp.), Boeing was left with a damaged reputation, plummeting morale, and the hard-hitting fact that its unethical climate needed a major overhaul. As John Lockard, vice president and general manager at Boeing, observed, “when a handful of Boeing employees made wrong decisions, the impact was felt by all of our employees.”

The major ethical scandals of the past decade (e.g., Enron, WorldCom, Tyco International, Ar-

thur Andersen, HealthSouth Corp.) have shown all too painfully that unethical behavior leaves few untouched. The devastation incurred by the Enron scandal is still being felt in the form of lost employee pensions, damaged relationships, and the residual demise of Arthur Anderson. Given the widespread impact and potential for harm that ethical scandals invoke, we would expect that in discussions of ethics, the strong sentiment would be that *all* organizational members are charged with upholding ethical and moral principles. Yet, this is often not the case. Instead, the predominant message we see conveyed in ethics discussions is that the responsibility for ethics lies primarily with organizational leaders. As articulated by Jim McNerney, chief executive officer (CEO) of Boeing: “We also realize it all starts with leadership. If an organization’s leaders don’t model, encourage, expect and reward the right behaviors, *why should anyone else in that organization exhibit those behaviors* [emphasis added]?”

We worry about the message implied by this statement. What if leaders *do not* behave ethically—who is responsible for ethics then? Managerial leaders have been the prime culprits of many major ethical scandals, and excluding employees from discussions of ethical leadership leaves a vacuum in ethical enforcement and a greater likelihood that unethical actions of managers will go unchallenged.

Therefore, in this article we propose a framework for incorporating employees into the heart

of discussions of ethical leadership. This framework, which we label *upward ethical leadership*, expands leadership beyond top-down models grounded in hierarchy and authority to a view of leadership as a mutual influence process that occurs among active participants. We define upward ethical leadership as leadership behavior enacted by individuals who take action to maintain ethical standards in the face of questionable moral behaviors by higher-ups. In this view, employees are not passive, powerless followers at the mercy of unethical leaders but rather power-holding participants in the leadership processes of the organization.

To explain this, we begin with a discussion of how the “problem of following” is a direct result of our socialization into hierarchical models of leadership, and how new views of leadership offer a way of framing leadership as a process of mutual influence and accountability. We then present a model of upward ethical leadership that illustrates how these new concepts can be applied in an ethical context to produce more active (rather than passive) responses among employees to unethical behavior by leaders. While we acknowledge that speaking up about managerial wrongdoing in an unethical climate is one of the most difficult predicaments employees can face, we suggest that by helping employees to establish their personal power and develop upward leadership skills we can better prepare them to be able to contribute to the enforcement of ethical behavior in the workplace. Overall, we propose that by expanding our view of leadership to recognize the power that both parties hold in the process (managers and subordinates), we can broaden the capabilities for ethical leadership in organizations and highlight the key role of *employees* in maintaining ethical climates.

### **The problem with *following***

The dilemmas presented by unethical behaviors of managers are particularly problematic for em-

ployees because of the nature of hierarchy in organizations. From a young age we are socialized into hierarchy, taught to respect others with higher status, obey authority, and take a subordinate role to those in superior positions. The traditional belief is that social order requires certain individuals (leaders) to be in charge, providing direction and establishing rules, and others (followers) to comply by implementing the direction and initiatives of those above. If followers do not comply with directives from leaders they are seen as “insubordinate,” risking punishment in the form of sanctions, disregard (even ostracization) by others, or expulsion from the organization.

### *Silence*

While this system of control clearly works, it has drawbacks. Hierarchy and obedience to authority create role expectations that influence whether employees choose to speak up about issues they are concerned about or defer responsibility and remain silent. All too often, hierarchical role expectations cause employees to assume they should not speak up for fear of being blamed and attacked for problems or issues they raise (e.g., “kill the messenger”). For example, in research on silence and voice, Frances Milliken and colleagues found that at least 85% of their sample (35 of 40 people) expressed that they had felt unable to raise an issue or concern to their bosses on at least one occasion, even though they felt the issue was important. The reasons employees gave for not speaking up primarily revolved around futility and fear—the feeling that speaking up will not make a difference and the concern that speaking up will cause them to be viewed as a troublemaker (complainer or tattletale), damage a relationship (loss of trust or acceptance), or experience retaliation or punishment (e.g., losing a job, not getting promoted). As described by one participant in their study:

A coworker was being phased out, and it was unclear to those around

why this was happening. I did not feel that I could speak honestly and openly to his bosses despite my strong working relationship with them. I felt that I would be fired or fall out of favor if I spoke up. I felt it was a moral imperative to act, but in the end, I did nothing. (Male, financial services firm)

This norm of silence can also be fostered by coworkers who feed fear climates by spreading anxiety and telling stories about how employees have been reprimanded or mistreated by leaders who attack them in response to something they said:

I knew that someone else had spoken to the boss about it and was told: "You got what you deserved. Don't expect any more." Based on that vicarious experience, I knew that I wouldn't get anywhere and would only lose out in terms of being seen negatively. (Female, financial services firm as reported in study by Milliken et al.)

Once such fear climates begin to spread they are hard to contain. They present a problem not only in terms of loss of valuable information to managers but also in low morale, and eventually psychological withdrawal, among workers.

### *Obedience*

Hierarchical thinking is also flawed in its assumption that leaders are the ones who make decisions and that followers are to go along. As described by Charles Heckscher in his work on postbureaucracy, "An essential assumption of bureaucracy is that the top managers can get into their heads all the necessary information and make the best possible decisions ... [and then] delegate pieces of implementation to people who are not so gifted." This bureaucratic premise again drives those lower in the hierarchy to take a passive role in organizational decision-making, believing that leaders know best and it is not their role to question.

The eye-opening results of the Milgram studies of authority in the early 1960s show the pervasiveness of this dynamic. These studies, which have received widespread attention from both social scientists and the general public, demonstrate that individuals are willing to inflict negative, even harmful, treatment on others simply at the request of an authority figure. Milgram found that when individuals see another as an authority figure (in a position of power) and/or having expertise the individual does not have, they will blindly obey commands—even those that lead to blatant negative consequences, such as inflicting shocks strong enough to *kill* someone. The consequences of such blind obedience are exemplified in horrific historical examples, including the Holocaust in Nazi Germany, or the Jonestown Massacre, in which individuals poisoned their children and then themselves at the directive of cult leader Jim Jones. However, this also plays out on a daily basis when employees fail to openly communicate with or question their bosses, leading to outcomes such as the Space Shuttle Challenger disaster, in which employees were well aware of the problems with the O-ring but did not communicate it to those in charge.

### **New views of leadership**

Given the problems with the assumptions of the bureaucratic model and its emphasis on authority and obedience, some scholars are beginning to explore new ways of conceptualizing leadership that are not premised in hierarchy and authority. Such models, including shared leadership, relational leadership, and postindustrial leadership, are expanding the definition of leadership beyond downward actions of those in formal positions (e.g., managers) to behavior that can occur anywhere and in any direction in the organizational system. From this view, leadership is a behavior that can be enacted by anyone who uses influence to create change in a system. For example, employees who constructively

question directives and decisions from above, offer suggestions for improvement or volunteer to lead improvement initiatives, or generate enthusiasm for a new idea, project, or action plan, could all be considered leaders (i.e., engaging in “upward leadership”) even though they are in a subordinate role.

In this way, leadership is recognized as two-way influence—where the individuals who would traditionally engage in “following” are now active and committed participants in the leadership process. This does not mean they usurp the “authority” of the manager. Instead they work to collaborate with the leader in achieving the goals of the organization:

In an organization I worked in, the corporate HR head of this well-known company (who was also my mentor), used to write detailed e-mails to his CEO (who is a pretty strong and well-known leader), describing to the CEO where he thought the CEO was going wrong, and where he needed to improve. It requires courage to tell your boss that he is wrong, and the reasons why you feel so. (Shabbir Merchant, Executive VP, Grow Talent LTD, May 1, 2006)

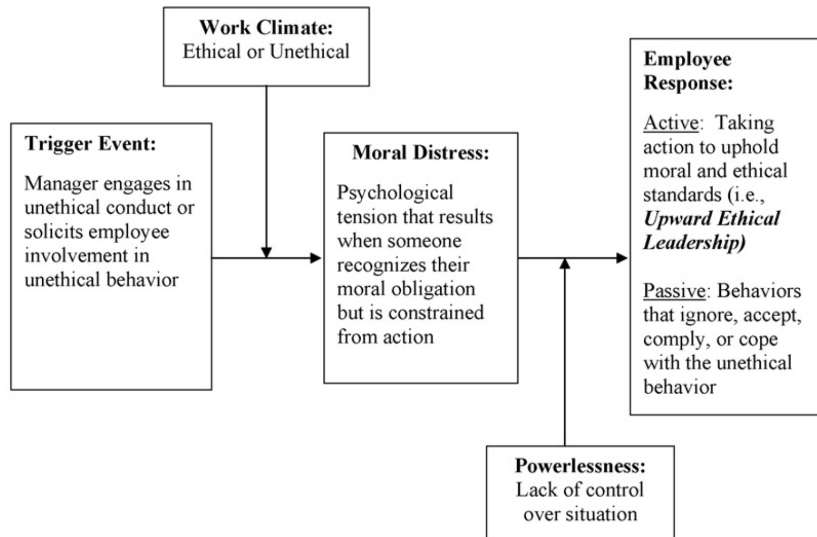
It is important for us to be very clear that this view does not promote disorder or “rampant noncompliance.” Rather it promotes responsible leadership and accountability for leadership by *all* employees, not just managers. It does not see leadership as a prerogative of a manager. Instead, it purports that for organizations to be successful and maintain ethicality in today’s complex business environment, organizations need to draw on all their resources. As noted by John Lockard, vice president and general manager of Boeing in a speech on business ethics and conduct (June 2, 2005): “When we say leadership, we’re not just talking about the people who sit in the corner offices. We’re talking about all of our people and all of our partners.”

## The promise of action

To illustrate how these ideas can be applied in the context of unethical behavior by higher-ups, in the sections below we lay out a model that depicts the psychological reactions employees experience in the face of ethical misconduct by managers and why it will often lead to passive responses (e.g., silence, obedience). We then show how organizations and employees can create environments that promote the more active responses we label *upward ethical leadership*. We see upward ethical leadership as moving away from the problems of following and toward the promise of action.

### *Employee Reactions to Managerial Misconduct*

The model in Fig. 1 depicts a situation in which an employee is faced with unethical behavior by a manager. Unethical behavior could include lying to senior leaders or customers, falsifying reports or financial records, or directing employees to engage in these behaviors. For example, the illegal financial reporting of WorldCom was the result of senior managers coercing employees to alter financial documents, and in some cases, doing so themselves. Such situations create moral distress in employees who are aware of the unethical conduct but feel constrained from taking action to correct it. Depending on their sense of powerlessness (high or low), employees make a choice about how they will respond. They can respond actively (i.e., upward ethical leadership) by taking a stand against their manager, questioning the legality or ethicality of the action, or simply rejecting solicitations to assist with the unethical conduct. Or, they can respond passively (i.e., following) by remaining silent while the unethical activity occurs or complying with unethical requests and being obedient to authority.



**Figure 1.** Employee Reactions to Ethical Misconduct by a Manager (Higher-Ups)

### Moral distress and unethical climates

At the heart of employees' reactions to managerial misconduct is the feeling of moral distress. As described by Professor Wendy Austin and her colleagues, moral distress is a term used to describe a reaction in which an individual believes he/she knows the right thing to do but does not do it, either due to internal weaknesses or failures or external constraints or barriers. It arises when an individual recognizes a moral responsibility but does not act upon it. This results in a feeling of great pain, anxiety or sorrow. In extreme cases, the pain can be acute, causing physical or mental suffering:

The lead interrogator of the Division Interrogation Facility had given me specific instructions: I was to deprive the detainee of sleep during my 12-hour shift by opening his cell every hour, forcing him to stand in a corner and stripping him of his clothes. Three years later the tables have turned. It is rare that I sleep through the night without a visit from this man. His memory harasses me as I once harassed him ...

These lines were written by Eric Fair in a column submitted to *The Washington Post*. Mr. Fair was a civilian interrogator sent to Fallujah in 2004 to assist the 82nd airborne division in the interrogation of Iraqi prisoners. Called into service because of his facility with the Arabic language, Fair believed his work would help obtain information from Iraqi prisoners that would contribute to ending the insurgency. Instead, he found himself in a situation previously (and currently) unimaginable to him: When ordered to inflict unspeakable treatment on Iraqi prisoners to draw out information about the insurgency, he complied. Believing he had no option but to follow directives from his commanders, he went along with orders and engaged in torture tactics that haunt him to this day. The moral distress caused by this experience is so deep that he seeks outlets to make amends for his wrongs, such as writing columns to newspapers publicly confessing the immorality of his acts and his inability to take a stand when in the context of the situation. As the interrogator put it, "While I was appalled by the conduct of my friends and colleagues, I lacked the courage to challenge the status quo."

As illustrated in this example, moral distress arises when an individual feels constrained from taking moral or ethical action in an unethical situation. In order for moral distress to occur, the observer must acknowledge his or her moral responsibility for acting in the face of unethical conduct. In addition, he or she must perceive barriers to action which are internal (lack of courage, lack of power, etc.) and/or external (no neutral or anonymous outlet to report wrongdoing) to the individual.

There are a number of reasons why employees might perceive they are unable to act in unethical situations. In addition to the obvious reasons, such as status differentials and the threat of being ostracized or terminated, there is also the issue of whether or not employees feel they have an appropriate outlet for reporting wrongdoing. In our model this is depicted as ethical versus unethical climates. Ethical climates are defined here as those in which established ethical standards and norms are consistently and pervasively communicated and maintained by organizational leaders and employees. Ethical climates are exhibited through strong ethical codes of conduct, easily accessible venues and hotlines for employees to report incidents of unethical behavior, and strict assurance that retaliation against employees who come forward will not be tolerated. For example, The Home Depot Inc.'s Ethical Code of Conduct states, "Associates have a duty to report suspected wrongdoing and should do so without fear of retaliation. The company will not tolerate any retaliation or threats of retaliation against anyone who reports in good faith a violation of the law, company policy, or this code of ethics."

Unethical climates are the opposite. They are characterized by questionable or even outright unethical behavior by managers and/or employees, with little action taken to redress this behavior, and in some cases (e.g., Enron), active condoning of inappropriate activities. In these climates employees have no obvious ways to report what they are seeing and experiencing, and cannot be assured that their efforts to demonstrate the courage and take a stand against un-

ethical behavior will be appreciated (even worse, they may result in retribution).

Employees may experience unethical climates in only small pockets of an organization—for example, work units where employees feel a manager is behaving unethically but there is no apparent way for them to report this behavior or get the manager to change. Alternatively, unethical climates may characterize the organization more broadly and be accompanied by a command-and-control culture. Reports from WorldCom and Boeing suggest that individuals were rewarded for their "loyalty," defined as the willingness to go along, not question the decisions of superiors, and only speaking to higher-ups about positive things that were occurring in the organization. Employees may also report unethical climates when professional norms of conduct conflict with institutional realities, such as nurses who report moral distress when they do not have adequate resources for patient care due to hospital administration (e.g., low staffing levels, limited time available to spend with patients, inaccessibility to certain medical procedures).

In sum, when employees experience unethical behavior by a manager we expect them to feel some level of moral distress, simply due to the nature of hierarchy (e.g., manager seen as boss, socialization to obey authority, fear of speaking up). However, this distress will likely be much greater in unethical climates, because the options available to employees for taking moral action are much more limited. The experience of distress is important, because as described in the next section, it will be related to how employees decide to respond—whether they are willing to take an active stand relative to the unethical behavior or choose a more passive response, such as remaining silent or complying with unethical commands.

Powerlessness and choice of response (active or passive)

Moral distress can lead employees to engage in various behaviors in an effort to relieve their



negative psychological state. For example, employees may respond by remaining silent, taking a stance, acting secretly, sustaining themselves through work with clients, seeking support from colleagues, and exiting the organization. We can characterize these responses as active or passive. Active responses are displayed when employees take action to uphold moral and ethical standards (including speaking up, taking a stand, refusing to comply with unethical requests, surreptitiously reporting or rebelling against the unethical behavior, trying to identify alternatives to unethical behavior, or leaving the organization). Passive responses include behaviors that ignore, accept, comply, or cope with the unethical behavior (e.g., silence, participating in unethical behaviors, complying with orders to take an inappropriate action, or seeking support from others or solace from the positive elements of one's work to cope with personal feelings of distress).

Whether an employee chooses an active or passive response will depend on many personal and situational characteristics, which we include under the label of powerlessness. Powerlessness is a term we use to describe a sense of lack of control, over oneself and with others, in a situation. It can be seen as the expectancy or probability held by an individual that one's own behavior cannot determine the occurrence of desired outcomes.

When powerlessness is experienced, it creates a sense of hopelessness that anything can be done to resolve the situation. This hopelessness creates dissonance, or anxiety due to the inconsistency between what one believes should occur and what one is able to do. A mechanism that can be used to relieve the dissonance and the guilt invoked by high moral distress is a "flight from responsibility." In examining the experiences of nurses involved in the killings in Nazi Germany, researchers have found that many of these nurses dealt with the deliberate killing of patients by trying to avoid any concrete knowledge of what was happening, even as patients

died before their eyes. Said one nurse, "I tried to soothe my conscience by telling myself that the doctor alone bears the responsibility." Therefore, high feelings of powerlessness are expected to lead to passive, rather than active, responses. When employees feel a sense of powerlessness they perceive a lack of options.

This feeling of powerlessness may be associated with differences in personality or individual characteristics. For example, individuals who are high in obedience to authority or low in self-esteem may never consider that there may be an opportunity to take a stand or speak up to higher authority, even in the best of situations. This tendency to defer to authority would also be characteristic of individuals from high power-distance cultures, in which less powerful individuals expect others to wield larger amounts of power than themselves. Others, for example those with proactive personalities, may consider action as the first option, and adopt a passive approach only in very extreme situations. Individuals high in proactive personality are characterized by a consistent tendency to "make things happen." These individuals exercise personal influence over their surroundings, and see the environment as jointly determined by both the person influencing the situation and the situation influencing the person. Since individuals who are proactive tend to demonstrate proactive behaviors across a wide range of situations, we would expect them to be less likely to assume powerlessness in the face of managerial unethical conduct.

A feeling of powerlessness may also be manifested by the environment. For example, employees may perceive that they have no one to turn to, as in the case of Lucent Technologies Inc. employees who knew about revenue irregularities but did not have a trusted adviser or someone with whom they could discuss the situation. Moreover, employees may perceive that the consequences of not complying or taking a stand are too great, either personally or professionally, to risk an active response. These feelings are likely

to be stronger in command and control cultures (e.g., Boeing) or those with high performance-based demands (e.g., Enron).

Consistent with our model, then, individuals who are higher in powerlessness are more likely to adopt passive responses. The feeling of powerlessness will vary by individuals and situations. For some individuals taking an ethical stand when a manager's behavior is morally questionable will engender fear and distress *even in an ethical climate*. Hence, the thought of taking an active stand in an *unethical* climate may be unimaginable for most individuals.

Key to our framework, however, is our suggestion that individuals will be more willing and able to respond in an active manner *when they experience a lower sense of powerlessness*. In other words, individuals will be more likely to choose to respond actively if they perceive greater power to deal with the situation. Therefore, what we need to understand is: (a) how individuals can increase their sense of power and (b) how organizations can reduce employees' feelings of powerlessness. This is at the core of upward ethical leadership, and is the topic to which we turn next.

#### *Empowering Action: Upward Ethical Leadership*

Upward ethical leadership describes leadership behavior by employees who act to maintain ethical standards in the face of questionable moral conduct by higher-ups. It is important in cases where employees experience an ethical violation by a manager(s) and have no obvious venue, such as an ethics officer or ethics hotline, for reporting it. In these situations, employees must make a decision about whether they "risk" taking action or adopt a "flight from responsibility." The sections below help illustrate how, by training employees to develop personal power and upward leadership skills, we can prepare them to be more capable of choosing an active approach in the situation where they must make a decision about how to respond to managerial wrongdoing.

#### Power and dependence

Building on the discussion above, an important element of preparing employees to adopt an upward ethical leadership approach is getting them to understand their sources of power. Power is a sense of control over oneself and others, and the perceived probability that one can influence the occurrence of desired outcomes. From classic studies on power we know that power is based on dependencies. When one feels dependent on another, the other has power "over" them—the greater the dependency, the greater the power. For example, many employees feel their organizations have tremendous power over them because they are overly *dependent* on the organization for employment. This makes them feel they have no option but to comply with what the organization (or their manager) tells them to do (i.e., powerlessness).

To the extent that individuals can reduce this dependence, for example by making themselves more marketable, they reduce the power the organization holds with them. This is one of the outcomes of the downsizing craze in the 1990s—many employees became aware that they were at the mercy of one organization for employment. Since then, many workers have adopted a new approach to career management that involves making themselves more broadly marketable and more willing to change organizations if better options come along. The nature of dependency also explains why money is a tremendous source of power. When individuals have enough, they do not have to rely on anyone else to obtain it (they are "independent").

Individuals can also enhance their power by increasing other's dependence on them. For example, employees can make themselves more *valuable* to the organization. In the power literature, the latter is referred to as making oneself nonsubstitutable, making oneself central to the organization's mission, and increasing one's visibility. Top salespeople or highly respected managers, for example, have learned to capitalize on these capabilities by making themselves key contributors to the organizational mission, relatively

hard to replace, and on the radars (highly visible) of others in the organization. They have power with the organization because the company does not want to lose them (which is also good for the company, as it gives them a skilled workforce).

Understanding dependence is integral to upward ethical leadership because engaging in such leadership behavior may involve making the decision to remove a higher-up's (e.g., a manager's) power over you. In other words, individuals who feel powerless because of a dependency on the manager who is behaving unethically (for a promotion, a raise, a preferred work schedule or assignment, a job) have the option to reduce this sense of powerlessness by *removing the dependence*. For example, the employee has to say to him/herself, "I realize there may be a cost to this behavior in that the manager may not give me the promotion, but I am willing to bear that cost to do what I think is morally right." While this choice is obviously not preferred and more likely to be necessary in situations of highly unethical climates, for employees to be able to engage in upward ethical leadership they will need to maintain this option.

The choice to remove the manager's power over them is made easier if the employee has managed her employability (e.g., marketability) to keep her options open. In such a case an employee does not have to suffer the consequences of refusing to go along with unethical behavior, but can choose to go elsewhere for the promotion. This concept involves remembering that, except in rare cases of totalitarianism or dictatorship, power is a *choice*: Individuals can choose to give it, or they can choose to remove it. People who understand how to effectively manage power always keep their options open so that they have the personal choice to act consistently with their personal values and beliefs, even when faced with situations such as ethical misconduct by managers.

#### Personal power

In addition to understanding the nature of dependence, upward ethical leadership involves recog-

nizing that power is not just authority. Authority is one base of power, and can be a potent one, but it is certainly not the only, or even the most effective, power source. Moreover, authority is reserved to managers and therefore not available (typically) to subordinates; instead, subordinates must learn to establish their *personal* power (and organizations should encourage them to develop it as well).

Personal power is the ability to influence others to do something that you would like done, and is an informal power source that emanates from the individual and how he/she interacts with their environment (rather than power vested in a position). Individuals carry their personal power with them in the form of relationships, reputation, credibility, networks, competence, information, leadership skills, and expertise. Martin Luther King, for example, had tremendous personal power in the civil rights movement, even though he had no authority that gave him this power. Personal power is built over time and through interactions with others, and gives one a sense of confidence in his/her ability and/or capability. Most important to this discussion, it can be developed and used by subordinates because it does not require that one be in a formal position of power.

The types of personal power available to subordinates for upward ethical leadership are listed in Table 1. In addition to maintaining employability, which was discussed above, one of the most important sources of personal power in these situations is relationships. When individuals have established effective relationships with others they can draw upon these relationships in times of need, such as when a manager acts unethically. If individuals have not established effective networks of relationships, they have no one to whom they can turn. As Glenn Ebersole, and independent executive coach and founder of two consulting practices has stated, "There have been instances where I have been approached by unethical prospects and clients and was fortunate enough to have had strong mentors and supervisors, managers and owners that supported my actions to turn away from unethical requests."

**Table 1.** Power Sources Available for Upward Ethical Leadership

Source of Personal Power	Why is it a Source of Power?	How Can You Use it?
Employability	Reduces dependence on the organization	Remove other's power over you (by being willing to leave) so you are free to act in accordance with your ethical principles and moral values
Relationships/networks <ul style="list-style-type: none"> <li>• With manager</li> <li>• With coworkers/peers</li> <li>• With higher-ups</li> <li>• Outside the firm</li> </ul>	Ability to influence others and draw support from your network	Allows for consultation with immediate manager or higher-ups. Employee can use their relationships to test the legitimacy of an unethical request or report the unethical conduct to a higher-up. Provides opportunity to secure the support of peers or coworkers (i.e., power in numbers)
Competence/reputation	Ability to influence others because you are respected	Employee can use their credibility as a source of strength, making it more likely others will listen if they speak up
Communication skills	Ability to influence with credibility and strength	Employee can use this skill to create a message that will be heard by others. Enhances ability to influence with confidence and without fueling conflict
Proactive problem-solving	Enhances self-control over situation by expanding options (reduces sense of powerlessness)	Employee can think of alternative ways to actively take a stand or generate ideas for considering wider range of possibilities for responding

These relationships can be with managers, coworkers, or colleagues/peers, and can be inside or outside the organization. Though the effort may be complicated by situations where the immediate manager is committing unethical behavior, individuals who have established solid work relationships with the manager may be more willing to approach the manager with concerns or to refuse to comply with the unethical behavior. Moreover, if they have effective relationships with their coworkers, they may be able to rally others to join them in expressing their concerns or refusing to comply with unethical directives, thereby minimizing the spread of the ethical misconduct.

Some of the most useful relationships in the case of unethical managerial behavior are those that individuals have established with "higher-ups" – managers at higher levels in the organization who are not their bosses. These individuals serve not only as an outlet for reporting unethical actions but a source of guidance and advice for the employee in deciding how best to deal with the situation. Employees who are "connected" in such ways can be a valuable resource for or-

ganizations in maintaining ethical standards, because they have the power to respond actively to unethical conduct and are more likely to do so than those who have not established these relationships. An example of this can be seen by one WorldCom manager who, when asked to release money from an accrued account, called a top executive to make sure that the request was legitimate and to ask for advice on handling the situation.

Another key source of personal power is competence and reputation. These are important because they enhance an employee's credibility if he or she chooses to disclose the ethical misconduct. Speaking up or taking a stand will often pit the employee against the manager—hence the risk to the employee. If the employee has a solid reputation and is perceived as highly credible, however, others will be less likely to automatically disregard the individual and instead give the employee's concern legitimate consideration. For example, when a Hewlett-Packard Co. board member became suspicious about the internal methods used to investigate a media leak, he was able to convince the board, as well

as some senior executives, to look more deeply into the matter. What resulted was evidence that the company had been engaging in “pretexting,” or the act of obtaining personal information under false pretenses. Without a strong reputation of credibility, this board member may have experienced resistance to the insinuation that something illegal was occurring within the company.

### Upward leadership skills

Organizations can also prepare employees for engaging in ethical leadership by helping them to develop their upward leadership skills. Key upward leadership skills for dealing with ethical misconduct by managers include understanding how to use supportive communication principles and the ability to engage in proactive problem-solving. These skills help individuals to approach the situation with the intent of trying to resolve the situation in a noninflammatory and proactive manner.

Supportive communication skills focus on approaching a communication situation with a problem-solving orientation, meaning the individual addresses the other with a statement such as “I have a problem and I would like to discuss it with you” (in essence, engaging the other in solving one’s problem). The individual then frames all of the communication in such a way to avoid defensiveness (i.e., putting the other on the defensive) and disconfirmation (i.e., putting the other person down). Specific techniques include focusing on the problem and not the person (e.g., not “you are unethical” but “I am concerned that your behavior may be unethical”) and being specific and not global (e.g., not “you always behave unethically” but “your asking me to falsify the numbers in the report yesterday was against the ethical code of conduct”).

Supportive communication skills are designed to help individuals arm themselves to deal with difficult communication situations involving conflict (thereby empowering them to overcome the pervasive inclination to avoid conflict). They are particularly suited for upward ethical leadership because such situations naturally involve conflict. If not managed prop-

erly, communications can quickly break down and problems escalate.

Proactive problem-solving is taking the initiative to identify novel ways to approach problem situations. It is important to upward ethical leadership because it encourages individuals to be creative in thinking about ways to deal with the situation, rather than just assuming they can do nothing. In some cases this may involve expanding the options available for responding to the unethical action (e.g., using one’s network to test the legitimacy of a behavior that is seemingly unethical). In other cases, employees may be able to provide managers with alternative approaches that attain objectives in an ethical, rather than unethical, manner (e.g., suggesting that a team be assembled to talk through a problem or devise a plan of action).

### Summary

In sum, the discussion above illustrates how helping employees to establish their personal power and develop upward leadership skills can better prepare them to take action if they are faced with unethical behavior by managers or higher-ups. A focus on upward ethical leadership reframes thinking about leadership away from it being the sole responsibility of managers and toward it being a process that can be engaged in by organizational members more broadly. In this way, employees are important members of the group called “organizational leaders” who are responsible for enforcing and maintaining ethical standards and principles in businesses. Finally, we would also like to note here that, although these ideas are consistent with Ira Chaleff’s framework for “Courageous Followership,” we have intentionally chosen to call this behavior *leadership* because we do not think it involves following. Rather, it involves being a responsible participant in the leadership process.

### Conclusions and recommendations

An assumption of practitioners and ethics researchers is that managers are responsible for be-

ing role models for ethical behavior, establishing ethical climates, and enforcing consequences for employees who behave unethically. However, we know that in many organizational situations employees are witness to unethical actions by managers, with no apparent recourse for reporting this behavior. Therefore, missing in this discussion of ethics is the question of what employees can and should do in the context of *unethical* climates where it is the *managers* who are behaving unethically.

Managers who engage in, or solicit their employees' help with unethical conduct create circumstances that limit employee action. Employees may feel trapped, obligated to comply, or perceive that there are no outlets for reporting the wrongdoing to individuals who can take corrective action. In the opening quote to this article, the CEO comments on employees' failure to speak up. As we have shown, in the face of managerial misconduct with no effective outlet for reporting such behavior, employees will likely feel a sense of powerlessness and a lack of responsibility (due to the nature of hierarchy) that causes them to choose a passive response, such as silence or obedience. Upward ethical leadership is premised on the proposition that, by helping employees to establish their personal power and develop upward leadership skills, we can reduce this sense of powerlessness and enable employees to feel capable of effectively addressing problems of ethical misconduct by higher-ups.

We suggest that organizations can foster upward ethical leadership by creating and supporting cultures that recognize the value of employee leadership and reward individuals who demonstrate the courage to speak up. Some ways in which organizations can do this include:

- *Move away from command-and-control cultures.* Command-and-control cultures are top-down and fuel the *problems of following* (described above). Instead, organizations should encourage all employees to become active partners in the leadership process.
- *Promote ethical climates.* Create an atmosphere where ethical standards and norms are consistently and pervasively communicated and maintained by organizational leaders and employees. Establish strong ethical codes of conduct, easily accessible venues and hotlines for employees to report incidents of unethical behavior, and strict assurance that retaliation against employees who come forward will not be tolerated.
- *Rethink how you see leadership.* Not all managers are leaders and not all leaders are managers. Recognize that leadership can occur at any level of the organization and by anyone who works to effect productive change in a system (being a leader does not require being in a managerial position).
- *Foster climates of responsibility rather than hierarchy.* Don't restrict responsibility solely due to hierarchy. All employees should be empowered and be accountable for promoting ethical behavior that helps the organization be successful.
- *Value upward leadership.* Don't reward blind obedience and don't "kill the messenger." Encourage and reward questions and well intended push-back (be grateful to for employees who provide honest feedback, even if it is not easy to hear). Provide training in upward leadership skills (e.g., communication, proactive problem-solving).

Employees can also proactively prepare themselves for upward ethical leadership. As described above, this involves managing personal power and upward leadership skills. For example, as an employee you can work to:

- *Establish your personal power.* Knowing how you bring value to the organization can reduce your feelings of dependency. In addition, establishing strong networks of relationships can produce power in numbers and source of advice and support.
- *Know when it is right to question authority.* Trust your moral compass to tell you when something is not right. If you feel something is wrong, gather evidence and talk to your net-

work to help you decide on a course of action.

- *Develop your upward leadership skills.* Pushing ideas or concerns up may require a different set of skills. Learn to communicate so your concerns will be heard. Don't discount your ethical responsibility—learn to think about problems and solutions in proactive ways.
- *Don't succumb to fear climates.* Be willing to “break the norm” of silence—usually the fears are unfounded. Knowing how to communicate information in nonoffensive ways will often resolve the problem.
- *Continually work to uphold your reputation and credibility.* Having credibility will add leverage to your concern and increase the likelihood that you will be heard.

In conclusion, when organizational leaders engage in ethical misconduct, the usual means for redressing the violation – managerial action – is no longer viable. Previous examples have shown us that employees are often aware of the misconduct, and in some cases, even asked to participate in it. To stop unethical behavior in these situations, we need to have employees who are willing and capable to take a stand, not only in terms of rejecting solicitations for collusion, but by actively addressing and containing the misconduct. We also need organizations to recognize and reward employees who engage in ethical leadership – the potential harm of ethical scandals promulgated by organizational leaders is too great to restrict responsibility for ethics only to managers.



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