When deviant leaders are punished more than non-leaders: The role of deviance severity ☆

Natalia Karelaia [a,*], Steffen Keck [b]

[a] INSEAD, Fontainebleau, France
[b] Carnegie Mellon University, USA

HIGHLIGHTS

- We examine whether leadership status protects deviants from harsh punishments.
- We show that deviance severity moderates the effect of deviant leadership status.
- Leaders are punished less than non-leaders for minor wrongdoings.
- For major misdeeds, leaders are punished harsher than non-leaders.
- Perceived entitlement and betrayal mediate the effect of deviant leadership status.

ARTICLE INFO

ABSTRACT

Evaluations of deviant behavior in organizations are often biased by personal characteristics of deviants. In four studies, we investigate the conditions under which sanctioners are more lenient towards deviants who hold leadership positions as compared to individuals at lower levels of organizational hierarchies. Results supported the hypothesized interactive effect of deviance severity—which is defined by the magnitude of harm that deviant behavior inflicts on others—and deviant leadership status on recommended (Studies 1 and 2) and actual punishments (Studies 3 and 4). Leadership status appeared to protect its holders in the case of low-severity deviances, but was a liability in the case of high-severity misbehavior. Furthermore, mediation studies with measured (Study 3) and manipulated (Study 4) proposed mediators supported our hypothesis that perceived entitlement mediates the effect of deviant leadership status on punishment for low-severity deviances. For deviances of high severity, we hypothesized and found that the effect of deviant leadership status is mediated by perceived betrayal of leader-specific responsibilities. These results suggest that deviance severity and perceived rights and responsibilities associated with leadership are important determinants of punitive actions that people are willing to impose on deviant leaders.

© 2013 Elsevier Inc. All rights reserved.

Introduction

Media across the globe regularly reports cases of misbehavior by business leaders such as Enron's Kenneth Lay, Tyco's Dennis Kozlowski, and WorldCom's Bernard Ebbers. Punishments for business leaders involved in these scandals are often severe. For example, in 2005, former CEO of WorldCom Bernard Ebbers received a 25-year sentence for orchestrating a record $11 billion accounting fraud (Belson, 2005). On the other side, in their daily work leaders are usually given considerable leeway in their behavior. In fact, rule-breaking, aggressive risk-taking, and lack of self-restrain are frequently perceived as marks of good leadership (Kramer, 2003). Prior research has shown that in evaluating deviant behavior, observers (e.g., those in charge of imposing punishments, public opinion, and other third-parties) are biased by personal characteristics of deviants such as, for example, their social status (Bowles & Gelfand, 2010; Fragale, Rosen, Xu, & Onypchuk, 2009) or group membership (Kerr, Hymes, Anderson, & Weathers, 1995; Marques, Yzerbyt, & Leyens, 1988). Understanding such biases is important since they may lead to unfair—either too lenient or too harsh—treatment of deviants. In this paper, we study the effect of deviant leadership status—that is a position which provides its incumbent with both social status and power—on how observers evaluate misbehavior and what sanctions they are willing to impose on the deviant.

Much social–psychological research on power documented a variety of its negative consequences related to the behavior of power

incumbents. It has been shown that repeated exercise of power or a mere mental activation of this concept may by itself lead to disinhibited, situationally unconstrained and socially inappropriate behavior, less strict moral behavior, and self-serving performance evaluations (Fiske, 1993; Georgesen & Harris, 1998; Keltner, Gruenfeld, & Anderson, 2003; Kipnis, 1972; Lammers, Stapel, & Galinsky, 2010). These findings suggest that deviant behavior may abound among high-status power holders. How do observers react to such behavior? When are people more tolerant of deviances committed by leaders than by non-leaders? When (and why) are they willing to impose a harsher punishment on deviant leaders than non-leaders? Our research seeks to answer these questions.

Power can be thought of as asymmetrical control over resources—both material and social—and other persons' outcomes (Dépret & Fiske, 1993; Fiske, 1993; Keltner et al., 2003). In contrast, social status can be defined as "the outcome of an evaluation of attributes that produces differences in respect and prestige" (Keltner et al., 2003, 266). High social status can be due to both ascribed (e.g., gender, age, family background) and achieved characteristics (e.g., education, competence, skill, occupation). Power and status are closely related and mutually reinforcing (Magee & Galinsky, 2008) because status may determine the allocation of resources within groups (French & Raven, 1959), and individuals derive power from their membership in high social status subgroup (Domhoff, 1998; Hogg & Abrams, 1988). In fact, leadership positions in organizations and social hierarchies give their incumbents both power and high social status, as long as the individuals are perceived as legitimate occupants of these positions (Keltner et al., 2003; Messé, Kerr, & Sattler, 1992). In this research, we focus on the effect of leadership status, and by doing so we thus consider deviants who possess both power and social status.

Drawing on the research on organizational deviance (e.g., Jones, 1991; Robinson & Bennett, 1995; Vardi & Wiener, 1996; Warren, 2003), role schema theory (Fiske, 1993; Fiske & Taylor, 1991) and, more specifically, leader categorization theory (Lord, 1985; Lord, Foti, & de Vader, 1984), we develop and experimentally test the hypothesis that the *severity* of misbehavior—which is defined by the magnitude of harm that deviant behavior inflicts on others—moderates the strength of punishment that observers impose on leaders as compared to non-leaders. We suggest that for deviances of relatively low severity leadership status protects the actor from harsh evaluations and sanctions. By contrast, when deviances are severe, this effect reverses and being a leader becomes a liability, thereby triggering stronger disapproval and punishment. We propose that this interactive effect of deviant leadership status and the severity of misbehavior is mediated by the extent to which observers perceive the leader to be entitled to certain privileges and to betray expectations that are generally held towards individuals in leadership positions.

We demonstrate the hypothesized interactive effect of deviance severity and deviant leadership status on punishment in scenario-based Studies 1 and 2. We then replicate this result in laboratory experiments and further show that the effect of leadership status on punishment is mediated by perceived entitlement for deviances of low severity and by perceived betrayal of leader-specific expectations for deviances of high severity (Studies 3 and 4).

Deviant behavior and severity

The term *deviant* is used to denote acts that violate significant norms (Cohen, 1966). In this paper, we define *deviant behavior* as behavior that is voluntary, that violates significant social norms, and in doing so, is potentially harmful to others. Thus, deviant behavior does not live up to the standards set by "hypernorms," or globally held standards of ethical behavior (Donaldson & Dunfee, 1994; Warren, 2003). As such, this definition overlaps with the definition of workplace deviance, which has been conceptualized as behavioral departures from norms of a reference group in general, or, more specifically, significant organizational norms, formal or informal, and threatens the well-being of the organization, its members, or society at large (Bennett & Robinson, 2000; Robinson &

Bennett, 1995). The overlap is warranted because organizational norms often (although not always) reflect more general social norms (Warren, 2003). In fact, some scholars explicitly include both "shared organizational norms and expectations" and "core societal values and standards of proper conduct" to delineate the reference point against which organizational misbehavior is judged as such (Vardi & Wiener, 1996, 153; see also Vardi & Weitz, 2004). An important part to all these conceptualizations of deviant behavior is harm that such behavior inflicts on others. Because deviant acts may harm others, it can be said that they involve a moral, or ethical, issue (Velasquez & Rostankowski, 1985). Thus, our definition of deviant behavior is close to what Jones (1991) calls unethical behavior, a category in which he includes acts that are ethically unacceptable to the larger community.

Importantly, the conceptualization of deviant behavior that we adopt differs from the legal approach to deviance that considers violations of legal standards (e.g., Baucus & Baucus, 1997; Miceli & Near, 1984). Deviant behavior, as we define it, may be acceptable or not from the legal standpoint, but, importantly, it contradicts general social norms. For example, verbally abusing a co-worker, lying, taking credit for others' work, or unfairly claiming more resources for the self may be legal or not. However, common to all these examples is that these behaviors violate significant societal norms and have the potential to harm others.

Literature on deviant behavior suggests that the magnitude of *harm* inflicted on victims (individuals or organizations) is a metric on which deviant behavior can be classified along the *severity* continuum (Jones, 1991; Robinson & Bennett, 1995; Umphress & Bingham, 2011; Vardi & Wiener, 1996). On this metric, deviant acts that are associated with more serious negative consequence for others are considered more severe and unethical (Butterfield, Treviño, & Weaver, 2000; Fritzsche, 1988; Jones, 1991; Morris & McDonald, 1995; Robinson & Bennett, 1995; York, 1989), and the perpetrators of acts with more serious negative consequences tend to be punished more (Fiske & Taylor, 1991; see also Kahneman, Schkade, & Sunstein, 1998).

We propose that the magnitude of harm caused by a deviant act is a determining factor of whether deviant leaders are punished for the same misbehavior more than individuals not holding a leadership position. Moreover, deviant behavior of leaders within the context of social structures of organizations is especially interesting, because specific expectations of behaviors associated with leadership roles within such structures can create a reference point for judging leaders' behavior. We suggest that such expectations can lead to differential predictions regarding how harshly leaders and non-leaders are judged for acts that defy societal norms and inflict harm—either mild or substantial—on other individuals within these social structures. We develop these ideas further below.

Role schema theory

Social cognition research postulates that the role one has in a group activates certain *role schemas* (Fiske, 1993), both in the role holder and observers. Role schemas reflect common descriptive and prescriptive expectations towards a person in this role, and they exert significant influence on processing social information (Fiske & Taylor, 1991). Among other things, such expectations entail the rights and obligations of the incumbent of a particular social role. The ideas of role schema theory have been widely applied to the field of leadership in the form of *leader categorization theory* (e.g., Lord, 1985; Lord & Emrich, 2001; Lord et al., 1984). According to the leader categorization theory, members of organizations evaluate leaders with respect to the degree to which leaders act according to the common expectations concerning how prototypical leaders should behave and what characteristics they should possess. For example, leaders who are perceived as resembling the "ideal leader" are seen as more intelligent (Epitropaki & Martin, 2005). Importantly, the leader role schema holds that the leader should act in a responsible and fair manner towards the status-conferring group, but also that s/he is entitled to certain privileges (Lord et al., 1984; Messick et al., 1983;