

# Ethical Leadership for the Professions: Fostering a Moral Community

Linda M. Sama  
Victoria Shoaf

**ABSTRACT.** This paper examines the professions as examples of “moral community” and explores how professional leaders possessed of moral intelligence can make a contribution to enhance the ethical fabric of their communities. The paper offers a model of ethical leadership in the professional business sector that will improve our understanding of how ethical behavior in the professions confers legitimacy and sustainability necessary to achieving the professions’ goals, and how a leadership approach to ethics can serve as an effective tool for the dissemination of moral values in the organization.

**KEY WORDS:** ethical leadership, moral community, professional business

## Introduction

As scandal continues to rock the professional business sector, questions abound as to cause and effect, while clients’ trust and business legitimacy wear down. Understanding the fundamental drivers of ethical lapses in the professions is a critical pursuit of academics and practitioners alike. One emerging viewpoint that we support in this paper is that the professions, more so perhaps than other business endeavors, require strong ethical leadership at the

---

*Dr. Linda M. Sama is Director of the Center for International Business Development and Associate Professor of Management at Pace University’s Lubin School of Business. She earned her Ph.D. in Strategic management from the City University of New York and her MBA in International Finance from McGill University. She was awarded the 1999 Lasdon Dissertation Award for her doctoral dissertation on corporate social response strategies and the Abraham Briloff Award of Best Paper in Business Ethics at the City University of New York in 1998. Dr. Sama made a transition to academe after a lengthy career in industry, where she acted as Director of Market Planning and Logistics for a major international subsidiary of Transamerica Corporation. She teaches primarily in the areas of International Business, Strategic Managements and Business Ethics, and has taught at Baruch College and the University of Texas at El Paso (UTEP) prior to coming to Pace in the fall of 2001. At UTEP, she was designated as the Skno International Business Ethics Scholar from 1999–2001. She has published numerous articles and book chapters that address issues of corporate social responsibility, business and the natural environment, integrative social contracts theory, and business ethics dilemmas in the new economy. Her research appears in journals such as The Journal of Business Ethics, Business Ethics Quarterly, Business and Society Review, The Journal of Cross-Cultural Management, and the International Journal of Value-Based Management. She has also published research for the U.S. Department of Transportation related to*

---

*the effects of NAFTA on U.S. – Mexico border logistics and has consulted to business clients on Strategic Planning, Global Leadership and Business Ethics. Dr. Victoria Shoaf is an Associate Professor and Assistant Chair of the Department of Accounting and Taxation at St. John’s University. She received her Ph.D. in Business, with a specialization in Accounting, from Baruch College of the City University of New York in 1997; she was awarded the 1997 Lasdon Dissertation Award. Prior to joining St. John’s University on a full-time basis, Dr. Shoaf worked for over fifteen years in the retail industry with merchandising firms. Her expertise is in establishing effective accounting systems and controls, including operational functions such as order entry and fulfillment, inventory control, point-of-sale data transfers and sales audit, as well as financial accounting functions. She has held controllership positions at Laura Ashley, Inc., Greeff Fabrics, Inc., and Tie Rack, Inc. While working in industry and while completing her doctoral degree, Dr. Shoaf taught accounting courses as an adjunct instructor at Pace University and at Baruch College. She received a commendation from the dean at Pace University for teaching excellence, and she was awarded a Graduate Teaching Fellowship at Baruch College. She currently serves on several professional committees, and she has provided consulting services in accounting education and training programs for several large employers.*

helm (see, for example, Copeland, 2005; Mills and Spencer, 2005; Odom and Green, 2003). The literature on ethics and ethical leadership makes little distinction between the relative values of ethical leadership in various sectors of the market economy. However, with an increasingly service-oriented and knowledge-based economy in developed countries of the world that together make up nearly 80% of world GDP (<http://www.worldbank.org/>), it is useful to probe the extent to which ethics in the professions can contribute to a robust economy, legitimacy aims, and improved moral fiber of the businesses represented in this ever-growing sector, and how unethical professional norms tend to erode growth potential, consumer confidence, and market stability.

This paper explores the nature of the professions and how they act as moral communities. As such, we proceed to examine various leadership styles and address the importance of ethical leadership in this critical sector of professional services. We offer examples of ethical leadership voids that have wreaked havoc on the moral communities their businesses served and were members of, and how moral intelligence at the top might have contributed to better outcomes for all stakeholders. The paper further explores the relationship between ethical leadership and ethical organizational culture, and culminates in a proposed model of ethical leadership in the professions. Recommendations are offered for practitioners, and implications for both ethical theory and leadership theory are discussed.

### **The professions as moral communities**

A profession is characterized by the mastery of a specific knowledge base and the development of skill and acumen in performance related to that knowledge. Professionals, thus, participate in a very unique form of market transaction, performing work whereby the practice of a specialized skill is linked to the service of others, and therefore the potential to do harm, whether to the individual or to society, is considerable (Bowal and Lau, 2005). In other words, professional transactions are frequently characterized by their having high moral intensity (Jones, 1991). Moral intensity is a concept that embraces influences on ethical choice to include magnitude of the

consequences, social consensus, probability of effect, temporal immediacy, proximity, and concentration of effect (Sama and Shoaf, 2002). Given that the magnitude of the consequences, probability of effect and concentration of effect can be substantial in the wake of professional moral lapses, communities of practice in the professions hold expectations related to professional morality that may be of a higher order than the expectations related to business at large (Jamal and Bowie, 1995).

Dating back to the 17th century, the notion of the professions as providing services in an altruistic mode to their communities has been the prevalent characteristic of these occupations. In that era, the professions included three: physicians, priests, and lawyers. These professions addressed the corporal, spiritual, and material needs of communities respectively. With the economic and technological changes of the 19th century, many vocations that developed were also considered to be professions, based on their foundation in the mastery of a specific knowledge base and extensive training – for example, engineering, pharmacy, nursing, journalism, accounting, and financial services. Modern times have witnessed critical moral lapses in all three of the bedrock professions, along with such lapses in the newer professions as the well-publicized scandals in financial services and accounting. Even the church has come under serious scrutiny, jarring communities' perception of professional morality and calling to question the integrity of those practicing in these sectors. Consumers have chosen to substitute herbalists for physicians, spiritual guides for priests, and self-serve internet sites for legal and financial advising, in a reaction to ethical crises, abuses of power and breaches of trust in the professions. Ironically, this comes at a time when modern society, as a knowledge society, is increasingly dependent on the professions for its proper functioning. Technological advances and global trends have resulted in a proliferation of information that has complicated professionals' lives and rendered their clients increasingly dependent on them for guidance and advice. Despite the trust crisis, the number of professions continues to grow, as does their membership, with more and more occupational groups claiming the status of a profession (Bayles, 1989).

Indeed, the professions can be understood as examples of a "moral community" defined as a

non-random collection of groups of people engaged in reciprocal and *positive* social interaction (DiNORCIA, 2002). As DiNORCIA (2002:168) explains, this interaction contemplates a “moral minimum of mutual care and reciprocity, and a shared social code”. The elements of trust, integrity, reciprocity, and self-regulation that characterize a moral community are also typically associated with professional occupations and serve as cornerstones of professional success. Further, the professions’ work is dictated by codes mutually agreed upon and separate from the law.

Professionals are taught to be intrinsically motivated and their work is thought to be better executed when self-regulated, that is without the interference of government. In other words, members of the profession are generally elected to a body that then governs the profession (for example, the CFA Institute governing financial analysts). In fact, self-regulation is a “founding principle” of the professions (Reece, 2002: 21) and is achieved through such mechanisms as ethical codes of professional conduct, certification or licensing, related education and ongoing training, and professional development. Cultural norms dictate that professionals behave ethically even in the face of temptation that would lead other business leaders to behave in their own self-interest. For this reason, it remains an incongruous image to watch professionals hauled away in handcuffs on the nightly news, as courts are more and more prone to stepping into the fray in an effort to stem the tide of professional ethical transgressions. These images signal a clarion call for effective ethical leadership in the professions to correct the growing perception of these occupations as untrustworthy.

### **Ethical leadership in the professions**

Professionals are often called to assume leadership roles, especially in the context of business. Hence, they must practice not only the skills developed from their professional training, but also they must exercise leadership over others. Given the high degree of managerial discretion (Child, 1972) in the hands of professional leaders, who are largely self-regulated, outcomes of leaders’ decisions in this sector can be wide-ranging and affect an array of stakeholder

interests, thus accentuating the need for moral intelligence at the helm of these organizations.

The literature points to two general classes of leadership styles: transactional and transformational (Bass and Avolio, 1994), with the majority of leaders studied characterized as transactional (Wren, 1998). Transactional leadership is founded on contingent rewards and management by exception, motivates followers to achieve the goal, and focuses on bottom-line results (Den Hartog et al., 1997; Gini, 1998; Odom and Green, 2003; Wren, 1998). Static organizations in placid environments are more likely to experience transactional leadership modes, and the emphasis on task, authority and outcomes urges management to steer the way without reference to a moral compass. Odom and Green (2003) concur, suggesting that transactional leadership creates a climate where even good intentions are more likely to result in unethical behavior.

Transformational leadership is based on vision, trust-building, core values, continuous learning and long-term sustainability. Such leadership motivates followers to achieve a vision moored on objectives that include concern with *all* stakeholders, and acts as a mentor or role model (Torpman, 2004) to followers’ moral development. Northouse (2001) cites the 4 “I”s of transformational leaders as: individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence. Organic organizations operating in fluid and dynamic environments are more likely to support transformational leadership styles, and the importance of collective identity (Shamir et al., 1998), leading by example, employee development and a learning culture combine to promote an ethical approach to leadership.

Ethical leadership, then, derives from a model of transformational leadership wherein the vision is one of the achieving moral good, and the core values are those of integrity, trust, and moral rectitude. Ethical leaders inspire others in the organization to behave in similarly ethical ways, and they are persuasive in their communities to effect change in the direction of positive moral goals. They are in possession of moral intelligence. Moral intelligence at the individual level relates to a stage of moral development that recognizes rules as part of a social contract and that elevates the social contract above the moral minimum of law (Kohlberg, 1969). Moral intelli-

gence paves the way for ethical leadership that engages in ethical conduct based on doing the right thing consistently, and recognizing one's moral responsibilities towards members of a community (Ciulla, 2005; Rost, 1995). Since unethical behavior results from moral rationalization that denies consequences of decisions with ethical impact (Nash, 1993, 2001), ethical leadership must be able to identify when a decision has moral consequences, and it must then employ ethical decision-making modes that consider more than mere bottom line results, understand the full consequences of utilitarian decision-making that may not fully account for the social costs of a decision (Sama and Shoaf, 2002), and choose to do the right thing consistently.

In the professions, ethical leadership is a critical success factor for reasons unique to this occupational sector. First, factors in the professions are fully mobile (i.e., knowledge and information), creating opportunities for ethical abuse that crafters of perfect market economics did not foresee. In the face of this factor mobility, it would be tempting, for example, to offer jobs to professionals willing to bring their clients with them, but the ethical dilemma in this case is apparent. Leaders need to set standards that would work against such action and promote others in the field to do the same. Further, information has become over-abundant, cumbersome and complex. Professionals are called on to navigate through a maze of paperwork at increasing costs to their firms. And trust issues have imposed additional costs in the form of agency or monitoring costs on these activities. Third, ethical leadership in professional transactions is also critical to the long-held tradition of self-regulation in these fields, which permits far more requisite flexibility and creativity than legal regulation by the courts could confer. Further, it promotes a focus on sustainable core values rather than contingent rewards and bottom-line results (Ciulla, 1998; Collins and Porras, 1996; Gini, 1998). To the extent that professions are piloted by ethical leaders, there is a greater likelihood that moral intelligence will be promoted in followers and that reciprocal trust will develop in relevant communities to the profession. Ethical leadership confers legitimacy to agencies and actors serving the public good. Finally, professions are akin to natural monopolies, an analogy that throws virtuous conduct into question. Work is clearly reserved for the profession and

cannot be executed by other substitute providers legitimately. Ethical leadership is the check against monopolistic practices that would otherwise harm public welfare.

### Lapses of ethical leadership

The importance of ethical leadership in the professions is especially pronounced as it responds to a swath of recent scandals in the professions, such as those witnessed at Marsh & McLennan and Arthur Andersen. In these cases, ethical leadership was largely absent.

Marsh & McLennan Cos., the largest insurance brokerage firm in the world, was charged by New York Attorney General Eliot Spitzer in October 2004 of collecting large amounts of contingent fees from insurance companies to steer business their way (\$845 million in 2003 alone) and of rigging bogus bids by competitor insurance firms to make the selection appear to clients to be competitive (Francis, 2004). This practice of paying contingent commissions has apparently been common in the insurance industry, but its legitimacy is dependent on appropriate disclosure (*Perspectives on Ethical Leadership*, 2005). In this context, not only was it not disclosed, but also the associated bid-rigging constituted a deliberate duping of the client. Marsh was allegedly acting as a professional agent for the client, and the deception caused an immeasurable erosion of trust in the professional. The lawsuit was subsequently settled out of court, but the settlement conditions clearly indicate a belief in the importance of professional leadership in this unethical practice. Spitzer insisted that he would not settle with the company on charges of bid-rigging and price-fixing as long as Mr. Greenberg, the chief executive, was in a position of leadership. In short, he said that he was "not going to settle with a company when the CEO doesn't believe the company's behavior was improper" (Murray, 2005). It was evident, to Spitzer at least, that reform is impossible without ethical leadership.

The opposite approach was taken by the court prosecuting Arthur Andersen LLP for its role as professional auditor for Enron. In this case, no focus was made on individuals, other than David Duncan, the Andersen partner who audited Enron and turned

state's evidence; the indictment was directed against the company as a whole, although most employees were barely aware of having Enron as a client. Nonetheless, the shared responsibility may be appropriate because in a partnership all partners share the leadership function. Certainly, the corporate climate contained elements antithetical to ethical leadership. The faults cited then are similar to those mentioned in the recent lawsuit against Andersen for its audits of WorldCom: that in its professional position of holding the public trust, it was reckless to overlook any questionable items and to acquiesce to what was identified as improper accounting (Gullapalli, 2005a). The pressure to maintain the goodwill of large clients overcame the more important values of ethical leadership. Interestingly, four years after Andersen's demise as a company, the US Supreme Court unanimously reversed the 2002 criminal conviction of Arthur Andersen for shredding Enron-related documents (Gullapalli, 2005b). Barry Melancon, president of the American Institute of Certified Public Accountants, observed that despite this particular vindication, "Clearly the firm failed" (Gullapalli, 2005b).

The examples cited above suggest that ethical leadership cannot operate effectively in a culture that is unsupportive of the moral good. Ethical leaders can contribute significantly to the creation and sustainability of an ethical work climate (Ireland and Hitt, 2005), but the future of the professions is dependent on institutionalized norms and practices that are not solely dependent on a handful of ethical leaders to instill and enforce, and that will breed future moral managers for the field.

### Leadership and culture

Organizational culture is the context within which leadership operates to allocate resources, set goals and perform tasks. It is a shared belief system that guides member behavior and one which the leader often takes a role in creating, particularly transformational leaders. Ethical leadership will thrive more successfully in some organizational cultures than in others. Several taxonomies of organizational culture are offered in the literature, including Wallach's (1983) bureaucratic, supportive and innovative cultures; and, more recently, Goffee and Jones (1998)

four-type culture model based on the dimensions of sociability and solidarity. The four resulting cultures are communal, fragmented, networked, and mercenary cultures, with communal cultures evidencing high sociability *and* high solidarity, and serving as examples of what we characterized earlier as a "moral community". Transformational leadership is effective in fostering moral communities, as they require unity around common goals, collaboration and trust, and promotion of the collective good. Transactional leadership suits a bureaucratic culture in Wallach's (1983) typology, or a mercenary culture (Goffee and Jones, 1998), that is, one that manages by exception – weeding out the unproductive workers – and that emphasizes winning at all costs.

Maintaining legitimacy in the professions relies on fostering strong ethical cultures, and leaders are deemed to be a critical element of cultural development (Schein, 1985; Sims, 2000). Leaders in the professions are particularly important to the success of the agency and must be effective modelers of behavior, as reciprocity and feedback stimulate cycles of trust. It follows that ethical leadership in the professions helps to build moral community, since mature, moral intelligence applied *consistently* will help result in a more ethical climate (Sims and Brinkmann, 2002).

The moral lapses addressed in the previous section point to the manner in which serious ethical dilemmas can result in unethical behavior if an organization's leadership promotes an immature, ambiguous, or negative ethical climate. In the professions, where members are essentially acting without the benefit of regulatory pressures to guide behavior, the organization or profession itself must be held accountable to provide the parameters for appropriate action and clear consequences must be identified and enforced with respect to unethical conduct. Ambiguity in this realm can lead to anxiety and high risk-taking behavior, given the wide degree of discretion in decision-making exercised by professionals. Absent moral guidance from the top, the culture becomes an isolationist one, where each member attends to his or her self interest in a survivalist mode, and ultimately invites scrutiny from oversight agencies that impose huge costs of monitoring on the profession and the firm.

In the case where ethical cultures are fostered, they remain difficult to sustain. To avoid the pitfall

of an ethical culture’s endurance depending on the continued nurturing of that culture by a single leader, the professions must bolster the moral community’s principles by crafting and consistently applying the elements of a strong ethical professional code. In this way, ambiguity is reduced, a learning organization is cultivated, and discretion is executed with sufficient parameters for judgment to assure a more moral outcome.

**A conceptual model of ethical leadership for the professions**

Based on the preceding discussion, we have developed the model of ethical leadership for the professions that appears as Figure 1.

The professions are based in trust, integrity, reciprocity, self-regulation, and public service. In this realm, professionals as leaders choose either ethical transformational or amoral transactional leadership styles. From the style of leadership assumed emerges a cultural climate. Ethical transformational leadership gives a clear, consistent message that ethics and social responsibility are valued in the firm; this message results in the formation of a moral community, where workers share these values and principles. Amoral transactional leadership, on the other hand, focuses on the business transactions and bottom-line results, isolating workers from one another as they

compete for rewards contingent on performance results.

The relationships represented here are likely to be moderated by information flows from the environment (the concept of reciprocity) and technical competence or expertise evident in the organization.

Ultimately, the final arbiter is the sustainable success of the firm. Transformational leadership contributes to a thriving environment where success is sustainable. Transactional leadership, on the other hand, may result in an isolationist culture where self-interest is prevalent, as in the recent ethical business scandals discussed above.

**Recommendations and implications for practice**

Traditional values of the professions are eroding, leading to breaches of trust, resulting in increasing scrutiny of the professions and their practices, often in the form of regulation. Public recourse is increasingly through litigation. Reinstalling trust and legitimacy requires ethical leadership that embodies moral intelligence and creates moral community through shared values, reciprocity, integrity, transparency, and consistent adherence to principles. Being a professional is a privilege, not a right, and one must continue to earn the privilege conferred on the profession by society. To do so requires attention

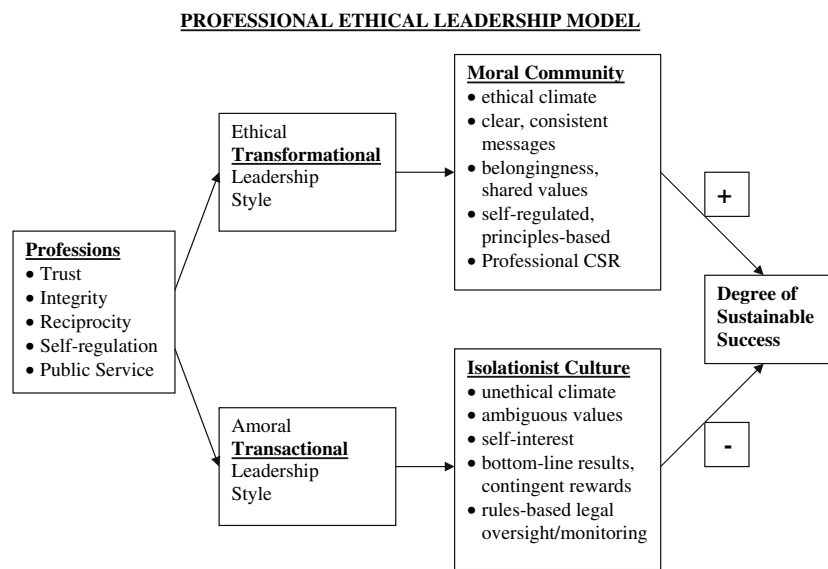


Figure 1. Professional Ethical Leadership Model

to the duties implicit in the reciprocal relationship between the professional and the client that constitutes the moral community in which they transact business. These reciprocal duties include but are not limited to a duty to impart truthful information, a duty to avoid deception, a duty to respect privacy and confidentiality, and a duty to do no harm.

Some recommendations for professions seeking bolder initiatives for ethical leadership begin with the concept of professional social responsibility (PSR) to match corporate social responsibility (CSR) in terms of scope and magnitude of effect (Reece, 2002). The understanding behind a PSR movement is that professional work is, essentially “servant leadership” (Spears and Lawrence, 2002) Another avenue for change is requisite training at AACSB-accredited business schools established as an integral part of the curriculum, to instill moral leadership awareness for future professionals. Once engaged in the professions, sustainability is dependent on professional learning, technical competence, and values of trust and service instilled through the implementation and monitoring of codes of conduct and ongoing training.

## References

- Bass, B. M. and B. J. Avolio: 1994, *Improving Organizational Effectiveness Through Transformational Leadership* (Sage, Thousand Oaks CA).
- Bayles, M.: 1989, *Professional Ethics (2nd ed)* (Wadsworth, Belmont CA).
- Bowal, P. and B. Lau: 2005, ‘Just Say it, if You Dare’, *Journal of the Academy of Marketing Science* **33**(2), 242.
- Child, J.: 1972, ‘Organizational Structure, Environment and Performance: The Role of Strategic Choice’, *Sociology* **6**, 1–22.
- Ciulla, J.: 2005, ‘In Praise of Nepotism?’, *Business Ethics Quarterly* **15**(1), 153–160.
- Ciulla, J.: 1998, ‘Imagination, Fantasy, Wishful Thinking, and Truth’, *Business Ethics Quarterly* (Ruffin Series #1), 99–107.
- Collins, J. and J. Porras: 1996, ‘Building Your Company’s Vision’, *Harvard Business Review* **74**(5), 65–77.
- Copeland, J. E., Jr.: 2005, ‘Ethics as an Imperative’, *Accounting Horizons* **19**(1), 35–43.
- Den Hartog, D. N., J. J. van Muijen and P. L. Koopman, 1997, ‘Transactional versus Transformational Leadership: An Analysis of the MLQ’, *Journal of Occupational and Organizational Psychology* **70**(1), 19–29.
- Di Norcia, V.: 2002, ‘The Knowledge Economy and Moral Community’, *Journal of Business Ethics* **38**(1/2), 167–177.
- Francis T. and G. Zuckerman: 2004, (October 27), ‘Marsh Spells Out Reforms’, *Wall Street Journal* (Eastern edition), C1.
- Gini, A.: 1998, ‘Work, Identity and Self: How We Are Formed by the Work We Do’, *Journal of Business Ethics* **17**(4), 707–714.
- Goffee, R. and G. Jones: 1998, *The Character of a Corporation: How Your Company’s Culture Can Make or Break Your Business* (Harper Business, London).
- Gullapalli D.: 2005a, (January 10), ‘Arthur Andersen Suit to Proceed’, *Wall Street Journal* (Eastern edition), C5.
- Gullapalli D.: 2005b, (June 1), ‘Andersen Decision is Bittersweet for Ex-Employees’, *Wall Street Journal* (Eastern edition), A6.
- Ireland, R. D. and M. A. Hitt: 2005, ‘Achieving and Maintaining Strategic Competitiveness in the 21<sup>st</sup> Century: The Role of Strategic Leadership’, *Academy of Management Executive* **19**(4), 63–77 Reprinted from 1999 Vol. 13 (1).
- Jamal, K. and N. E. Bowie: 1995, ‘Theoretical Considerations for a Meaningful Code of Professional Ethics’, *Journal of Business Ethics* **14**(9), 703–714.
- Jones, T.: 1991, ‘Ethical Decision Making By Individuals in Organizations: An Issue-Contingent Model’, *Academy of Management Review* **16**, 366–395.
- Kohlberg, L.: 1969, ‘Stage and Sequence The Cognitive-Developmental Approach to Socialization’, in D. A. Goslin (ed.) *Handbook of Socialization Theory and Research* (Rand McNally, Chicago).
- Mills, A. E. and E. M. Spencer: 2005, ‘Value Based Decision Making: A Tool for Achieving the Goals of Health Care’, *HEC Forum* **17**(1), 18.
- Murray A.: 2005, June 8, ‘Post-Enron Regulatory Changes Have Their Good and Bad Sides’, *Wall Street Journal* (Eastern edition), A2.
- Nash, L.: 2001, ‘How the Church Has Failed Business’, *Across the Board* **38**(4), 26–33.
- Nash, L.: 1993, *Good Intentions Aside: A Manager’s Guide to Resolving Ethical Problems* (Harvard Business School Press, Boston MA).
- Northouse, P.: 2001, *Leadership, Theory and Practice* (Sage Publications, Newbury Park CA).
- Odom, L. and M. T. Green: 2003, ‘Law and the Ethics of Transformational Leadership’, *Leadership & Organization Development Journal* **24**(1/2), 62–69.
- Perspectives on Ethical Leadership*: 2005, Proceedings of the Fifth Annual James A. and Linda R. Mitchell/American College Forum on Ethical Leadership in Financial Services (The American College, Bryn Mawr, PA).

- Reece S.: 2002, 'The Professions: Growth or Decay?', *RSA Journal* (December), 18–21.
- Rost, J.: 1995, 'Leadership: A Discussion about Ethics', *Business Ethics Quarterly* **5**(1), 129–142.
- Sama, L. M. and V. Shoaf: 2002, 'Ethics on the Web: Applying Moral Decision-Making to the New Media', *Journal of Business Ethics* **36**(1/2), 93–103.
- Schein, V.: 1985, 'Organizational Realities: The Politics of Change', *Training and Development Journal* **39**(2), 37–41.
- Shamir, B., E. Zakay, E. Breinin and M. Popper: 1998, 'Correlates of Charismatic Leader Behavior in Military Units: Subordinates' Attitudes, Unit Characteristics, and Superiors' Appraisals of Leader Performance', *Academy of Management Journal* **41**(4), 387–409.
- Sims, R.: 2000, 'Changing an Organization's Culture Under New Leadership', *Journal of Business Ethics* **25**(1), 65–78.
- Sims, R. and J. Brinkmann: 2002, 'Leaders as Moral Role Models: The Case of John Gutfreund at Salomon Brothers', *Journal of Business Ethics* **35**(4), 327–339.
- Spears L. C. and M. Lawrence (eds.): 2002, *Focus on Servant Leadership for the 21st Century*. John Wiley & Sons, New York.
- Torpman, J.: 2004, 'The Differentiating Function of Modern Forms of Leadership', *Management Decision* **42**(7/8), 892–906.
- Wallach, E.: 1983, 'Individuals and Organization: The Cultural Match', *Training and Development Journal* **12**, 28–36.
- <http://www.worldbank.org/depweb/english/modules/economic/gnp/index.html>, Accessed February 4, 2006.
- Wren, T.: 1998, 'James Madison and the Ethics of Transformational Leadership', in J. Ciulla (ed.) *Ethics: The Heart of Leadership* (Praeger, Westport CT).

Linda M. Sama  
Center for International Business Development (CIBD),  
Lubin School of Business,  
Pace University,  
One Pace Plaza, Room W-456, New York, NY,  
10038, U.S.A.  
E-mail: lsama@pace.edu

Victoria Shoaf  
Department of Accounting and Taxation, The Peter J.  
Tobin College of Business,  
St. John's University,  
8000 Utopia Parkway,  
Queens, NY, 11439, U.S.A.  
E-mail: shoafv@stjohns.edu