

Ethical Leadership for Organizational Excellence

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ABSTRACT

This paper examines an important role of ethical leadership in this age of fast pace changing world. It throws light on core elements of ethical leadership in an organization. Being an ethical leader, individual thinks about long term consequences, challenges and benefits of the different decisions which he makes in an organization. Ethical leaders are always characterized as humble, conscientious, inclusive and considerate. They are also concerned for a greater good, striving for fairness in their actions. They are never afraid to take responsibility. The main motto of ethical leader is to set high ethical standards which are suitably to be infused and followed. They create strong influence in terms of instilling ethical values of the organization by setting quintessential example of their behavior. This paper also focuses of different strategies to be used by ethical leader for integrating concept of ethical leadership into the organization. A real ethical leader is one who serves himself as role model to their followers.

1. Introduction

Corporate scandals and moral lapses have given raise to the academic research in the area of Ethical Leadership. The fundamental question which has been doing round is who are corporate managers and are they ethical. There has been growing concern for ethical consciousness across the world. It is to be rightly stated that leaders are a crucial source of ethical guidance for employees in an organization. Ethical leaders are equally responsible for moral development in the organization. There has been varying degree of opinions on association of behavior, conduct, management and ethics. People may think that ethics are intimate, personal matter which individual and his concisions share. Ethics has nothing to do with management however the truth is quite different. There is direct nexus between ethics and leadership. Behavior of manager or leader is disseminated throughout the organization. It is further to be stated that behavioral standards of ethical leader are the important part of corporate climate and culture.

The fundamental purpose of this paper is to throw light on crucial role of ethical leadership for achieving organizational excellence. It also gives an idea of core elements of ethical leadership and the challenges to be faces by leader in an organization.

In this age of complex business world where changes are quite frequent, ethical leadership and development of ethical leadership skills are essential for achieving high performance and organizational success. The influence of ethical leadership on organization excellence presents competencies, practices, tools, traits, approaches and styles.

2. Conceptual Framework of Ethical Leadership

In the world so Freeman and Stewart, 2006, ethical leaders speak to us about identity and what we are and we can become how we live and how we could live better. Ethics is philosophical term which is related with customs and character. It also describes moral requirements and behavior which are

acceptable within the scope of an organization. Narrowly stating, ethics can be views as a frank conversation regarding values and issues which are crucial to stakeholders of the business. In the opinion of Freeman and Stewart, 2006, it is continuous discovery and reaffirmation and evaluation of own values and principles.

The term leadership is defined as the art of persuading a follower to make them work and do activities that the leader sets as goals. Depending on personality characterizes, leader may exhibit different leadership styles. The major role of leader is to direct individuals behavior toward the desired goals. Each leader is characterized by different values, beliefs, habits, attitudes and conduct. These are dependent upon culture of an organization. Leadership also signifies interpersonal relationship between a leader and his followers in an organization. In the context of normative organizational ethics, how leader should behave in an organization. There are different types of ethics especially in terms of behavior. Following description highlights some of the common ways of defining ethics.

1. **Situational ethics:** This may be defined as taking right action which is absolutely dependent on a particular situation. This could mean that the right action might be wrong in another context.
2. **Cultural relativism:** Ethical behavior which is exhibited by a leader is largely attributed to the culture of an organization. It simply means what is considered right in one culture may not necessarily be considered acceptable in other culture. Therefore it is incorrect to judge others culture based on one's own culture.
3. **Professional ethics:** people in a profession have their own code of ethics and it is quite difficult to compare code of ethics of one profession with that of other profession. Respective individuals are required to follow these code of ethics concerning to their respective profession.

4. **Value based ethics:** behavior of a leader is always guided by his or her own value system. Each individual has his or her set of values. These values would help them decide right or wrong activity in an organization. Actions of the leader should always be judged in the light of inner voice what he or she follows.
5. **Rule bases ethics:** Each organization has its own set of rules which are labeled as guidebook. This guidebook plays a major factor which determines the type of behavior which is acceptable within an organization. For instance, each institute has specific set of rules to deal with employees or customers.
6. **Fairness based ethics:** each individual should be treated fairly and equally. Ethical behavior of a leader should of such type that does not discriminate others. In short, right actions and right behavior of the leader are determined by their fairness.
7. **Ethics based on general principles:** Behavior of a leader is also guided by generally accepted principles in an origination. General principles in an organization shed light on greater good ahead of personal interest. It is also inclusive of practices which avoid harming other people in an organization.

Ethical leadership is basically a leadership concept which uses the ethical concept as a guide to managing subordinates. In other words, ethical leadership is influencing people through ethics. Ethical leadership can be viewed as healing and energizing powers of love which reciprocates relation with followers. Being an ethical leader requires numerous tasks to be performed in an organization. It can range from thinking about welfare of others, being fair and thinking about consequences of one's actions. The approach of ethical leader can never be myopic. In fact, he always thinks about long term consequence in terms of challenges as a result of his decision and benefits which are associated with his decisions. Doing right things and taking right decisions are the main motto of an ethical leader.

It is also to be stated that leader follower relationship ethics should be regarded as process. It is certainly not one time sporadic event. An ethical leader is one who influences ethical behavior of follower by way of communicating ethical standards regularly. This signifies that ethical standards which are prepared and merely circulated amongst the staff members are not a sufficient step for execution of ethical behavior in an organization. Ethics should be alpha and omega of organizational culture. In fact, this should be ingrained in organizational life. Ethical lapses should not be tolerated by ethical leaders. In the world of Trevino and her colleagues who interviewed senior executives and ethics officers in America concluded that an individual has to be honest, trustworthy, show creditability and demonstrates integrity to be perceived as an ethical leader. Ethical leader also need to walk the ethical talk by being courageous and strong. There are four powerful commandments which are governing ethical behavior among the members of an organization.

- a) Performance is counted at the end of the day.

- b) Employees are required to be loyal team players by all means.
- c) Members of the organization are not to break the laws.
- d) There is no need to over invest in ethical behavior.

However, these commandments are adequate enough to create ethical atmosphere inside the organization. In the words J L Badaracco and Webb, 1995, minority of young managers believes that ethics play significant role in terms of career advancement. It is also found that members of the organization are quite hesitant to speak up about ethical issues if they at all face any difficulties. The role of ethical leader comes into the picture over here. In fact, it is one of the prime responsibilities of leader to foster an ethical climate that makes it possible to have sincere and open communication and culture that promotes and rewards ethical behavior. Ethical leader could set an example of him as the icon of ethics which inspires members of the organization to follow the path of ethics. Policies and processes of organization are equally essential to bring in conducive atmosphere which creates ethical culture inside an organization.

3. Approaches to Ethical Leadership

Along with the wellbeing of the members of an organization and wider community and the profitability of organization is of utmost priority for ethical leader. To put it differently, he tries to strike balance between these two aspects. There are essentially three approaches to ethical leadership.

1. **Utilitarian Theory:** This theory sheds light on maximum welfare of the subordinates. Ethical leader who follows this approach firmly believes that subordinates should be happy. The emphasis is also to be laid down on proper ends of the actions. This approach is closely associated with John Stuart Mill and ethical cost benefit analysis.
2. **Libertarianism Theory:** The main concern of ethical leader is to protect the freedom of individuals. Leader may not proceed with the course of action if this would restrain freedom of the subordinates in an organization. This approach is based on Aristotle's idea of virtue ethics or euclaimonics which clearly focuses on intent of individuals.
3. **Ethical Theory:** This theory is developed by Immanuel Kant which emphasizes on doing the right things. Considering rules and customs of the organization, Moral and ethical actions are promoted. Leader is expected to make right decision by understanding common agreed values in an organization.

Stating in the modern context, ethical leadership theory often focuses either one of three approaches or mixture of any of these three approaches. To put in nutshell, an ethical leader is one who acts and leads in an ethical way. This clearly implies that ethical leadership can either be visible or invisible.

4. The Core Characteristics of Ethical Leaders

Ethical leadership is absolutely based on traits of integrity, honestly, fairness, equity, justice and compassion. Sustainable

success of an organization is to be made possible through ethical leadership which emphasizes leading employees to build good relationship which are based on respect and trust. Ethical leader showcases specific characteristics which are listed below.

1. **Conscientious:** One of the most crucial traits of ethical leader is to be conscientious. Ethical leaders never take their position casually. Rather they always aspire to be succeeded in their role by taking their position quite seriously. Ethical leaders also want their subordinates to be empowered adequately. The prime focus of an ethical leader would be on diligence and dedication for getting the jobs done in an organization. The term conscientious connotes an idea of showcasing strong moral identity. He believes in taking right actions. In short, moral identity and conscientiousness are the traits which are innate in an ethical leader.
2. **Inclusive:** Ethical leaders are always open to others' opinion. They encourage members of an organization to voice different ideas. Along with this type of communicative and collaborative inclusiveness, ethical leaders work and establish healthy rapport with people from all types of background. In fact, an ethical leader promotes diverse work environment therefore he wants an organization to be inclusive of employees from different ethnicity, culture and backgrounds. An ethical leader is certainly expected to be open to listen at all time without being judgmental as he needs to deal with different people with different opinions.
3. **Accountable:** One of the important characteristics of an ethical leader is accountability. This is possible as ethical leaders do what they say. This also helps ethical leaders to build trust among the subordinates. To put it differently, ethical leader is one who is responsible for his actions and decisions.
4. **Considerate:** There are two perspectives of ethical leader to be considerate. An ethical leader ought to consider all of his actions. He should sincerely find ways to minimize harm. The second perspective of ethical leader is to be concerned with proper and fair treatment of subordinates and other stakeholders. The best policy which ethical leader should follow is "Everyone is equal". It implies that the worth of each subordinate should be equal for an ethical leader. He ought not to discriminate any member of the organization with one another.
5. **Consistent:** Consistency simply enhances all of the above traits of the ethical leader. Under the framework of ethical leadership, ethical leader must showcase consistency in his approach. Workforce in an organization can be inspired by an ethical leader by staying true to his own ethical standards. An ethical leader must also outline the rules and ethical framework which are to be observed while dealing with the people.

6. **Authoritative:** Ethical leader is required to use his power by learning to be authoritative. Being authoritative does not mean to thrash his subordinates. Precisely, in an authoritative model, power to take decision is in the hands of leader. However ethical leadership requires collaborative efforts in the process. Here also, ethical leader is in charge of the final decision, but he uses his authority in structured way that other members of an organization can share it with the leader. The main focus of an ethical leader is to achieve the ends. He does not emphasis on personal accomplishment. To put in a nutshell, ethical leader uses his authority as a mean to empower others.

5. Integrating ethical leadership in an Organization

Openness and communication are the two corner stone's for integrating ethical leadership and ethical framework into an organization. Following are the important strategies and practices to be used for integrating ethical leadership into an organization.

1. **Inseparability of ethics from other business activities:** Ethics should be woven into the day to day activities. To put it differently, everything within the organization should be done with the ethical framework in mind. Ethics are not just short cuts which are used only at the time of big decision making or when organization faces difficult challenges. The success of ethical leadership is largely attributed to the culture of trust and faithfulness. Therefore organization should impart periodic training to the employees along with the practices of hiring new employees.
2. **Preparing employees to face complexities of ethical decisions:** The framework of ethical leadership should be clearly outlined by an ethical leader. This calls for openness in communication. This would gradually create awareness about ethical standards in use, to the members of an organization. Even if there is case of taking difficult decisions, the whole process should be openly discussed amongst the members. Significantly, these practices will help subordinates to take better decisions themselves.
3. **Disallowing negative interpersonal behavior:** Creating meaningful and healthy relationship with subordinates is always of prime importance to the ethical leader. Negative interpersonal behavior should not be allowed as it erodes trustful environment inside an organization. Different views which are expressed by members should not be treated negatively. Rather these views should be discussed in the light of bringing benefits to the organization. After all ethical leadership is all about development and growth.
4. **Nurturing ethical behavior of subordinates:** Ethical leadership is not an occasional concept. It should be implemented organization wide. The presence of ethical standards should also be acknowledged in day to day activities of an organization. Members of

organization should not be exempted from meeting the expectations set by an ethical leader. They should, in fact, be promoted to behave ethically.

5. **Considering ethics beyond laws and regulations:** Ethical behavior of a leader and members should not just justify doing the right things in the light of regulations but ethics should be expressed in its framework to cover social justice and sustainability. In short, ethical leadership should comprehensively embrace ethics in an organization.
6. **Celebration of positive ethical moments:** In order to integrate ethical leadership in an organization, it is essential to implement and enforce right model and framework for ethical leadership. Ethical leader should cultivate a culture of celebrating positive achievements of his members.
7. **Long term perspective for ethics:** It certainly takes a long time to develop a strong ethical behavior in an organization. Ethical leadership is a long term

development plan. It is not meant for quick fixes. Chiefly, it is an ongoing process. However framework of ethical leadership would change over a period of time with the changes taking place in an organization.

6. Conclusion

Ethical leadership is the phenomenon which leads to better rates of job satisfaction. It also improves employees' commitment towards organization. Ethical leadership does not just imply cooperation; it brings in additional collaborative benefits to the business unit. However the framework of ethical leader should be aligned appropriately with the vision of the organization. It should not create an atmosphere of confusion as the ethical frameworks are largely dependent on the person's worldview. Certain members of the organization, therefore, might not find the environment welcoming. Finally, ethical leadership is not a stagnant concept. It is essential for a ethical leader to encounter constant challenges to meet with the organizational goals.

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