Ethical and Values-based Leadership: Does it really matter in the organizations?

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Abstract-Leading people are an art of effective leader, but until and unless values and ethics will not be integrated with leadership, no leadership and management strategy can be successful in long run. The purpose of this paper is to understand the concept and importance of ethical and values-based leadership in the organizations. This paper provides useful insights to the human resource strategists for planning the ethical and values-based leadership development in the organisations. The authors researched literature studies in leadership and management, on-line leadership and management journals, and articles on ethical and values-based leadership. The authors identified importance of ethical and values-based leadership and values required to develop it in an organization, which would help to increase organizational effectiveness.

Key words- Ethics, Ethical leadership, Values-based leadership, instances, organizational effectiveness

I. INTRODUCTION

“Positive leaders stay grounded in ethical values and use a human growth mindset. They are fixed and flexible at the same time, never straying from ethics but always willing to change with the times.”
Linda Fisher Thornton

1.1 Leadership in organizations

Leadership is an important practice in making the organizations successful. Without the leadership skills, managers cannot work effectively and efficiently. As effective leaders, they are accountable for persuading followers to take actions, complete the assigned tasks and behave in a positive manner. Effective leaders believe in influencing others, encourage positive change in employee’s attitudes and values and empower the employees to achieve the organizational goals. Leadership scholars believe that the caring and nurturing attitude of leaders can improve the organization culture and employee values to the high altitude of moral concern. If leaders are ethical enough, they can make it sure that moral principles, guidelines and practices are followed at different levels in benefit of its stakeholders and organization. Literature stated that effective leadership is most essential reason for organisational sustainability and success.
II. CONCEPTUALISING ETHICAL LEADERSHIP

“When it comes to ethics, followers look to the leaders to lead on ethics and take responsibility for both good and bad results in the organization.”

Trevino, Brown, and Hartman (2003) have stated ethical leadership “as a process of leading in a manner which respects the rights and dignity of followers”. Ethical leaders concentrate on the use of social power in the decisions and actions they take to influence others. Ethical leaders reveal a high level of honesty and integrity for inspiring a sense of trustworthiness, essential for followers to agree to the vision of the leader. These all are essential requirements for leading ethically. Their strong character, honesty and integrity direct their beliefs, values and decisions they make.

The term “Ethical leader” is perceived differently by different experts. Human resource and organisational behaviour experts defined an ethical leader as one who knows the core values and has the guts to line them in all fractions of life. They are impartial, does not take advantage of people’s ignorance/incapability of followers, responsible, no selfish concern, leads others while keeping ethics in mind and action, clearly distinguish between right and wrong, treats in-groups and out-groups equally without any biases, accomplish vision without ignoring one’s moral principles and values, give right directions to the group members, doesn’t exploit others, emotionally intelligent, impartial, respects right and dignity of others, inculcate values and sense of good quality work in all the subordinates, leads on the grounds of ethics, principles, values instilled in life, believe in common good of people and is morally right for all the individuals of a group.

The essential traits of ethical leaders as per leadership researchers may include trustworthiness, just, honest, integrity, good relationship orientation, confident, loyal, transparent, impartial (never keep individual difference in the heart), Habit to share credit, do not exploit team members, work for social motive, committed towards values of his own and of organisation ,emotionally intelligent, sincere, bring coordination and harmony among team members, cool and calm in adverse situation, rational thinking rather than emotional, highly influential, believes in community building, courageous, take responsibility for their actions, dignity and respectfulness, matured, have strong will power and carry compassion.

2.1 The 4-V model of ethical leadership

The 4-V Model of ethical Leadership is a kind of structure which connects the internal beliefs and value system with the external behaviors and actions to create the common good. This model was originated by Dr. Bill Grace, on the basis of his leadership research and self interest to study the role of ethics in the leadership process.

Dr. Bill Grace identified four important elements of this model as shown in figure 1 including:

![Ethical leadership model](source)
Values: As an ethical leader, one must understand his core values and should be committed to follow these at any cost.

Vision: Developing vision requires one’s capability to frame actions to give service to others.

Voice: Communicating and sharing vision with people to choose right path for taking socially constructive actions.

Virtue: In real practice virtue stands for the common good.

An ethical leader always looks for his core values, identified vision and voice with the motive to attain virtue.

III. DEFINING VALUES-BASED LEADERSHIP

“Today there is widespread lack of confidence in leadership, in business, government, education and elsewhere. Every leader needs to regain and maintain trust. Values-based leadership may not be a cure for everything that ails us, but it’s definitely a good place to start.”

Harry M. Jansen Kraemer, Jr.

According to Professor Harry M. Jansen Kraemer, Jr. of North-western University’s Kellogg School of Management, values-based leaders aspire at guiding, motivating and inspiring people to practice the greater good. They induce positive change which can be practiced within a team, division, department, and organization, or on a global level.

In one of the popular book “From Values to Action”, Prof. Kraemer portrays four basic principles of values-based leadership including self-reflection, sense of balance, self-confidence and true modesty.

The most important values for a leader are internal beliefs which develop the sense of understanding the difference of right and wrong, ethical and unethical, just and unjust. Few examples of leaders’ values may include justice, honesty, equal opportunity, humanity, reliability, progress, practicality, excellence and high level of collaboration.

3.1 Instances of values-based leaders

Martin Luther King Jr.

When one looks for few great examples of transformational and values-based leaders in world history, Martin Luther King Jr. is considered as one of the noble example. He is a best example of practicing fairness, humanitarianism, progress, simplicity, excellence, and collaboration with his followers. McGuire & Hutchings, (2007) in one of his study said that Dr. King embodied the qualities of a values-based leader by using the certain behavioral tendencies including:

- Inspiring others by sharing meaningful messages in a constructive and interesting way;
- Practicing equality and justice with followers;
- Showing loving attitude and by offering values to followers; and
- Demonstrating commitment and practicing self-sacrifice.

Above all, his values-based leadership was seen in his nonviolent demonstrations to protest racial inequality, that’s the reason he was considered as icon of the civil rights movement in the United States.

Anna Hazare

Rao (2011) in one of the study on “Values-based leadership” has stated Anna Hazare as one of the leading example of values-based leader who stand against corruption in India. He was one who took lot of pain and risk to develop a kind of system where common man can better protected from corruption in Indian administration. Anna’s generated his ideal position in Indian eyes by using referent power where he holds this power not by position but by stature. People across the country belonging to different religions, regions, languages and cultures started supporting him. At the time, Government of India immediately came out with feasible solutions to announce the war against corruption.
by forgetting its personal clash with Anna Hazare. So finally Anna Hazare occupied an image of values-based leader in society and gave few lessons to society from his leadership style including:

- Leading from the front;
- Understand the common cause and plan strategy for it;
- Spot the leadership vacuum and fill it;
- Sometimes take important risk against your image, life and move forward with sincere and genuine efforts without caring for results;
- Talk less and do more;
- Above all, meet your public promises and show sincere commitment towards.

IV. IMPORTANCE OF PRACTISING ETHICAL AND VALUES-BASED LEADERSHIP IN THE ORGANISATIONS

Trevino, Brown and Hartman (2003) stated that “ethical leaders are people-oriented and are conscious of how their actions and decisions create an impact on others. They also believe in using social power to serve the greater good in place of emphasizing on self-serving interests”.

Encouraging subordinates and caring for their needs instead of their own is another leadership value of ethical leaders. Ethical leadership excites, energizes, encourages and provides freedom to others, which is the spirit of people empowerment. Pfeiffer (1994) favors that better utilization of human resource includes growth and empowerment of individuals, communicating information, creating self managed teams and giving right training to the individuals. These all together are significant determinants of competitive advantage for any organization. This all become possible only when a leader genuinely understand and perform duties and does not compromise with workplace values and ethical principles.

Leadership scholars believes that having the right people with right leadership qualities in the right positions is the most crucial issue for bringing organizational success. The values-based leadership can best tackle this issue and correct the organizations’ vision to ensure its acceptance. The determination and aim of leadership will imbibe passion throughout the organization, if leader is ethical enough and practices adequate work place values.

The ethical and values-based leaders can drive organizational effectiveness by:

- being a true role model;
- creating a culture of transparency;
- encouraging others to take right actions;
- enhancing employees’ motivation for higher productivity;
- planning and implementing right strategies;
- developing creativity and innovations; and
- Most importantly modeling the behaviors that support the organizational values.

The above list mentioned that effective leaders should practice values and ethics in their everyday behavior, actions and decisions for enhancing organizational effectiveness.

V. DISCUSSION AND PRACTICAL IMPLICATIONS

Understanding and practicing right values is one of the key values of great leaders. Values-based leaders must understand, establish, enforce and support the key values of their organisation. More important, they must practice the behavior that support the values and ethics at work place. Ethical and values-based leaders are the need of hour and without them, it is a big challenge to achieve the objectives of employees’ happiness, satisfaction, loyalty, care, commitment, communication effectiveness, leadership effectiveness, customer satisfaction, learning, innovation and growth which altogether necessary to build the organisational effectiveness.

It really does matter to understand the significance of integrating values and ethics in leadership development. Leaders must practice right values in their behavior on daily basis and must communicate these values to others through ethical behavior, correct actions and ethical decision making process. Organisations are advised to recognise and reward those leaders who actively symbolize and practice the values. Future research studies targeting
the importance of ethical and values-based leadership and how it benefit in the organizations can provide useful insights to the human resource strategists for planning this leadership development in the organisations.

References