

The Institute for Ethical Leadership

Promoting and strengthening sustainable ethical leadership to enhance civil society

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Business

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The case for ethical education

Last year the news media reported that, once again, *Emily Post's Etiquette*¹ was the second-most frequently stolen book in American libraries. The most frequently stolen? The Bible. At the same time, a poll of readers at CNN.com found that 92 percent voted a resounding "YES" to the question, "Should bank executives who fought mortgage regulation be held accountable?"²

Joanne Ciulla begins her 1995 book *Ethics, the Heart of Leadership* by saying, "We live in a world where leaders are often morally disappointing."³ Linda Treviño and Katherine Nelson open their 2007 *Managing Business Ethics* similarly: "The popular business press is replete with feature stories describing ethical meltdowns and how those corporate misdeeds have eroded the public trust." Results from the 2007 National Business Ethics Survey compiled by the Ethics Resource Center suggest that things continue to decline:

- Ethical misconduct in general is very high and back at pre-Enron levels—during the past year, more than half of employees saw ethical misconduct of some kind.
- Many employees do not report what they observe—they are fearful about retaliation and skeptical that their reporting will make a difference. In fact, one in eight employees experiences some form of retaliation for reporting misconduct.
- The number of companies that are successful in incorporating a strong enterprise-wide ethical culture into their business has declined since 2005. Only nine percent of companies have strong ethical cultures.⁴

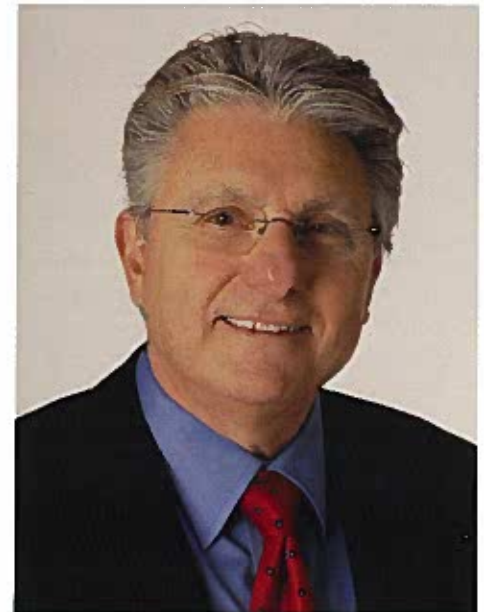
Is today's ethical landscape a place of gloom and doom, or is it a multi-faceted reality of paradoxes and contradictions?

The State of the Field

Most of us realize that individual questions of ethics can be complex. As Linda Treviño and Michael Brown put it, "Ethical decisions are ambiguous, and the ethical decision-making process involves multiple stages that are fraught with complications and contextual pressures. Individuals may not have the cognitive sophistication to make the right decision. And most people will be influenced by peers' and leaders' words and actions, and by concerns about the consequences of their behavior in the work environment."⁵

At the same time, it is vital to recognize that the field of ethical leadership is as complex as individual ethical questions can be. The sources of empirically sound research to address that complexity come from a relatively young field, about thirty years old and just beginning to mature. In theory and in practice, today's researchers continue to define and develop ways of approaching ethical leadership, but most of the work so far has been focused on descriptive studies and has been confined to decision making.

Decision making involves recognizing that an issue is a moral one, evaluating it, making a moral judgment, establishing moral intent to take action, and engaging in moral behavior. Based on the research, making the ethical choice for most people means bowing to the overwhelming influence of peer pressure, avoiding punishment, or getting a reward. In other words, doing what others do and avoiding personal pain trumps doing what is right or best almost every time.



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In the light of this reality, researchers acknowledge that much more systematic analysis and research need to be done. Ethical leadership is not learned from greeting cards and pop slogans. It is not as simple as “do the right thing” or “if you talk the talk, then walk the walk.” The ethical missteps and meltdowns that fill the media have driven ethical leadership toward the top of the national agenda. The task now is to connect our research, education, training, and services to the decision makers themselves, those who can create a healthy ethical culture.

Ethics and Leadership

Here are some of the classic ways of thinking about ethics:

- In a *consequentialist approach*, a person thinks about the consequences of his or her actions. In this approach, the ends justify the means.
- In a *duty approach*, a person does what is “right,” no matter what the consequences may be. In this approach, the means are the ends.
- In a *virtue approach*, individual motivations are more important than consequences or duties. In this approach, character is what matters.

But how much help are these theoretical approaches to a real human being who

stands face-to-face with an ethical dilemma? As one researcher summed it up, “Each school of philosophy believes it has knock-down arguments against its adversaries, but none has vanquished the others. The debates are quite complex and elicit brilliant intellectual fireworks, but they cast dim light on practical problems.”⁶

Individual ethical decision making and ethical leadership play themselves out within the total culture of an organization. Leaders need to behave in proactive ways that influence the conduct of their followers.

This is where ethical leadership enters the picture. Here are some of the classic ways of thinking about ethical leadership:

- In *transforming leadership*, “persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality.”⁷
- In *servant leadership*, servant leaders ask themselves, “Do those served grow as persons, . . . become healthier, wiser, freer, more autonomous, more likely themselves to become servants?”⁸

- In *authentic leadership*, ethical leaders “are more interested in empowering the people they lead to make a difference than they are in power, money, or prestige for themselves. They are as guided by qualities of the heart, by passion and compassion, as they are by qualities of the mind.”⁹

No matter which approach resonates for you, there is no doubt that individual ethical decision making and ethical leadership play themselves out within the total culture of an organization. As a result, leaders need to behave in proactive ways that influence the conduct of their followers. This means more than incorporating ethics into education. After all, even though over sixty percent of the nation’s top MBA programs require their students to take a course in social and ethical issues, it is MBA students, as Donald L. McCabe of Rutgers Business School has discovered, who cheat the most.

Organizational culture matters. Here is the key: As the 2007 National Business Ethics Survey demonstrated, “companies that move beyond a singular commitment to complying with laws and regulations and adopt an *enterprise-wide ethical culture* dramatically reduce misconduct.”¹⁰ Reaching this goal—promoting and strengthening sustainable ethical leadership to enhance civil society—demands an institute devoted to ethical leadership.

Sources

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