Promoting Ethical Behavior in Organizations through Ethical Leadership
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Well publicized ethical breaches in organizational settings have brought a great deal of attention to the issue of ethical behavior in organizations. While corruption is typified by companies such as Enron and Tyco, there are examples of wrongdoing in a wide variety of organizations including, but not limited to, education, athletics, the news, as well as the boardroom. This wrongdoing is associated with a number of undesirable outcomes for organizations and their stakeholders, and has been blamed in part for the economic woes now being experienced in the United States and around the world. As a result there has been a call for leaders to practice ethical leadership and better manage ethical behavior in organizations.

While ethics has long been considered an important aspect of leadership, recently, a growing body of research on ethical leadership has begun to explicitly investigate how leaders can proactively promote ethical behavior and prevent unethical behavior in organizations.

Perceptions of ethical leadership are positively associated with a number of desired outcomes related to their subordinates at the individual and group levels. These outcomes include willingness to exert extra effort and help others, task performance, job satisfaction, commitment to the organization, perceptions of an ethical climate (particularly when individuals feel that they are treated well), optimism in the future regarding the organization and their place within it, perceptions of task significance and autonomy, and voice, including a willingness to report problems to management. Additionally, ethical leaders are more likely to be viewed as having the potential to reach more senior leadership positions than those who are not perceived as ethical leaders. Finally, perceptions of ethical leadership are also negatively related to deviance and counterproductive work behaviors.

These important outcomes are achieved primarily through observing the behavior of others and the consequences of those actions. By the nature of their status as a leader, ethical leaders are influential role models. They also engender feelings of trust and responsibility by nature of the relationship they have with their subordinates. Outcomes of ethical leadership are influenced by other variables as well. For example, ethical leaders help subordinates feel a greater sense of autonomy and that their work is significant, which leads in part to improvements in job performance and willingness to help and exert extra effort. Similarly, voice behaviors (e.g., willingness of subordinates to share problems and concerns) are explained in part by the feeling of psychological safety or comfort in expressing thoughts and feelings engendered in subordinates by ethical leadership.

Having now examined some of the benefits of ethical leadership, it is time to look at some of the specific behaviors by which ethical leaders achieve these outcomes. At its broadest level, ethical leadership involves being both a moral person and a moral manager. That is, ethical leaders exhibit a high standard of personal moral conduct in line
with accepted standards (moral person) and promote moral conduct in others (moral manager). This definition of ethical leadership is sensitive to differing norms in different cultures and industries. That is, ethical leadership may look slightly different in the United States as compared to the display of ethical leadership in another country. Thus, while the moral norms an ethical leader is expected to demonstrate and promote are determined in part by the context they are leading in, ethical leadership always involves being both a moral person and a moral manager regardless of the context.

**Moral Person**

Being a moral person involves acting with integrity and being perceived as a trustworthy person. Ethical leaders exhibit traits such as integrity, honesty, and trustworthiness. Specifically, ethical leaders:

- Ensure that moral behavior in their private life is consistent with the moral standards they publicly espouse.
- Do the right thing and act morally in their actions.
- Take responsibility for their actions.
- Show concern for others.
- Treat others fairly.
- Use values to guide their behavior and decisions.
- Implement decisions that are objective and fair.
- Make decisions based on sound ethical principles.

**Moral Manager**

Ethical leadership involves not only being a moral person, but being a moral manager as well. Being a moral manager involves proactively promoting ethical behavior in others through the use role modeling, communication, and the use of formal rewards systems. Ethical leaders recognize that subordinates are searching for ethical guidance and that they can influence the ethical behavior of others in a positive way. Specifically, ethical leaders:

- Role model ethical behavior and ethical decision-making for subordinates.
- Explain decisions not only in rationale terms making a business case, but in ethical terms as well.
- Discuss ethical issues in their communication.
- Encourage ethics-centered discussions.
- Explain ethical rules and principles.
- Encourage subordinates to speak up about their ethics-related questions and concerns.
- Give subordinates a say in decision making and listen to their ideas and concerns.
- Clarify responsibilities and role expectations.
- Clearly describes and ensures that individuals abide by ethical standards.
- Set clear ethical standards and enforce those standards through the use of organizational rewards and punishments.

Taken together, this research suggests that ethical leadership is important for achieving improved ethical behavior and other critical outcomes in organizations. Achieving ethical behavior is not just a matter of weeding out a few “bad apples,” but instead involves helping others achieve high ethical standards which can be accomplished through the demonstration of ethical leadership.

References


