

Ethical Leadership in Organizations

What is Ethical Leadership?

Ethical leadership is defined as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (Brown et al., 2005, p. 120)

Ethical leadership plays vital role in the development and operation of an organization. Leadership skills may differ and organizations ethics and values too. Ethical Leadership focuses on motivating people to match up to the organizational values.

A leader needs Extroversion, Meticulousness, Emotional Stability, and Openness to Experience / Learn to build significant relationships in the organization within all teams.

“Ethics must begin at the top of an organization.

It is a leadership issue and the chief executive must set the example.”

– Edward Hennessy

Ethical leadership has been described in a variety of ways including the ways ethical leaders engage in acts and behaviors that benefit others, and at the same time, they refrain from behaviors that can cause any harm to others.

It is the combination of integrity, ethical standards, and fair treatment of employees is the foundation of ethical leadership. The leader should promote ethical conduct by practicing as well as managing ethics and holding everyone account-able for it.

Ethical Leadership can be measured and rated to identify the strengths and weakness of a leader who supports ethics and vision of the company.

Ethical Leader’s Persona is very crucial in building the ethical culture in an organization. A leader is observed and followed by the employees for the qualities like:

1. Just
2. Respectful
3. Honest
4. Humane approach
5. Promoting Team Culture
6. Value driven decision making
7. Encouraging Initiatives by everyone
8. Purpose driven
9. Honoring Values
10. Zero of Ethical Violations.

Ethical Leaderships Impact on Company's Stability:

1. Improving Brand Image and Reputation
2. A strong corporate culture and ethics

Which in turn leads to high trust and loyalty from customers and employees as well as it attracts best talent and resources.

It creates a resilience power for organizations in the face of all the challenges because of high social acceptance and support.

Wipro and Tata Steel has received the Most Ethical companies award multiple times.

(<http://www.tata.com/company/releasesinside/tata-steel-worlds-most-ethical-company-2017>)

(<http://www.wipro.com/newsroom/press-releases/Wipro-named-as-a-2016-worlds-most-ethical-company-by-the-ethisphere-institute-for-the-5th-successive-year/>)

Couple of key factors that contribute in creating a space of ethical leadership in the organization are:

1. **How people are recruited?** Are they evaluated only on business performance or are they also evaluated on their ethics, behavior, human relationships etc.,
2. **How people are trained?** Are they trained in company ethics, what is acceptable behavior and what is not acceptable behavior?
3. **How leaders are groomed?** Are leaders groomed in building business only OR are they also groomed in building organizations which are people friendly and built to last
4. **How ethic violations are treated?** Are they taken seriously and addressed fully or are they hushed up?
5. **How people are rewarded?** Are people rewarded for short term business results or the long term impact of their actions are also considered in their performance evaluation?

Business Consultants Inc.(BCon) Japan has a deep research and study on how successful organization build the right cultures in the organization, creating the appropriate mixture or team work, individual space, leadership and management.

With extensively researched and globally applied technologies like The Human Element (the advanced version of FIRO B), LIFO (Life Orientations) and Innovative Thinking Systems (ITS) supported by organizational culture assessment tools like Organizational Efficiency Survey (OES), BCon works with companies all over the world and now also in India.

Reach out to BCon at <http://www.bconglobal.com> or their local representatives for further information on how they can partner in your organization building endeavor.