“Ethical Leadership”
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The nature of leadership should be of interest to all thinking people.

John Gardner

On Leadership
Ethical Leadership

• Leaders must themselves be ethical in their decisions and actions
• Leaders must influence others to make ethically sound decisions and to behave ethically
Ethical Leadership: What Matters Most to Followers?

- HONESTY
- Competence
- Forward-Looking Vision
- Inspiration
- These four taken together equal CREDIBILITY
What is leadership?

• Leadership is about values. Leadership is about things that matter to us, about taking action to achieve a shared goal.

• Leadership is social influence based on consensual interdependence.

• If leadership is about leaders and followers acting together to achieve a common goal, then leaders must take the interests and rights of followers and others into account at all times (General Myers, Dr. Elshtain).
What is leadership?

- Leadership is foremost a relationship between leaders and followers. The foundation of these relationships is **TRUST**. *Without followers there is no such thing as leadership.*
- Leadership is a form of **SERVICE** to others, a stewardship, a special trust, a duty, a social responsibility.
- Leadership and ethics are one.
Followers are largely responsible for their own actions.

…but leaders are held accountable for the actions of others…leaders set the ethical tone for an entire organization.

Hackman and Johnson
Leadership is influence.

But what makes influence ethically sound?
How Do Leadership And Ethics Become One?

• **What is right and worthwhile?**
  Goals and objectives, purpose and direction

• **How should we reach our goals?**
  The ends- means relationship

• **Leader-Follower Relationships:**
  Trust, respect, dignity, reciprocity

• **How does the leader get others to behave ethically?**
  The ethical climate: the leader’s influence over the moral choices and actions of others
Leadership and Ethics: Ethical Examples

- Aaron Feuerstein, President/Owner, Malden Mills Industries
- Alice Soliwoda, FedEx Employee
- “Glory:” Payday
Ethical Leadership Failures

- The Texas TAAS, Austin (AISD) Style
- The Sorry Side of Sears
- 152 West Point Cadets Dismissed In Cheating Scandal
- U. S. Soldiers Abuse Detainees in Iraq
Worldcom

Enron

FBI

Exemplary Followers

Unethical Leaders
What happened at Abu Graib?

Why?

What should leaders have done differently?
NIXON RESIGNS AUG 1974
Types of Leadership Failures

• Direct leader misconduct
  – Enron (“Encon”)
  – Worldcom (“Worldcon”)
  – ImClone (“Implode”)
  – Milosovic, Hitler, Idi Amin, Saddam Hussein, Pol Pot, James Jones, David Koresh

• Leaders allow to develop or create an environment that influences others to engage in misconduct
  – Sears, Roebuck
  – AISD
  – U. S. Army Vietnam War, USMA cheating scandal 1976
  – LAPD
Case One

Corporate Kleptocrats
And
Evil Megalomaniacs
Integrity Among Business Leaders

*Business Week, Aug 26, 2002*

- One of eight executives is at high risk for integrity problems, according to executive search firm, Russell Reynolds (1400 in sample)
- They don’t believe the rules apply to them
- They show extreme lack of concern for others
- They rarely possess feelings of guilt
- There are enough narcissistic and sociopathic leaders in business to be of concern
- Validity? 60% of comparison group high on such traits
- Comparison group?
- Prison inmates!
# Choosing Your Leaders

<table>
<thead>
<tr>
<th>Don’t Share Values</th>
<th>Share Values</th>
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<td>?</td>
<td>Super Stars</td>
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<td></td>
<td>(Reward, Promote)</td>
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<td>Duds</td>
<td>Potentials</td>
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<tr>
<td>(Fire ASAP)</td>
<td>(Develop, Encourage)</td>
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(Jack Welch, General Electric)
Case Two

Weak or Unethical Climates
The Ethical Responsibilities of The Leader

The *distinguishing mark* of leadership and executive responsibility is influencing the moral behavior of others.

Chester Barnard

*The Functions of the Executive, 1938*
George Orwell:

Most people wish to be good,
but not all of the time!
How big is the problem?

The Cheating Culture
David Callahan
• On most college campuses, 70% of students admit to some cheating.

• Longitudinal comparisons show significant increases in serious test/examination cheating.

• Internet plagiarism is a growing concern on all campuses.

• Cheating is also a significant problem in high school: 60-70% admit cheating, 50% plagiarize using the Internet.

• Faculty are reluctant to take action against suspected cheaters.

• Academic honor codes effectively reduce cheating.
Other Examples of the Cheating Culture

• Physicians
• Psychologists
• Law Firms
• Sports
How then can we lead others to behave more ethically?
The Ethical Climate: Influencing The Actions of Others

• The example of leaders
• Gain support and commitment from everyone to shared values, influence moral development of others
• The quality of leader-follower relationships
• Set expectations, clear guidelines, norms
• Manage competition and stress
• Reward ethical behavior
• Punish unethical behavior
• Neutralize potentially harmful contextual forces
Paul O’Neill, Secretary of the Treasury, July 9, 2002

“Our system depends on the integrity of people who are given large responsibility and authority with an expectation that they can be trusted... At the end of the day we are very dependent on the integrity of the people that we give trust.”
Ethical Leadership

The urgent problems of our day...are here because of human failures, individual failures, one person at a time, one action at a time.

Robert Greenleaf

Servant Leadership
The Challenge

How then do we get people to serve as leaders who are able to figure out what is right and then have the courage and competence to act on behalf of all the stakeholders?
One Answer To
The Cheating Culture

Debbie’s Story
Ethical Leadership

Always do right. This will gratify some people and astonish the rest!

Mark Twain
Thank you for your attention.

Questions?
What happened at My Lai and why?
THE WHITE HOUSE
WASHINGTON
August 9, 1974

Dear Mr. Secretary:

I hereby resign the Office of President of the United States.

Sincerely,

[Signature]

The Honorable Henry A. Kissinger
The Secretary of State
Washington, D.C. 20520
LTC Oliver North Takes The Oath To Tell The Truth

Iran Contra Hearings 1987
A Leadership Crisis?

The first step is not action; the first step is understanding. The first question is how to think about leadership.

John Gardner

On Leadership
The Bottom Line

American workers are as ethical and dutiful in doing their jobs as their bosses and companies are perceived to be ethical and dutiful in leading and directing them.

James Patterson and Peter Kim
The Day America Told the Truth