

Ethical leadership and integrity

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Overview

- Global Leadership : Is there a universal managerial style?
- Leadership & Integrity in Ireland
- Attributes of Ethical/unethical Leadership : how does Ireland compare?
- Conclusions

Global Leadership and Organizational Effectiveness (GLOBE) study 1995-2010

Leader: Robert House , Wharton Business School, US
200 researchers in 62 countries
Respondents 17.000 managers in 950 organisations
Quantitative & Qualitative research
“As is”: Practice : “As should be”: Values

1. Which behaviours are commonly seen as effective for leaders across cultures?
2. Which behaviours and practices vary for leaders across cultures?
3. To what extent can we predict leadership behaviours based on cultural dimensions?

Questions addressed

- Is there **evidence of convergence or divergence** regarding perceptions of **effective leadership, ethical leadership and integrity** between countries?
- Can this **similarity or difference** be explained by **societal culture practices and values**.

Leadership?

- “the ability of an individual **to influence, motivate, and enable others to contribute toward the effectiveness** and success of the organization (society) of which they are members”
- GLOBE,2004

Globe Leadership styles and characteristics

(second order factors)

- **Charismatic/Value Based Leadership:** Visionary, inspirational, self-sacrifice, integrity, decisive, performance-oriented
- **Team-Oriented Leadership :** Collaborative team orientation, team integrator, diplomatic, malevolent (reverse scored), administratively competent
- **Self-Protective Leadership :** Status consciousness, conflict inducer, self-centered
- **Participative Leadership :** Autocratic (reverse scored), non-participative (reverse scored)
- **Humane Leadership :** Modesty, humane orientation
- **Autonomous Leadership :** Individualistic, independent, autonomous, unique

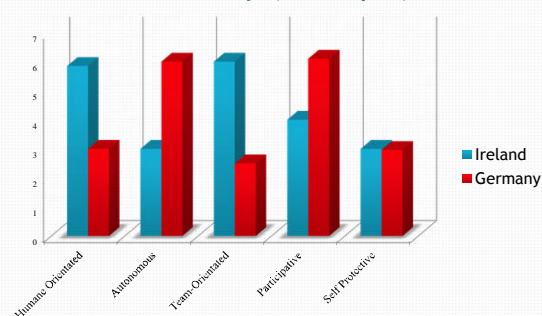
Is there a Global Leadership style?

- **Charismatic Leadership** endorsed as a universal leadership style across cultures

BUT

IT IS ENACTED DIFFERENTLY IN DIFFERENT COUNTRIES....

Attributes of effective Leadership: Ireland & Germany (example)



Perceptions of effective managerial leadership in Ireland

Irish business leadership is characterised by

a **strong charismatic and team-oriented style**,

underpinned by a **humane approach**,
with **low levels of autonomy** and low self protection.
(Keating & Martin, 2004).

Charismatic leadership practised differently in Ireland & Germany

Team-Integration
Group oriented
Collaborative
Diplomatic
Persuasive

Autonomous
Individualistic
Independent
Self-reliance
Technical competence

Humane Oriented

Kind
Self-effacing/ does not flaunt
authority
Relational maintenance behaviours
Social competence

Participative

Egalitarian
Delegating
Consultative
Confrontational

Dimensions of Charismatic /Value based Leadership in Irish Finance (v Food) companies

- Inspirational
- Performance-orientation
- Visionary
- Integrity
- Self-sacrificial
- Decisive

Implications for Leadership practice

- **Ireland** (Anglo cluster) : strong emphasis on **Social Competence** (person focus); **process** and **conflict avoidance**

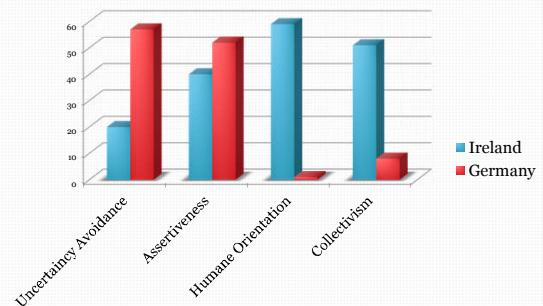
In contrast...

- **Germany** (Germanic cluster) : **Task** and content focus; more formal , structured approach to communication , decision-making and problem-solving.

So?

- Managerial leadership challenging in Irish organisations
- Shared /collaborative, inclusive approach to implementation
- Blurred boundaries of accountability
- Conflict avoidance in decision-making

Ireland and Germany: on which dimensions of societal culture (GLOBE) do they differ ('as is')?



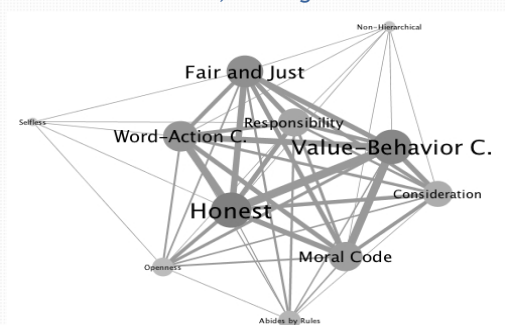
Integrity & Leadership in theory

- Integrity is a core intrinsic requirement for implementing leadership; building relationships
- Honesty
- Word-deed consistency : doing what you say
- Acting morally, in accordance with values

The meaning of Integrity in Ethical Leadership

- What **behaviours and personal characteristics** do you associate most closely **with integrity** in organizations?
- Think about a situation where you consider a leader in your organisation to have demonstrated integrity.
 - **Please describe this situation and explain why you consider the person to have behaved ethically/unethically/with integrity.**

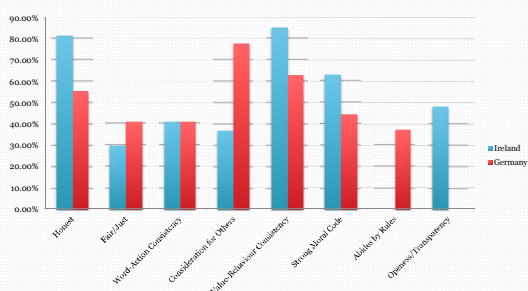
Integrity attributes across six cultures...Martin, Keating et al 2013



The meaning of Integrity for Irish managers

Themes	%
Honest	81.5%
Fair & Just	29.6%
Word to Action Consistency	40.7%
Consideration & Respect for others	22.2%
Values-Behaviour Consistency	85.2%
Guided by personal moral code/values	63.0%
Sense of Responsibility for/towards other	
Abides by rules and regulations	
Openness & Transparency	48.1%

Attributes of Integrity: Ireland and Germany



Themes	U.S.	Ireland	Germany	Austria	China (PRC)	Hong Kong
Honest	66.7%	81.5%	55.6%	36.0%	27.5%	51.6%
Fair and Just	28.2%	29.6%	40.7%	40.0%	75.0%	51.6%
Word-Action Consistency	51.3%	40.7%	40.7%	44.0%	35.0%	29.0%
Consideration and Respect for Others	48.7%	37.0%	22.2%	40.0%	20.0%	9.7%
Value-Behavior Consistency	82.1%	85.2%	63.0%	52.0%	22.5%	
Guided by Strong Personal Moral Code/Values	30.8%	63.0%	44.4%	52.0%	32.5%	
Sense of Responsibility for/toward Others						
Abides by Rules and Regulations			55.6%	56.0%	57.5%	51.6%
Openness and Transparency			37.0%	12.0%	30.0%	19.4%
Non-Hierarchical	30.8%	48.1%				12.9%

Ethics and Culture

Societal (national) **culture** is a core social contextual framework that **creates expectations** regarding what **behaviour is acceptable and unacceptable** in a specific culture : ethics; honesty; fairness; bribery; fraud.

Ethical leadership and integrity

Cultural value systems are closely linked with beliefs about expectations regarding ethical behaviour. (Donaldson & Dunfee, 1994; Jackson, 2001).

Character and integrity have been identified as core attributes of charismatic and ethical leadership across cultures (Resick et al., 2006, 2011), HOWEVER

the **degree of emphasis on leader integrity** as a central feature of effective leadership **vary both within and across culture clusters** (Keating, Martin, & Resick, 2011; Martin, Resick, Keating, & Dickson, 2009; Keating, Martin, Resick, & Dickson, 2007 .

What is Ethical Leadership?

“Demonstration of **normatively appropriate conduct** through personal actions and interpersonal relations and the promotion of such conduct to followers” (Brown et al. 2005)

Leaders’ use of their **social power** in their actions, decisions and influence tactics. (De Hoogh & Den Hartog 2008; Resick et al. 2006; Ciulla 2004; Gini 1997)

Impact of Ethical Leadership in companies?

- Lower levels of unethical behaviour in work-places
- Lower levels of employee deviance
- Related to employees ability to report problems
- Higher levels of corporate citizenship
- Psychological safety and voice behaviour (whistleblowing)
- Intrinsic motivation
- Trust and organizational commitment
- Personal optimism

The meaning of Ethical Leadership?

Resick, Martin & Keating Journal of Business Ethics 2011

- What **behaviours and personal characteristics** do you associate most closely with **ethical/unethical leadership** in organizations?
- Think about a situation where you consider a leader to have demonstrated ethical/unethical leadership/integrity.
 - **Please describe this situation and explain why you consider the person to have behaved ethically/unethically.**

Attributes of managerial ethical leadership behaviour in four countries

Ethical Attributes

definitions

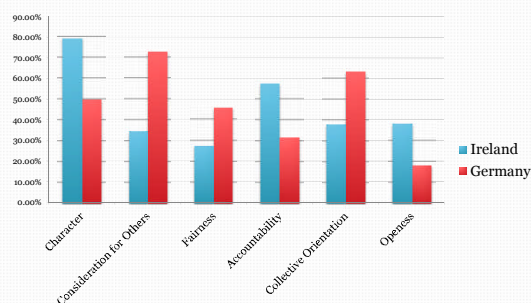
- Accountability
- Consideration and Respect for others
- Fairness/non-discriminatory treatment
- Character
- Collective Orientation (social & organisational)
- Openess & Flexibility

- **Accountability** : complying with law , regulations, external standards, holding others accountable
- **Consideration for Others** : demonstrating empathy towards others, protecting staff, tolerance, being approachable & treating others with dignity
- **Fairness/ non-discriminatory** : making fair, just and objective decisions ; not forming in - groups; not discriminating
- **Character**: trustworthy, integrity, sincerity, having a moral code & sense of ethical awareness, authentic, leading by example
- **Collective Orientation**: putting interest of others/organisation ahead of personal interests, promoting a collective approach,
- **Openess/Flexibility**: open to different opinions, listening sharing information,

Ethical Managerial Leadership attributes : a comparison across cultures, incl. Ireland

Ethical Leadership Attributes	Ireland %	Germany %	US %	PRC %
Accountability	51.7	31.8	42.5	40.0
Consideration /respect	34.5	72.7	41.0	72.5
Fairness	27.6	45.5	25.0	50.0
Character	79.3	50.0	90.0	52.5
Collective Orientation	37.9	63.6	35.0	40.0
Openness/ flexibility	37.9	16.2	30.0	20.0

Ethical Managerial Leader Attributes in Ireland and Germany



Attributes of unethical managerial leadership behaviour

Resick, Martin & Keating, 2011

Unethical Attributes

- Acting in self-interest/misusing power
- Deception & Dishonesty
- Lack of accountability/compliance, transparency
- Lack of personal values/moral code
- Incivility
- Narrow /short-term focus

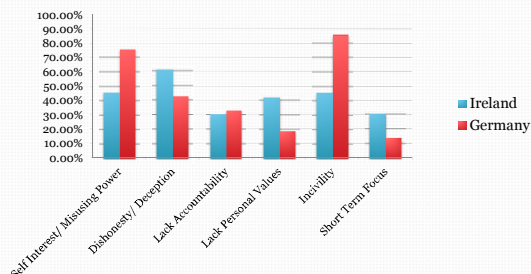
Definitions

- *Acting in self-interest/misusing power* : blaming others; greedy & self-indulgent; personal face saving; egotistical; exploiting power
- *Dishonesty/Deception* : corruption; cheating; collusion
- *Lack of accountability/transparency* : not taking responsibility; blaming others; secretive/hidden agendas; breaking law; hiding mistakes
- *Lack of personal values*: lacking moral courage; having dubious morals and values
- *Incivility* : bullying; vindictive; exploiting others; inconsiderate towards others; violating subordinate rights;
- *Short-term focus* : focus on profits to the detriment of social, environmental and personal impact

Unethical Managerial Leadership attributes

Unethical Leadership	Ireland %	Germany %	US %	PRC %
Self-Interest	46.2	76.2	56.4	63.2
Deception/dishonesty	61.5	42.9	76.9	31.6
Lack accountability	30.8	33.3	38.5	26.3
Lack personal values	42.3	19.0	25.5	34.2
Incivility	46	85.7	33.3	78.9
Short-term focus	30.8	14.3	7.7	28.9

Unethical managerial Leader Attributes in Ireland and Germany



In conclusion, in Ireland

1. Leadership: Charismatic style implemented by team oriented approach and humane orientation with low leader autonomy.
2. Integrity : Value-Behaviour Consistency underpinned by moral values evidenced by honesty
3. Ethical managerial leadership : Leader Character ; Accountable
4. Unethical managerial Leadership : No clear pattern: Dishonesty?

Summary of Findings:

Distinct expectations as to the attributes and behaviors associated with un/ethical leadership and their enactment across cultures

- Ireland:
 - Moral positions closely linked to individual persons
 - Leading by example
 - Need for external regulation
- Germanic managers:
 - Consideration and fairness toward others
 - Strong focus on individual self-regulation

Business Ethics in Ireland

- Ireland
 - Externally imposed morality, rather than one based on “internalised concepts of right and wrong” (Lee 1984, 111; Nic Ghiolla Phádraig & Hilliard 2009); “an understanding approach to rule breaking” (Duncan 1994, 452) : forgiveness for sinning
- Germany
 - *Wirtschaftsethik*; Consensual ethics: Ethical behavior goes beyond mere compliance.

So?

- Perceptions of ethical leadership and integrity is country specific
- In Ireland, ethical leadership and integrity seen as accountability (compliance honesty)
- Irish leadership style may not be appropriate to deliver this
- Need a more task-focused, explicit approach to enforcement of accountability : no forgiveness for the sinner!