

Education for Justice (E4J)
University Module Series: Integrity & Ethics

Module 4

Ethical Leadership*

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Introduction

We live in a world in which individuals, organizations, countries and societies are increasingly connected. Therefore, the impact of leadership – both good and bad – reverberates throughout entire political and economic systems. Greater connection equals greater influence, and this has changed the nature of leadership. Leaders have influence beyond their organizations, increasing the interconnection between ethics and good leadership. This Module is designed to help lecturers acquaint students with the theoretical underpinnings and practical applications of ethical leadership, taking into account the cultural diversity of contemporary organizations. The Module is structured around three major questions:

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- What is ethical leadership?
- Why is ethical leadership important?
- How can ethical leadership be promoted?

The Module is a resource for lecturers. It provides an outline for a three-hour class but can be used for shorter or longer sessions, or extended into a full-fledged course (see: Guidelines to develop a stand-alone course).

Learning outcomes

- Define and give examples of ethical leadership
- Understand leaders' ethical responsibilities
- Explain effective ethical leadership
- Assess ethical leadership
- Identify ways to promote ethical leadership

Key issues

This Module is designed to help lecturers acquaint students with the theoretical underpinnings and practical applications of ethical leadership, taking into account the cultural diversity of contemporary organizations. The Module is structured around three major questions:

- What is ethical leadership?
- Why is ethical leadership important?
- How can ethical leadership be promoted?

It is noted that leadership is sometimes exercised collectively, for example, through an organization. However, this Module focuses on individual leadership. The Module applies to both formal and informal leadership.

Leadership and ethics

Leadership has been defined in various ways (Fleishman and others, 1991). One common definition regards leadership as a process whereby an individual influences a group of individuals to achieve a common goal (Northouse, 2016, p. 16). The following components are central to this definition: (a) leadership is a process, (b) leadership involves influence, (c) leadership occurs in groups, and (d) leadership involves common goals.

For present purposes, the Module refers to the individuals exerting influence as 'leaders', and to those being influenced as 'followers'. While the distinction between leaders and followers is helpful for illustrative purposes, it should be noted that one can simultaneously be a leader in one context and a follower in another context. It should also be noted that leadership can be formal, such as in the case of an elected prime minister or a company's CEO. But there are also cases of informal leadership, when the influence does not derive from a formal authority conferred through rules and procedures. Finally, it is useful to highlight that leaders can be associated with the world of business, politics, popular culture, and other areas of life.

Turning to the concept of ethical leadership, Eisenbeiss (2012) argues that this

concept involves setting and pursuing ethical goals and influencing others in an ethical manner. Similarly, De Hoogh and Den Hartog (2009) define ethical leadership as the process of influencing the activities of a group toward goal achievement in a socially responsible way. They focus both on the means through which leaders attempt to achieve goals as well as on the ends themselves.

As discussed in detail in Integrity and Ethics [Module 1](#) (Introduction and Conceptual Framework), the study of ethics generally consists of examining questions about right and wrong, virtue, duty, justice, fairness, and responsibility towards others. From an ethical perspective, according to Ciulla (2014, p. 16), the ultimate point of studying leadership is to answer the question: What is good leadership? The word “good” has two meanings in this context: technically good (or effective) and morally good. This focus on the concept of ‘morally good’ demonstrates that ethics lies at the heart of leadership studies.

The importance of ethical leadership

Ethical leadership is important for two main reasons. First, leaders have ethical responsibilities because they have a special position in which they have a greater opportunity to influence others and, therefore, outcomes in significant ways. Most people would agree that all of us have a responsibility to behave ethically, but it is clear that leaders are held to higher ethical standards than followers.

The values of leaders influence the culture of an organization or society, and whether it behaves ethically or not. Leaders set the tone, develop the vision, and their values and behaviours shape the behaviour those involved in the organization or society. Therefore, leaders have a significant impact on people and societies. Examples of formal and informal leaders from around the world include Nelson Mandela, Mahatma Gandhi, Malala Yousafzai, Peng Liyuan (First Lady of China), Sheikh Hasina Wajed (Prime Minister of Bangladesh), Yvon Chouinard (the founder of Patagonia), Melinda Gates and Angelina Jolie. However, the impact of a leader is not always positive, as illustrated by Hitler’s leadership of Nazi Germany. The impact of his leadership was disastrous for millions of individuals and the world in general.

On a smaller scale, even team leaders can have profound effects on their team members and the organization. All leaders, no matter how many followers they have, exert power. To exert power over other people carries an ethical responsibility. Power is the ability of one person (or department) in an organization to influence other people to bring about desired outcomes. The greater the power, the more responsibility a leader has. Therefore, leaders at all levels carry a responsibility for setting the ethical tone and for acting as role models for others.

Contemporary practice and literature is shifting the focus away from traditional leadership styles, such as charismatic and transactional leadership, and is increasingly focusing on leadership styles that emphasize an ethical dimension, such as transformative, servant, value-based or authentic leadership. In other words, what is regarded today as a ‘good leader’ is someone who effectively leads towards ethical results and not someone who is simply good at leading (as many ill meaning demagogues can be). It has been argued that this development emphasizes the

strong links between ethics and effective leadership (Ng and Feldman, 2015).

Two models can be used to explain the relationship between ethical leadership and effective leadership – the ‘interpersonal trust’ model and the ‘social power’ model. The former is attributed to Schindler and Thomas (1993), who argue that interpersonal trust is based on five components: integrity, competence, consistency, loyalty, and openness. Integrity refers to honesty and truthfulness; competence is associated with technical and interpersonal knowledge and skills; consistency is defined as reliability, predictability, and good judgment; loyalty refers to willingness to protect and save face for a person; and openness is the willingness to share ideas and information freely. This model reflects the idea that followers who trust a leader are willing to be vulnerable to the leader’s actions because they are confident that their rights and interests will not be abused.

The ‘social power’ model was developed by French and Raven (1959), who identified five common and important bases of power: legitimate, coercive, reward, expert, and referent. Legitimate power refers to a person’s right to influence another person coupled with the latter’s obligation to accept this influence; coercive power derives from having the capacity to penalize or punish others; reward power is about having the capacity to provide rewards to others; expert power is based on the followers’ perceptions of the leader’s competence; and referent power derives from the followers’ identification with and liking of the leader. Each of these bases of power increases a leader’s capacity to influence the attitudes, values, or behaviours of others.

There are three ways in which a follower may react to these forms of power, according to French and Raven (1959). First, when leaders successfully use legitimate or coercive or reward power (collectively referred to as position power) they will generate compliance. Compliance means that people follow the directions of the person with power, whether or not they agree with those directions. The second way in which followers may react to the use of power, especially the use of coercion that exceeds a level people consider legitimate, is to resist the leader’s attempt to influence. Resistance means that employees will deliberately try to avoid carrying out instructions or they will attempt to disobey orders. The third type of reaction to power is commitment, which is the response most often generated by expert or referent power (collectively referred to as personal power). Commitment means that followers adopt the leader’s viewpoint and enthusiastically carry out instructions. Although compliance alone may be enough for routine matters, commitment is particularly important when the leader is promoting change (Daft, 2008, p. 365). In general, people tend to identify with an ethical leader. Ethical leadership is not the sole source of referent power, but it is an important one, particularly in an increasingly changing, globalizing, and transparent world.

Ethical dimensions of leadership

The evaluation of leadership from an ethical point of view is influenced by ethical theories and principles of ethical leadership, as well as by practical questions. Ethical theories provide a system of rules or principles that guide us in making decisions about what is right or wrong and good or bad in a particular situation (Northouse,

2016). There are various theoretical approaches to ethical decision-making. Three of the major Western theories were discussed in [Module 1](#): utilitarianism (morality depends on whether the action maximizes the overall social ‘utility’ or happiness), deontology (morality depends on conformity to moral principles or duties irrespective of the consequences) and virtue ethics (morality depends on perfecting one’s character). Practical guidelines for exercising ethical leadership have been created by various scholars. For example, Eisenbeiss (2012) highlights four principles of ethical leadership: humane orientation, justice orientation, responsibility and sustainability orientation, and moderation orientation. Another approach is that of Northouse (2016), who suggests five principles of ethical leadership: respect, service, justice, honesty, and community. These principles are the focus of Exercise 5 of the Module.

While theories and principles of ethical leadership are pertinent, practical questions are also important for ethical dilemmas, especially since it is not always feasible to apply a detailed theoretical analysis before making a decision. In this regard, it is helpful to use a checklist to guide decision-making. This is sometimes referred to as “ethics quick tests” or ethical decision-making models, both of which have made their appearance in various guises such as codes of conduct of large corporations. The following example of an ethical decision-making model is provided by Hodges and Steinholtz (2018):

ETHICAL DECISION MAKING MODEL



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Another example is the [ethics quick test](#) that is provided by The Ethics Center, an Australian-based non-profit organization. The Ethics Center suggests that we ask the following six questions before we make a decision:

1. Would I be happy for this decision to be headlining the news tomorrow?

2. Is there a universal rule that applies here?
3. Will the proposed course of action bring about a good result?
4. What would happen if everybody did this?
5. What will this proposed action do to my character or the character of my organization?
6. Is the proposed course of action consistent with my values and principles?

Effective leaders are often confronted with impossible dilemmas, where no ideal resolution exists. In such situation leaders need to make difficult decisions that involve sacrificing some goods for the sake of promoting others. A classical example is the decision to go to war, knowing that many people, including civilians, will die. Sometimes this dilemma is known as the [dirty hands problem](#).

Becoming an ethical leader

The issue of ethical leadership is an ancient one. For example, Aristotle argued that the ethical person in a position of leadership embodies the virtues of courage, temperance, generosity, self-control, honesty, sociability, modesty, fairness, and justice. To Confucius, wisdom, benevolence and courage are the core virtues. Applying ethics to leadership and management, Velasquez (1992) has suggested that managers develop virtues such as perseverance, public-spiritedness, integrity, truthfulness, fidelity, benevolence, and humility. Ethical leadership is also associated with the African concept of the sage. Henry Odera Oruka (1944-1995), from Kenya, researched sage traditions of Sub-Saharan Africa and provided an account of wisdom that is distinctly African. The contemporary South African author Reul Khoza provided accounts of ethical leadership from the perspective of Ubuntu which, among other things, feature a communitarian account of virtue originating in Africa. The philosopher Al-Farabi (872-950) provides us insights into ethical leadership from an Islamic perspective. He was born somewhere in modern day Central Asia, and moved throughout the great cities of the Islamic world, such as Baghdad and Damascus. His philosophy was wide ranging, but his insights on leadership can be found in his writings on ethics and politics. In those works, including his famous book *The Virtuous City*, Al-Farabi argued that leaders should also be philosophers, an idea he drew from the Ancient Greek philosopher Plato. For Al-Farabi, this meant that a leader must not just be a person of action and power, but one who reflects upon what is best for the community which he or she governs. Unlike Plato, he argued that the best city was not a monocultural one, but one which embraced diversity, and the wisest leaders found ways in which peoples of different races and beliefs could live together. Other thinkers have emphasized other sets of virtues, but the differences are not as big as one might think. In fact, people from various cultures may have quite similar views on essential virtues.

Regarding the development of virtues, according to the Aristotelian way, when virtues are practiced over time, from youth to adulthood, good values become habitual, and part of the people themselves. By telling the truth, people become truthful; by giving to the poor, people become benevolent; by being fair to others, people become just. The Confucian way of cultivating oneself begins with obtaining a deep knowledge of how the world works, moves through taking certain actions and

ends with one's most ambitious goal - to illustrate virtue throughout the world. This is strongly connected to the idea that 'knowing', 'doing' and 'being' are three interrelated components of an ethical person. In *The Great Learning*, written around 500 B.C., and the first of four books selected by Zhu Xi during the Song Dynasty as a foundational introduction to Confucianism, Confucius described the process as follows:

The ancients who wished to illustrate illustrious virtue throughout the kingdom first ordered well their own states. Wishing to order well their states, they first regulated their families. Wishing to regulate their families, they first cultivated their persons. Wishing to cultivate their persons, they first rectified their hearts. Wishing to rectify their hearts, they first sought to be sincere in their thoughts. Wishing to be sincere in their thoughts, they first extended to the utmost their knowledge. Such extension of knowledge lay in the investigation of things.
(<http://classics.mit.edu/Confucius/learning.html>)

Treviño, Hartman and Brown (2000) argue that ethical leadership comprises two aspects: the "ethical person" and the "ethical manager". One must first be an ethical person in order to become an ethical manager. The managerial aspect refers to a leader's intentional efforts to influence others and guide the ethical behaviour of followers – such as communicating ethical standards and disciplining employees who behave unethically. Ethical leadership relies on a leader's ability to focus the organization's attention on ethics and values and to infuse the organization with principles that will guide the actions of all employees. Treviño and others also identify three measures that effective ethical managers usually take. First, they serve as a role model for ethical conduct in a way that is visible to employees. Second, they communicate regularly and persuasively with employees about ethical standards, principles and values. Third, they use the reward system consistently to hold all employees accountable to ethical standards.

The context in which leaders operate should not be ignored. Even an ethical person with ethical intentions can behave unethically due to behavioural dimensions and or systemic pressures. These issues are explored in depth in Modules [6](#), [7](#) and [8](#). Moreover, ethical leadership may vary in different cultures, including in terms of style and values as well as the manners in which the leader influences followers.

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Exercises

This section contains suggestions for in-class and pre-class educational exercises, while a post-class assignment for assessing student understanding of the Module is suggested in a separate section.

The exercises in this section are most appropriate for classes of up to 50 students, where students can be easily organized into small groups in which they discuss cases or conduct activities before group representatives provide feedback to the entire class. Although it is possible to have the same small group structure in large classes comprising a few hundred students, it is more challenging and the lecturer might wish to adapt facilitation techniques to ensure sufficient time for group discussions as well as providing feedback to the entire class. The easiest way to deal with the requirement for small group discussion in a large class is to ask

students to discuss the issues with the four or five students sitting close to them. Given time limitations, not all groups will be able to provide feedback in each exercise. It is recommended that the lecturer makes random selections and tries to ensure that all groups get the opportunity to provide feedback at least once during the session. If time permits, the lecturer could facilitate a discussion in plenary after each group has provided feedback.

All exercises in this section are appropriate for both graduate and undergraduate students. However, as students' prior knowledge and exposure to these issues vary widely, decisions about appropriateness of exercises should be based on their educational and social context. The lecturer is encouraged to relate and connect each exercise to the key issues of the Module.

Exercise 1: Leader's view

Leaders differ in how they view human nature and the tactics they use to get things done through others. This exercise is intended to encourage students to reflect carefully on their current views on leadership and to stimulate their interest in learning more about ethical leadership. The lecturer asks the student to complete the following questionnaire, either in class or before they arrive to class, and facilitates a discussion in class around the questions. The questionnaire is adapted from Richard Daft's *The Leadership Experience* (p. 166; see References in Key issues section of the Module).

- Think carefully about each item below and indicate whether you agree or disagree with it. Also indicate whether you think your class mates would agree or disagree with each item.

	Me (Agree / Disagree)	My class mates (Agree / Disagree)
1. Overall, it is better to be humble and honest than to be successful and dishonest.		
2. If you trust someone completely, you are asking for trouble		
3. A leader should take action only when it is morally right.		
4. A good way to handle people is to tell them what they like to hear.		
5. There is no excuse for telling a white lie to someone.		

6. It makes sense to flatter important people.		
7. Most people who get ahead as leaders have led very moral lives.		
8. It is better not to tell people the real reason you did something unless it benefits you to do so.		
9. The majority of people are brave, good, and kind.		
10. It is hard to get to the top without sometimes cutting corners.		

➤ Lecturer guidelines

Lecturers should encourage students to share their answers and the reasons behind their choices. Students can do this in small groups or simply by turning to the student next to them. Lecturers should not evaluate or criticize students' answers; rather they should encourage students to share what they really believe, and direct them to think deeply. Ambiguity and differences are expected to appear in students' arguments. Lecturers could summarize the discussion, and explain to the students that in order to resolve the ambiguity and differences that were expressed, they could obtain more knowledge about ethical leadership, including the leader's ethical responsibility, the importance of ethical leadership in making a leader effective, how to make ethical decisions and ways to promote ethical leadership.

Exercise 2: Decision cards

This exercise involves distributing cards to students, asking them to decide in which "box" to place the cards, and to consider the choices made by their fellow students.

The lecturer could provide students with the following instructions:

1. Please read the decision cards distributed to you and decide in which of the four boxes you would like to place each card. The boxes are titled as follows: "in all cases", "in most cases", "in some cases" and "never".
2. Once you have decided in which box to place each decision card, write the number of the card in the selected box.
3. After you complete the task, compare the selections of the student sitting next to you with your own selections and identify any differences.
4. Focusing on the differences in your selections, discuss with your fellow student the reasons for your respective selection decisions.
5. Following the discussion, feel free to change your selections. Please show your changes by drawing an arrow to the new box.
6. Take note of the number of cards you changed.

Decision Cards:

Decision Card 1	Decision Card 2	Decision Card 3
It is wrong for leaders to accept gifts from followers.	Leaders must consider the consequences of their actions and the effects they will have.	Leaders must always be role models for all followers.
Decision Card 4	Decision Card 5	Decision Card 6
Under all conditions, leaders must ensure that all followers participate in the decision making.	It is enough for leaders to become an expert, as human relationships do not matter.	Leaders must act in accordance with the principle of equality.

Boxes:

	Box 1: never	Box 2: in some cases	Box 3: in most cases	Box 4: in all cases
Decision Card 1				
Decision Card 2				
Decision Card 3				
Decision Card 4				
Decision Card 5				
Decision Card 6				

➤ **Lecturer guidelines**

The purpose of this card exercise is to encourage students to make decisions in given situations and to evaluate the decisions' ethical dimensions from the point of view of others. Lecturers could design their own cards and adapt the exercise accordingly.

Exercise 3: Pop culture examples of ethical leadership

Either during class or at home before the class, ask the students to research online a current example of ethical leadership among pop culture figures and celebrities. Ask each student to provide an explanation as to why this figure or celebrity demonstrates ethical leadership.

Alternatively, ask each student to prepare a two-minute video clip presenting the pop-culture ethical leader of their choice.

➤ Lecturer guidelines

The point of this exercise is to encourage students to appreciate how ethical leadership impacts on and relates to their own lives, and to articulate what ethical leadership means in their own terms. Students should feel free to select any pop culture figure as an example of ethical leadership, but the lecturer could stimulate the students by providing some well-known examples from their region such as Bono, Oprah Winfrey, Beyoncé, Ivorian reggae singer Alpha Blondie, Nigerian rapper Falz, or Chinese basketball player Yao Ming.

Exercise 4: Case study: Telling the truth

Invite students to consider the following case, taken from Robbins, Stephen P. and David A. De Cenzo (1998). *Fundamentals of management: Essential concepts and applications* (2nd ed.). New Jersey: Prentice-Hall, p. 28.

One of your employees has just been diagnosed with a treatable form of cancer. He has confided in you about the status of his health. He has also asked you not to say a word to anyone because he considers his health to be a personal matter. Over the next few months, this employee is absent frequently, especially during his radiation treatments. His absences are not a major problem for the company because his duties involve direct computer work which he can do while at home. However, some of your other employees have asked you what's wrong with him. You politely decline to discuss his situation. As a result, the other employees think that their co-worker is getting special treatment, and are ready to go to your boss to complain. You are confident that if they only knew of the employee's illness, they would understand. But you promised him not to reveal the reason for his absence. At the same time, it would create unnecessary and unhelpful problems for him if other employees complain about him.

Ask students to discuss the following questions:

- Should you reveal to your employees the reason for their co-worker's absence? Why or why not?
- Should you explain to your boss what is really going on?
- How would you handle this situation?

➤ Lecturer guidelines

Gives students a few minutes to read the short case and prepare individual answers to the three questions. Have students discuss their answers in small groups and elect a spokesperson to provide feedback to the plenary group. Ask the group spokespersons to provide feedback. Summarize by explaining the dilemma (choosing between telling the truth and being loyal to a friend), and highlighting how the application of different ethical theories might lead to different actions.

Exercise 5: Case study: Stay neutral or not

You are the CEO of a large online platform that allows C2C business transactions (transactions directly between customers). At a leadership summit, the CEO of a

video game company approaches you to express his concern over discovering a bootlegged version of a video game his company had began to produce on your platform. The CEO goes on to say that his company stopped the production of the game after receiving too much criticism over how violent the game is. He asks if you would consider taking down the game, not only because it is a bootlegged version, but also because it is violent. Previously, you have never evaluated the products sold on your platform since your company is protected under the Digital Millennium Copyright Act (DMCA). The DMCA states that an online platform like yours cannot be held liable for selling any particular product so long as the company does not selectively police its site. If your company were to remove this product from the platform then, under the DMCA, you should review all products being sold. This would require the hiring of a new team, along with the added risk of significantly reduced transactions on your platform. If you stay neutral and let the product stay, you could risk criticism from the public for allowing the sale of such a violent game.

Ask students to discuss the decision they would have made if they were in this leader's position, and the reasons for that decision.

➤ Lecturer guidelines

This case study involves a somewhat more complex ethical conflict for a leader compared to the previous one. The guidelines for conducting this exercise are similar to the previous one: After giving the students a few minutes to read the short case and prepare individual answers, have them discuss their answers in small groups and elect a spokesperson to provide feedback to the plenary group. Ask the groups' spokespersons to provide feedback. Summarize by explaining the dilemma and highlighting how the application of different ethical theories might lead to different actions.

Exercise 6: Turning knowledge into practice

The idea behind this exercise is to turn knowledge about ethical leadership into practical guidelines. Students are encouraged to carefully examine the ten activities Daft associates with a moral leader, and then to review the five principles of ethical leadership suggested by Northouse (see Key Issues section of the Module).

Daft summarizes the following ten activities of a moral leader:

1. Develop, articulate, and uphold high moral principles.
2. Focus on what is right for the organization as well as all the people involved.
3. Set the example you want others to live by.
4. Be honest with yourself and others.
5. Drive out fear and eliminate issues that cannot be discussed.
6. Establish and communicate ethics policies.
7. Develop a backbone - show zero tolerance for ethical violations.
8. Reward ethical conduct.
9. Treat everyone with fairness, dignity, and respect, from the lowest to the highest level of the organization.
10. Do the right thing in both your private and professional life - even if no one is

looking.

Northouse's five principles of ethical leadership are as follows:

1. **Ethical Leaders Respect Others:** To do so means always to treat others as ends in themselves and never as means to ends. Respect means that a leader listens closely to followers, is empathic, and is tolerant of opposing points of view. It means treating followers in ways that confirm their beliefs, attitudes, and values.
2. **Ethical Leaders Serve Others:** Leaders who serve are altruistic. They place their followers' welfare foremost in their plans. In practicing the principle of service, ethical leaders must be willing to be follower-centered, must place others' interests foremost in their work, and must act in ways that will benefit others.
3. **Ethical Leaders Are Just:** Ethical leaders are concerned about issues of fairness and justice. They make it a top priority to treat all of their followers in an equal manner. As a rule, no one should receive special treatment or special consideration except when his or her particular situation demands it. When individuals are treated differently, the grounds for different treatment must be clear and reasonable, and must be based on moral values.
4. **Ethical Leaders Are Honest:** Being honest is not just about telling the truth. It has to do with being open with others and representing reality as fully and completely as possible.
5. **Ethical Leaders Build Community:** Ethical leadership demands attention to a civic virtue. Leaders and followers need to attend to more than their own mutually determined goals. They need to attend to the community's goals and purpose. An ethical leader is concerned with the common good, in the broadest sense, paying attention to how the changes proposed by a leader and followers will affect the larger organization, the community, and society.

After carefully considering the approaches of Northouse and Daft, Students are encouraged to critically evaluate these approaches, and come up with their own set of practical guidelines for ethical leadership.

➤ Lecturer guidelines

The lecturer provides an overview of these two approaches, and a few examples of how this can work in practice. Students are asked to study the lists of activities individually, and then discuss them in small groups. Students should also consider these approaches critically. Do they agree with the lists? Invite students to prioritize items on the lists (for example by picking their top three) and also to suggest new activities that can be added to the lists. Each small group is given the opportunity to present their top three list to the entire class and indicate the reasons behind their choices. The lecturer captures this on a whiteboard in order to be able to identify common activities across the groups. After all groups have presented their lists, the lecturer summarizes and concludes the exercise.

Possible class structure

This section contains recommendations for a teaching sequence and timing intended to achieve learning outcomes through a three-hour class. The lecturer may wish to disregard or shorten some of the segments below in order to give more time to other elements, including introduction, icebreakers, conclusion or short breaks.

Introduction (5 minutes)

- Introduce the importance of leadership given the complexity and cultural variation of organizations worldwide.
- Introduce the three questions to be addressed in the Module: what is ethical leadership, why is ethical leadership important, and how to promote ethical leadership.

Leader's view exercise (20 minutes)

- Conduct exercise 1. Distribute a sheet to every student, and ask students to answer the questions (5 minutes).
- Have students share their answers and reasons behind their choices (10 minutes).
- Summarize the answers and reasons, and explain that the ambiguity and differences discovered in the discussion can be better resolved through obtaining more knowledge about ethical leadership (5 minutes).

Definition of leadership and ethical leadership (5 minutes)

- Present the definitions of leadership, paying special attention to the components central to the phenomenon: (a) leadership is a process, (b) leadership involves influence, (c) leadership occurs in groups, and (d) leadership involves common values and goals.
- Present the definitions of ethical leadership, and briefly explain the differences between ethical leadership and leadership ethics.

Why do leaders have ethical responsibility? (10 minutes)

- Discuss the importance of ethical leadership drawing on the relevant discussion in the Key Issues section of the Module.
- Use both theoretical reasons and real cases, with an emphasis on real cases which are relevant to students in addressing a leader's ethical responsibility.

The importance of ethical leadership for effective leadership (25 minutes)

- Introduce the 'interpersonal trust' model developed by Schindler and Thomas (2 minutes).
- Facilitate a discussion regarding the importance of ethical leadership for effective leadership based on the interpersonal trust model (10 minutes).
- Introduce the 'social power' model developed by French and Raven (3 minutes).
- Facilitate a discussion regarding the importance of ethical leadership for effective leadership based on the social power model. Pay special attention to the features of individuals, organizations and the contemporary world, and their impacts on the role of ethical leadership as a referent power (10 minutes).

Decision cards exercise (20 minutes)

- Conduct exercise 2. See guidelines in the Exercises section of the Module.

Pop-culture examples of ethical leadership (20 minutes)

- Conduct exercise 3. See guidelines in the Exercises section of the Module.

Case study (20 minutes)

- Conduct exercise 4 or 5. See guidelines in the Exercises section of the Module.

Applying ethical theories, principle and models to leadership (30 minutes)

- Introduce the main ethical theories of utilitarianism, deontology and virtue, and apply them to the case study (15 minutes).
- Introduce the principles of ethical leadership proposed by Eisenbeiss and Northouse and apply them to the case study (10 minutes).
- Discuss ethical decision-making models and ethics quick tests and apply them to the case study (5 minutes).

Turning knowledge into practice (25 minutes)

- Conduct exercise 6. See guidelines in the Exercises section of the Module.
- Discuss questions such as: Will you add, delete, or modify any items? Why? (10 minutes)
- Discuss virtues leaders ought to possess. The lecturer presents the virtues suggested by thinkers like Aristotle, Confucius, or any others who are influential to the students (5 minutes).
- Discussion on what an ethical manager ought to do to infuse the organization with principles that will guide the actions of all employees and build an ethical organization (10 minutes).

Core reading

The following readings should be completed before the session.

What is ethical leadership? <https://www.villanovau.com/resources/leadership/what-is-ethical-leadership/#.WsZCAWaB01g>. *This resource from Villanova University defines ethical leadership as a “form of leadership in which individuals demonstrate conduct for the common good that is acceptable and appropriate in every area of their life”. The article discusses both characteristics and impacts of leadership.

What is a leader? <http://www.leadership-central.com/what-is-a-leader.html#axzz5Bo39Ro00>. *This article describes the concept of a leader and distinguishes it from the concept of a manager.

What is ethics? <http://www.ethics.org.au/about/what-is-ethics>. *A brief introduction to ethical decision-making, and a discussion of the “ethics quick tests” referred to in the Key Issues section of this Module.

Advanced reading

For those interested in exploring the topic in more detail, the following additional reading is recommended.

Bazerman, Max H. and Ann E. Tenbrunsel (2011). Ethical breakdowns. *Harvard Business Review*, vol. 89, No. 4, pp. 58–65.

Bing, Stanley (2000). *What Would Machiavelli Do? The Ends Justify the Meanness*. New York: Harper Business.

Ciulla, Joanne B. (2005). The state of leadership ethics and the work that lies before us. *Business Ethics: A European Review*, vol. 14, No. 4, pp. 323–335.

Ciulla, Joanne B. (2014). *Ethics, the Heart of Leadership*. 3rd ed. Santa Barbara, California: Praeger.

Coles, Robert (2000). *Lives of Moral Leadership*. New York: Random House.

Daft, Richard L. (2008). *The Leadership Experience*. 4th ed. Stamford, CT: Cengage.

de Hoogh, Annebel H.D., and Deanne N. den Hartog (2009). Ethical leadership: the positive and responsible use of power. In *Power and Interdependence in Organizations*, Dean Tjosvold and Barbara Wisse, eds. Cambridge: Cambridge University Press.

Gentile, Mary C. (2012). Values-driven leadership development: where we have been and where we could go. *Organization Management Journal*, vol. 9, No. 3, pp. 188–196.

Johnson, Craig E. (2011). *Meeting the ethical challenges of leadership: casting light or shadow*. 4th ed. Thousand Oaks, CA: SAGE.

Northouse, Peter G. (2016). *Leadership: Theory and practice*. 7th ed. Thousand Oaks, CA: SAGE.

Treviño, Linda Klebe, Laura Pincus Hartman and Michael E. Brown (2000). Moral person and moral manager: how executives develop a reputation for ethical leadership. *California Management Review*, vol. 42, No. 4, pp. 128–142.

Watkins, Michael D. (2012). How managers become leaders. *Harvard Business Review*, vol. 90, No. 6, pp. 64-72.

Student assessment

An assignment to be completed within two weeks after the Module:

Select a leader and write an essay on the ethical leadership of the selected person, focusing on one or more of the following questions:

- In your opinion, what characterizes a good leader? Do you think the leader is a good leader? Why?
- How does being a good leader differ from being an ethical leader?
- Did this person face any ethical dilemmas during his or her career or lifetime?
- How did he or she respond to these dilemmas?
- Is it possible to identify a particular ethical theory that informed the choices made by this person?

Length: between 2500 and 3000 words.

Additional teaching tools

This section includes links to relevant teaching aides such as PowerPoint slides and video materials, that could help the lecturer teach the issues covered by the Module. Lecturers can adapt the slides and video materials to their needs.

PowerPoint presentation

- [Module 4 Presentation on Ethical Leadership](#)

Video material

- Why good leaders make you feel safe?
https://www.ted.com/talks/simon_sinek_why_good_leaders_make_you_feel_safe (11:56min).
- Are you a giver or a taker?
https://www.ted.com/talks/adam_grant_are_you_a_giver_or_a_taker (13:29min).
- Everyday leadership
https://www.ted.com/talks/drew_dudley_everyday_leadership (6:11min).

Guidelines to develop a stand-alone course

This Module provides an outline for a three-hour class, but there is potential to develop the topic further into a stand-alone course. The scope of such a course will be determined by the specific needs of each context, but a possible structure is presented here as a suggestion.

Session	Topic	Brief description
1	Introduction to leadership	Definition of leadership, introduction to the importance of leadership
2	Ethical leadership	Definition of ethics, definition of ethical leadership, the relationship between ethical leadership and leadership ethics, and the relationship between ethical leadership and transformational leadership, authentic leadership, and servant leadership

3	Ethical responsibility	Discussion on the reasons that leaders usually have more ethical responsibility than followers
4	Effective leadership	Discussion on the effectiveness of leadership based on the relationship between leaders and followers, and organizational culture-building
5	Ethical theories	Utilitarianism, deontology, virtue ethics
6	Principles of ethical leadership	Discussion on principles of ethical leadership
7	Ethical decision-making	Application of ethical theories, principles to leadership cases
8	Ethics virtues	Discussion on the virtues an ethical person ought to possess
9	Ethical leadership in practice	Discussion on the measures an effective ethical manager ought to take