Ethical leadership

[Name]

[Institution]

[Date]

Ethical leadership

**Abstract**

 Leadership that does not focus on ethical conduct could be dangerous for the organization as well as for the society. Some aspects of transformational leadership are positively related to ethical leadership and personal values. However, research findings show that transformational leadership does not focus on all the component of corporate social responsibility and it plays np role for maintaining diversity in its top management. The variables that are being focused in this study are intellectual stimuli of transformation leadership, strategical and social components of CSR. Thus, the relationship between ethics and leadership is analyzed.

**Introduction**

 Adopting appropriate leadership style has always been difficult in challenging times

 and organizations throughout the world are facing unique stressors that demand genuine leadership. The challenges faced by organizations ranging from ethical meltdowns to the issues of terrorism (Ofori, 2009). Such challenges have precipitated a focus on the personal values of the employs of an organization. Those values include the ability to bounce back from catastrophic events, helping out the organization to cope with new challenging by fostering new approaches of self-awareness and restore hope and confidence (Brown & Treviño, 2006).

  The organization needs leaders that can lead with integrity, purpose, and value. Leaders who can motivate their employees and who can build enduring organization are the one who are considered as positive leaders (Avolio & Gardner, 2005). Thus, leadership tends to be ethnical to be successful in the long term. The leadership styles are used to exhibit and communicate the values that will lead to ethical orientation in an organization. The purpose of this essay is to analyze the relationship between ethics/ personal values and leadership and in an organizational setup.  The paper focuses on the relationship between transformational leadership style and CSR. As this style motivates employs by appealing to high moral values and ethical standards (Groves & LaRocca, 2011).

**Transformational leadership and Corporate Social responsibility**

 Transformational leadership style focus on the goal-setting, employee motivation and clear communication with the followers (Jones Christensen, Mackey, & Whetten, 2014). It drives commitment to organizational objectives rather than targeting each induvial employee separately (Hood, 2003). This style of leadership has originated from the personal value and from the belief system of the leader .Such leaders design a holistic vision for the employees (Groves & LaRocca, 2011).

  There are two components of transformational leadership one is emotional and the other is intellectual. Intellectual stimulation involves the action of leaders towards the change in awareness regarding the problem and the ability to solve problems (Brammer, Millington, & Rayton, 2007).

It also aims to focus on the changed ethical value system. The conceptual capacity of leaders includes the ability to process or integrate information that is related to the environment. This style is adopted for strategic formulation and it also helps follower to get out of complex problems. An intellectual leader will think of environmental issue in a broader contact by using his or her conceptual capabilities. Leaders will also scan ways in which the stakeholders will be served. These leaders have the potential to draw a mental map of an efficient view of the external forces that have an impact on the organization (Hazlett, McAdam, Sohal, Shahin, & Zairi, 2007).

This mental map includes the interaction of theses external forces with each other and also present the report of firm performance in such an environment. These leaders use their understanding to balance performance goal with the desire to maintain CSR. They think that how the socially responsible outcome can be achieved by generating enough returns for the organization. The prior beliefs are reconsidered that were saying that performance can be enhanced only at the expense of CSR. For example, improving the education system in a society is a social good but a transformational leader will look at in a way that how the improvement in educational level can impact the competitive advantage of the firm (McWilliams, Siegel, & Wright, 2006).

  Thus, the hypothesis that can be generated from this review is that; there is a positive relationship between the intellectual stimulation of a transformation leadership style and the propensity of the organization to engage in corporate social responsibility.

 The environmental social responsibility of an organization is analyzed on the bases of several actions. Such as the extent in which the organization uses fuel and clean energy, its pattern of recycling use product, its generation of returns from the usage of environmentally friendly products and violation of the set environmental status (Wu, Kwan, Yim, Chiu, & He, 2015).

  The action of the firm in respective of maintaining diversity is also a sign of corporate social responsibility. Like the representation of minorities and women in senior management, the number of positions allocated for disable individuals and its level of involvement in controversies (Ling, Simsek, Lubatkin, & Veiga, 2008).

However, studies show that the key dimension of transformational leadership that is the intellectual stimulation impacts only the strategically oriented CSR positively not the socially orientated CSR.  These leaders focus on the areas such as the environmental performance and product quality not the issue of CSR with more social bases like diversity and community relations (Waldman, n.d). Thus, this factor moderates the relationship between CSR and transformational leadership.

**Conclusion**

Leaders must take an appropriate step to communicate the importance of CSR at all the possible levels of the organization. The intellectual stimuli of transformational leadership make sure to take care of the environmental issues as well as focuses on the returns generated by the organizations. But transformational leadership doses do not take care of the social aspect of CSR and this factor makes the relationship between CSR, transformational leadership and person value moderate.

References

Avolio, B. J., & Gardner, W. L. (2005). Authentic leadership development: Getting to the root of positive forms of leadership. The Leadership Quarterly, 16(3), 315–338. https://doi.org/10.1016/j.leaqua.2005.03.001

Brammer, S., Millington, A., & Rayton, B. (2007). The contribution of corporate social responsibility to organizational commitment. The International Journal of Human Resource Management, 18(10), 1701–1719.

Brown, M. E., & Treviño, L. K. (2006). Ethical leadership: A review and future directions. The Leadership Quarterly, 17(6), 595–616.

Groves, K. S., & LaRocca, M. A. (2011). An Empirical Study of Leader Ethical Values, Transformational and Transactional Leadership, and Follower Attitudes Toward Corporate Social Responsibility. Journal of Business Ethics, 103(4), 511–528. https://doi.org/10.1007/s10551-011-0877-y

Hazlett, S.-A., McAdam, R., Sohal, A., Shahin, A., & Zairi, M. (2007). Corporate governance as a critical element for driving excellence in corporate social responsibility. International Journal of Quality & Reliability Management.

Hood, J. N. (2003). The Relationship of Leadership Style and CEO Values to Ethical Practices in Organizations. Journal of Business Ethics, 43(4), 263–273. https://doi.org/10.1023/A:1023085713600

Jones Christensen, L., Mackey, A., & Whetten, D. (2014). Taking responsibility for corporate social responsibility: The role of leaders in creating, implementing, sustaining, or avoiding socially responsible firm behaviors. Academy of Management Perspectives, 28(2), 164–178.

Ling, Y. A. N., Simsek, Z., Lubatkin, M. H., & Veiga, J. F. (2008). Transformational leadership’s role in promoting corporate entrepreneurship: Examining the CEO-TMT interface. Academy of Management Journal, 51(3), 557–576.

McWilliams, A., Siegel, D. S., & Wright, P. M. (2006). Corporate social responsibility: Strategic implications. Journal of Management Studies, 43(1), 1–18.

Ofori, G. (2009). Ethical leadership: Examining the relationships with full range leadership model, employee outcomes, and organizational culture. Journal of Business Ethics, 90(4), 533.

Waldman, D. A. (n.d.). CEO TRANSFORMATIONAL LEADERSHIP AND CORPORATE SOCIAL RESPONSIBILITY. 42.

Wu, L.-Z., Kwan, H. K., Yim, F. H., Chiu, R. K., & He, X. (2015). CEO ethical leadership and corporate social responsibility: A moderated mediation model. Journal of Business Ethics, 130(4), 819–831.