Ethical Leadership

University Module Series
Integrity & Ethics

PAKISTAN

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University Module on

Ethical Leadership*

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University Module Series on Integrity and Ethics

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the Global Integrity Education project.

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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:

- 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 of 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.

In the context of Pakistan, a developing country where around 64% of the population comprises of young people under 30 years of age (UNDP, 2018), establishing ethical leadership becomes all the more critical. While this young population primarily consisting of people of an earning age, represents a great deal of potential for growth, urgent and adequate planning in the domains of health, education, employment and political participation, is required to realize this potential (Sathar et al., 2016).

Since it gained independence, the country has experimented with different governance structures, from presidential to parliamentary systems and from civilian-controlled democracy to military-led dictatorship. However, lack of pro-poor policies and limited economic growth has led to a pervasive mistrust in governance (Haq, Zia, & Arif, 2006). The second chapter of the [Constitution of Pakistan](#) enunciates the principles of policy to guide decision-making; and these inter alia, declare that the State shall act to promote social justice and the social and economic well-being of the people of Pakistan.

In order for participatory democracy to flourish in the country, a visionary and ethical leadership that enjoys the trust of the people is required. Pakistan, according to one analyst, has been stuck in the vicious cycle of slow economic growth leading to poverty which in turn has led to the militancy which further drives down growth (Masood, 2013) Pakistan is a complicated country and governing requires difficult decisions to meet its multifarious challenges. A trust deficit in the leadership adds to the existing complexities of the decision-making process. This trust deficit will only be overcome if the leadership consistently demonstrates high ethical values and solemn commitment to promote public good.

What is true for the state at the national level is also true for leaders at the level of organizations, whether public or private. Organizational executives have to develop a strategic focus and an overarching organizational vision, while ensuring employees' motivation and commitment through introduction of safeguards for their well-being.

＞ 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 of the E4J University Modules Series on Integrity and Ethics: 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

What dilemma, problem, situation or question are you facing?	How you frame the question may affect the answer	Consider the ethical aspects carefully	Consult appropriately to broaden your perspective
Gather information to help you make a decision	Keep an open mind	Ask open questions	Distinguish facts from assumptions
Determine possible solutions then ask yourself the following about each one:	How will it affect each of our stakeholders? (customers shareholders, colleagues, partners, communities, planet)	Is it in accordance with: All applicable laws and regulations, policies, organisational values and your personal values?	Would you be proud if: It was reported in the newspaper or on social media? Your relatives, peers or friends heard about it?
Am I comfortable with this solution? (If not, discard it)	Should I check with my manager or subject matter expert?	Is it feasible?	Which solution is best?
Make a decision and prepare to implement by considering:	What challanges might I face?	How can I overcome these challenges?	Who can help me to implement wisely?
Implement, then ask:	Were lessons learned and applied?	Be open to feedback and follow up as necessary.	

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: Examples of ethical leadership in the COVID 19 crisis

Either during class or at home before the class, ask the students to research online a current example of a leader's response to the COVID 19 crisis in Pakistan. Ask each student to provide an explanation as to why this figure demonstrates ethical leadership and sound judgment and have them trace a historical arc for their chosen leader's actions. Student's should also identify pitfalls in their policy and put forward the shortcomings they think their leader displayed during the time. They may also engage in a comparison of their Pakistan based leader with a leader from another country and the ethical decisions taken in that particular country. A table of pros and cons can be developed, reflecting that every decision has multiple implications and a multitude of perspectives. An example could be the Covid-19 response of RIZQ, a student driven social enterprise. RIZQ provided over 2.2 million meals to the needy through 3000+ student volunteers, across 23 cities in Pakistan, during the Pandemic. The Queen of United Kingdom recently praised them for exemplary youth leadership and bestowed upon them the Commonwealth Points of Light Award, 2020 (The News, 2020).

Alternatively, ask each student to prepare a two-minute video clip presenting the ethical leader of their choice. This will allow the students to engage in a critical discussion on the impact on a community of a leader's decision and impart the deep responsibility the position holds. It will also allow them to critically engage with the nuances of policy making.

Lecturer Guidelines

The point of this exercise is to encourage students to appreciate how 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 leader as an example of ethical leadership.

⟩ 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.

> Exercise 7: Case Study: The dilemma of ethical decision making

The Chief Executive Officer of ANC XYZ Limited was looking outside his office window at the beautiful, lush green trees, freshly washed with the ongoing rain and the colorful flowers sprouting indicating the spring season in Lahore. 12 years had passed since Zahid Hussain joined ANC XYZ Limited, a small company with limited resources in 2004. The passion commitment, meticulous planning and hard work of the core team translated into ANC XYZ Limited emerging as a market leader. Zahid Hussain climbed the company ladder from Manager Coordination to become the CEO. He thoroughly enjoyed his job because the Chairman of the organization was always emphasizing good corporate governance, adherence to value-based leadership practices and ensuring merit-based decisions. His personal vision and values were aligned with the organizational vision and values.

2016 was an amazing year for ANC XYZ Limited because all its projects were proceeding successfully, organizational growth was in triple figures and it was launching its biggest multi-billion rupee infrastructure project. Everything seemed perfect, but Zahid Hussain was contemplating his options. The past year had seen a flurry of activity in the planning of the infrastructure project. However, certain phone calls and incidents in the past few weeks had left Zahid Hussain disturbed. The first phone call came from Osama Mustafa, one of the founding directors of ANC XYZ Limited, enquiring about the short-listing of firms for the construction of the project and emphasizing that ABC Builders should be included in the list. Earlier, Zahid Hussain had not been satisfied with the selection process of the project architect and the abrupt inclusion of ABC Builders was also a deviation of stipulated SOPs. However, to expedite the project, he included ABC Builders and called all short-listed firms to submit technical and financial proposals.

The proposals were evaluated and ABC Builders came 4th in the comparison sheet. Shahid Hussain, BOD member and Head of the Audit Committee, expressed his displeasure, scrapped the comparison sheet and gave new parameters of comparison. The exercise was repeated and ABC Builders came 3rd in the evaluation.

There was considerable difference in the financial proposals of the top 3 firms and therefore, Zahid Hussain as per stipulated SOPs recommended QRST Ltd to be given the multi-billion contract. Mr Osama and Mr. Shahid incessantly pressurized Mr. Zahid to award the contract to ABC Builders. When Mr Zahid did not oblige, the Chairman of ANC Limited called and after a long sermon on practicality in decision making, directed Zahid Hussain to award the contract to ABC Builders. The next day, Zahid Hussain had a meeting with his two trusted chief officers' and discussed the situation with them. The CFO informed him that the son of the Chairman was a de facto partner in ABC Builders and that was why there was so much pressure from the Board. Zahid Hussain was perturbed at this assertion of the CFO because since the past 12 years the BOD had been talking about merit, transparency and professionalism. He considered the Chairman to be his mentor and an ethical leader, but this recent mantra of pragmatism and practicality was incomprehensible. The CFO being his good friend advised him to leave the matter and follow the advice and directives of the BOD. Zahid Hussain thanked both his chief officers and, after they left his office, he looked outside the window at the rain, the beautiful trees and colourful flowers. He had to take a decision and the repercussions would take him to the next level of his career. Mr Zahid could gain the ultimate trust of his BOD and they would give him additional bonuses and benefits or he would have to leave the organization because by not awarding the contract to ABC Builders, the situation would become complicated and non-conducive, with a real time conflict emerging between BOD and CEO.

Ask the students the following questions:

1. What decision should Zahid Hussain take and why?
2. Is there any other option for Zahid Hussain in this current scenario?
3. Why has the BOD changed its leadership stance from merit, professionalism and process-based decision making, to pragmatism and practicality coupled with arbitrariness in decision making?
4. Is there any Conflict of Interest in this situation?
5. In your opinion is the Chairman of ANC Limited an ethical leader? Explain with cogent arguments.

Lecturer Guidelines

The guidelines for conducting this exercise/case study 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 8: Introspection and leadership

To understand leadership, it is very important to understand self through introspection. Ethical leadership emerges from experiences of life, which have an internal bearing on the individual. It is necessary that the leadership of the future, develops a better understanding of themselves through introspection and cross fertilization of ideas.

The lecturer may give this assignment as a take home exercise for the students.

The students must answer the following questions with examples:

- What is your vision of life [academic, professional and family based]?
- Where do you see yourself in the next 10 years and why?
- What are the top 10 most important values in your life? Give examples for each.
- Prioritize the top 5 values and elaborate on your priority #1 value.
- Do you believe in following certain principles in life-elaborate on a few of them?

Lecturer Guidelines

The lecturer may share relevant examples during class, preferably drawing on his/her own vision of life complemented by values and principles. Give the students about one week to conduct this exercise. In another class ask a number of students to share their vision and values with the class. Conclude the session with connecting the exercise to the topic of Ethical Leadership.

Possible class structure

This section contains recommendations for a teaching sequence and timing intended to achieve learning outcomes through six hours of contact sessions (classes, workshops, etc.). 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 (15 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 (30 minutes)

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

Definition of leadership and ethical leadership (15 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? (15 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 (30 minutes)

- Introduce the 'interpersonal trust' model developed by Schindler and Thomas.
- Facilitate a discussion regarding the importance of ethical leadership for effective leadership based on the interpersonal trust model.
- Introduce the 'social power' model developed by French and Raven.
- Facilitates 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.

Decision cards exercise (30 minutes)

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

Examples of ethical leadership (30 minutes)

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

Case study (30 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.
- Introduce the principles of ethical leadership proposed by Eisenbeiss and Northouse and apply them to the case study.
- Discuss ethical decision-making models and ethics quick tests and apply them to the case study.

Turning knowledge into practice (60 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?
- Discuss virtues leaders ought to possess. The lecturer presents the virtues suggested by thinkers like Aristotle, Confucius, Prophet Muhammad [PBUH], Qauid-i-Azam, Muhammad Ali Jinnah, or any others who are influential to the students.
- 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.

The dilemma of ethical decision making (45 minutes)

- Conduct exercise 7. See guidelines in the Exercises section of the Module.

Introspection and leadership (30 minutes)

- Conduct exercise 8. See guidelines in the Exercises section of the Module.

Core reading

The following readings should be completed before the session.

What is ethical leadership?
» 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. Available from: https://www.villanovau.com/resources/leadership/what-is-ethical-leadership/#.WsZCAWaB01g.

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

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. Available from: http://www.ethics.org.au/about/what-is-ethics.

Advanced reading

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

Abbas, M., & Raja, U. (2011). Impact of Psychological capital on Innovative performance and job stress. In 15th International Business Research Conference.

Bashir, M., & Hassan, S. (2019). The need for ethical leadership in combating corruption. International Review of Administrative Sciences, https://doi.org/10.1177/0020852318825386.

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 Meannes*s. New York: Harper Business.

Caldwell, C., Hayes, L., Bernal, P., & Karri, R. (2008). Ethical stewardship – implications for leadership and trust. Journal of Business Ethics, 78, 153-164.

Chughtai, A. (2016). Can ethical leaders enhance their followers' creativity? Leadership, 12(2), 230-249.

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.

Dewey, John (1916): Democracy and education: an introduction to the philosophy of education. Macmillan, Harvard; also Free Press, N.Y. (pp 239).

Fullan, Michael and Scott, Geoff (2014). Education PLUS: The world will be led by people you can count on, including you! New Pedagogies for Deep Learning Whitepaper. Seattle, Collaborative Impact SPC.

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.

Karen Armstrong (1991). Muhammad: A Biography of the Prophet. Victor Gollancz Ltd.

Karen Armstrong (2006). Muhammad: A Prophet for our Time. Harper Collins.

Nelson Mandela (2011). Conversations with Myself. Pan Macmillan.

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

Piccolo, R. F., Greenbaum, R., Den Hartog, D. N., & Folger, R. (2010). The relationship between ethical leadership and core job characteristics. Journal of Organizational Behavior, 31, 259-278.

Tehmina Durrani (1990). Edhi: A Mirror to the Blind. Abdul Sattar Edhi Foundation.

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.

Zeb, Alam and Ali, Farman. Exploring Barriers Inhibiting the Effectiveness of leadership in Public Sector Organizations in Khyber Pakhtunkhwa. Abasyn Journal of Social Sciences, Vol.8 No.2, pp. 251 - 263.
   » Retrieved from http://ajss.abasyn.edu.pk/article?paperID=133

Student assessment

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

Select one leader from Pakistan and another leader from any other country and write an essay on the ethical leadership of the selected persons, focusing on one or more of the following questions:

- In your opinion, what characterizes a good leader? Do you think the leaders chosen are good leaders? Why?

- Describe the traits that you believe the Pakistani leader has, and why you would be willing to follow this person's leadership.

- Does being a good leader differ from being an ethical leader? If so, how?

- Did the selected individuals face any ethical dilemmas during their career or lifetime?

- How did they respond to these dilemmas?

- Is it possible to identify a particular ethical theory that informed the choices made by these leaders?

Length: between 3000 and 4000 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 (from the E4J module)

〉 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 six hour session, 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