

Whether ethical leaders are born or made philosophy essay



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In this essay we will extend to the debate which is going on for years that Ethical leaders are born or made, starting initially with the understand of what is an ethical leader & who is an ethical leader and the good and bad traits of leader and how leader can be ethical and understanding the concepts & attributes of good ethical leader like Mr. Nayan Murthy, Chairman & Ex-CEO, Infosys Technologies Ltd. And will learn more about him in terms of his character, values & moral behaviour. While in the last part of essay we will try to figure out what are the important Ethical issues faced by today's Business Leader through the frame work of Stakeholder, Owners.

What is an ethical leader? Someone who is able to stimulate people willingness to practice well-being & encourages good ethical behaviour. They are also open to questions, discussion, and criticism. A good leader is someone who cares about the followers in general.

Any theory of ethical leadership must be based on two new premises. First, ethical leadership is a system of thought based on setting rules for what to do, not on what not to do. Second, leadership must evolve to include ethical behaviour not because ethical behaviour is simply a natural good in and of itself, but mainly as part of the core of what leadership is for pragmatic reasons.

The world does not exist for only one moment. It exists as a continuum of time and any definition of leadership must recognize that leadership is not an event that occurs in one second, but is a process that takes time. While an act of leadership may appear episodic, for true leadership to occur it must be built on a series of actions that produces a very useful range of results.

The definition of leadership that incorporates this time dimension, The definition is:

“ Leadership is the creation and fulfillment of worthwhile opportunities by honourable means”(Herb Rubenstein, 2003)

The debate of Ethical Leader Born versus Made has been going on for years, and it will still go on, to add to this debate a person might be blessed with extraordinary talents like he might be the best orator or the best writer or the best in his field still he may not emerge out to be as ethical leader. People may possess almost all the traits of a leader, but if they lack the all important human touch than they will fail to attract people towards themselves.

Ethical leadership is about having great relationship with others; a follower is ever desirous of seeking personal association of his beloved leader. If a leader does not display the personal bonding then it's just a matter of time that the followers will abandon him. A person is not compelled to follow somebody; instead he chooses to follow somebody. But why does he choose to follow an individual? What did he see in that particular individual that he decided to be dictated by his terms and conditions? He submissively accepts an individual as the architecture of his destiny because he sees a personal touch in that individual's gesture along with being ethical, he sees someone who is showing great concern for his personal well-being and he sees that this individual is ever desirous of his success and is willing to provide him the necessary direction which can lead him to succeed. So, he decides to accept his authority and he becomes his follower.

An ethical leader has to be credible and trustworthy. His words and actions should match; he should become a living example to his followers. Whatever expectations a leader has from his followers he should clearly state it. People want an Ethical leader to be honest; a follower has willingly surrendered himself to the leader so he wants that the person whom he is following should be honest in his words and in his actions. An Ethical leader should be a great communicator of ideas and visions; his words should establish a bond with the follower.

An ethical leader should create a positive environment wherein the people can be self-motivated; a leader should always be inspiring. He should display great amount of competence and commitment towards his work. He should lead by example and display tremendous determination; his never to die attitude will inspire his followers. A leader should also display great competence and capability. People follow someone if they believe that the person has got the requisite capability of achieving what he tends to achieve.

Some people have a natural ability which makes them take initiatives in leadership and being ethical as well. The will to make decisions is also one trait which is inherent in some people and proves to be an essential quality of a leader. While some qualities needed for good leadership may be natural to some people it is important to note that all skills needed for an ethical leadership are not present in any individual. He has to learn some skill on his own by making deliberate efforts. Since all the properties needed for good leadership are not inborn in any individual everyone has learn the ropes of

this business. That is why it is stressed that leaders are made and are not born.

The debate of Ethical Leader Born versus Made has been going on for centuries. As said earlier ethical leadership can be taught & learned. There are some skills have to be learned for a good ethical leader. In some people these qualities are inborn but some people have to learn these skills. What are the means to learn these skills? One way is you can watch a leader and learn from him. Like Mr. Narayana Murthy, Chairman & CEO, INFOSYS TECHNOLOGIES (LTD)

One of the founders of Infosys Technologies Limited; Chosen as the World Entrepreneur of the Year – 2003 by Ernst and Young Narayana Murthy is the Non-Executive Chairman and Chief Mentor of Infosys Technologies Limited. He is a living legend and an epitome of the fact that honesty, transparency, and moral integrity & ethics are not at variance with business acumen. He set new standards in corporate governance and morality when he stepped down as the Executive Chairman of Infosys at the Age of 60.

Born on August 20, 1946, N. R. Narayana Murthy is a B. E. Electrical from University of Mysore (1967) and M. Tech from IIT Kanpur (1969). Narayan Murthy began his career with Patni Computer Systems in Pune. In 1981, Narayana Murthy founded Infosys with six other software professionals. In 1987, Infosys opened its first international office in U. S. A. With the liberalization of Indian economy in 1990s, Infosys grew rapidly. In 1993, the company came up with its IPO. In 1995, Infosys set up development centers across cities in India and in 1996, it set up its first office in Europe in Milton

Keynes, UK. In 1999, Infosys became the first Indian company to be listed on NASDAQ. Today (in 2006), Infosys has a turnover of more than \$ 2billion and has employee strength of over 50, 000. In 2002, Infosys was ranked No. 1 in the “ Best Employers in India 2002” survey conducted by Hewitt and in the Business World’s survey of “ India’s Most Respected Company.” conducted in the same year.

Along with the growth of Infosys, Narayana Moorthy too has grown in stature. He has received many honors and awards. In June 2000, Asiaweek magazine featured him in a list of Asia’s 50 Most Powerful People. In 2001, Narayana Murthy was named by TIME/CNN as one of the 25 most influential global executives. He was the first recipient of the Indo-French Forum Medal (2003) and was voted the World Entrepreneur of the Year – 2003 by Ernst and Young. The Economist ranked Narayana Murthy eighth on the list of the 15 most admired global leaders (2005) and Narayan Murthy also topped the Economic Times Corporate Dossier list of India’s most powerful CEOs for two consecutive years – 2004 and 2005.

Strategy is all about differentiating yourself in the marketplace to maximise your margins. Differentiation could come through products and services. But your stakeholders must feel you are more and more valuable to them, compared to competitors. Stakeholders would mean society, customers, employees, government, investors; each must say this company is adding more value to me than any other.

Ethics and values can be defined as anything that stands the test of golden behaviour. That is the rule, that one must do unto others what you would like

to be done unto you. Nayaran Murthy define ethics and values in a more elaborate manner. Ethics and values form the protocol for conduct and behaviour in a community for each of its members. So that enhances the confidence, the enthusiasm, the energy, the joy of everyone else in the community. If I conduct myself as per that protocol of behaviour, it enhances the confidence, the enthusiasm, the energy and joy of everyone else in the company.

As I said earlier, if you want to become unique in the marketplace, then you want all to work hard. If you want 67, 500 employees in Infosys to agree voluntarily to commit to hard work, then they have to trust the leader.

A leader has to have followers to be a leader. That is why I stood by my controversial decision on CEO's salaries being linked to company's earnings. If you want to enhance the trust of employees in the leader, then the leadership of the company has to conduct itself in a manner that enhances trust.

Also, the CEO or the leader must definitely reap benefits proportionate to the benefits derived by the company. Never before in the history of business community in the world did we have a situation where trust of man and woman in the street is lowest in business leaders. According to a US survey, corporate leaders are least trusted, as many of them violated codes of ethics and even laws.

On the Indian side, if you have analysed how salaries of CEOs have increased in 15 years, they have gone up from Rs 7, 000 and Rs 10, 000 to Rs 7 million on an average. I am one of those who fought for this. When on board of a <https://assignbuster.com/whether-ethical-leaders-are-born-or-made-philosophy-essay/>

company, I saw to it that the CEO had a variable linked to output. Indeed, salaries of the lowest paid persons have not correspondingly gone up. I won't get into a debate whether this is right or wrong.

But after getting the government to agree to limit on salaries, it is incumbent on our part to live up to expectations and conduct ourselves in a manner that enhances trust of all stakeholders, particularly the government and the society. The fact that we opened borders in 1991 and welcomed MNCs to operate, has had a tremendous positive impact on value delivered to consumers. But if we have to continue to satisfy our customers we have to conduct ourselves in a manner that is worthy for the simple reason that customers today have a plethora of choices.

A Ethical leader is an agent of change, and progress is about change. In the words of Robert F Kennedy, 'Progress is a nice word; but change is its motivator.'

Leadership is about raising the aspirations of followers and enthusing people with a desire to reach for the stars. For instance, Nayan Murthy wanted to take Indian Software Industry to the world level. And he was successful in his vision because he has the attributes of a very good ethical leader.

A leader with vision has a clear, vivid picture of where to go, as well as a firm grasp on what success looks like and how to achieve it. But it's not enough to have a vision; leaders must also share it and act upon it. Nayan Murthy, chairman and CEO of Infosys Tech Ltd., said, " Good business leaders create a vision, articulate the vision, passionately own the vision and relentlessly drive it to completion." Nayan Murthy was able to communicate his or her
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vision in terms that cause followers to buy into it. He communicates clearly and passionately, as passion is contagious.

A good leader must have the discipline to work toward his or her vision single-mindedly, as well as to direct his or her actions and those of the team toward the goal. Action is the mark of a leader. A leader does not suffer “analysis paralysis” but is always doing something in pursuit of the vision, inspiring others to do the same.

Integrity is the integration of outward actions and inner values. A person of integrity is the same on the outside and on the inside. Such an individual can be trusted because he or she never veers from inner values, even when it might be expeditious to do so. Narayana Murthy has the trust of followers and therefore displays integrity. Honest dealings, predictable reactions, well-controlled emotions, and an absence of tantrums and harsh outbursts are all signs of integrity. Narayan Murthy is centered in integrity and is more approachable by followers.

Dedication means spending whatever time or energy is necessary to accomplish the task at hand. Narayan Murthy inspires dedication by example, doing whatever it takes to complete the next step toward the vision. By setting an excellent example, he shows followers that there are no nine-to-five jobs on the team, only opportunities to achieve something great.

Magnanimity means giving credit where it is due. A magnanimous leader ensures that credit for successes is spread as widely as possible throughout the company. Conversely, a good leader takes personal responsibility for failures. This sort of reverse magnanimity helps other people feel good about <https://assignbuster.com/whether-ethical-leaders-are-born-or-made-philosophy-essay/>

themselves and draws the team closer together. To spread the fame and take the blame is a hallmark of Narayan Murthy.

Leaders with humility recognize that they are no better or worse than other members of the team. A humble Narayan Murthy is not self-effacing but rather tries to elevate everyone. Leaders with humility also understand that their status does not make them a god. Narayan Murthy is a role model for all Indian businessmen & aspiring young people, and he pursued a “ follower-centric” leadership role.

Openness means being able to listen to new ideas, even if they do not conform to the usual way of thinking. Narayan Murthy able to suspend judgment while listening to others’ ideas, as well as accept new ways of doing things that someone else thought of. Openness builds mutual respect and trust between leaders and followers, and it also keeps the team well supplied with new ideas that can further its vision.

Creativity is the ability to think differently, to get outside of the box that constrains solutions. Creativity gives Narayan Murthy the ability to see things that others have not seen and thus lead followers in new directions.

Fairness means dealing with others consistently and justly. Narayan Murthy checks all the facts and hear everyone out before passing judgment. He or she must avoid leaping to conclusions based on incomplete evidence. When people feel they that are being treated fairly, they reward a leader with loyalty and dedication.

Assertiveness is not the same as aggressiveness. Rather, it is the ability to clearly state what one expects so that there will be no misunderstandings. Nayaran Murty is assertive to get the desired results. Along with assertiveness comes the responsibility to clearly understand what followers expect from their leader.

A sense of humor is vital to relieve tension and boredom, as well as to defuse hostility. Nayaran Murty knows how to use humor to energize followers. Humor is a form of power that provides some control over the work environment. And simply put, humor fosters good camaraderie.

The most important issue in Business Ethics

Conflict of Interest

Business ethics can be examined from various perspectives, including the perspective of the employee, the commercial enterprise, and society as a whole. Very often, situations arise in which there is conflict between one or more of the parties, such that serving the interest of one party is a detriment to the other(s). For example, a particular outcome might be good for the employee, whereas, it would be bad for the company, society, or vice versa.

Philosophers and others disagree about the purpose of a business ethic in society. For example, some suggest that the principal purpose of a business is to maximize returns to its owners, or in the case of a publicly-traded concern, its shareholders. Thus, under this view, only those activities that increase profitability and shareholder value should be encouraged, because any others function as a tax on profits. Some believe that the only companies that are likely to survive in a competitive marketplace are those

that place profit maximization above everything else. However, some point out that self-interest would still require a business to obey the law and adhere to basic moral rules, because the consequences of failing to do so could be very costly in fines, loss of licensure, or company reputation.

Some take the position that organizations are not capable of moral agency. Under this, ethical behaviour is required of individual human beings, but not of the business or corporation. Other theorists contend that a business has moral duties that extend well beyond serving the interests of its owners or stockholders, and that these duties consist of more than simply obeying the law. They believe a business has moral responsibilities to so-called stakeholders, people who have an interest in the conduct of the business, which might include employees, customers, vendors, the local community, or even society as a whole. Stakeholders can also be broken down into primary and secondary stakeholders. Primary stakeholders are people that are affected directly such as stockholders, where secondary stakeholders are people who are not affected directly such as the government. They would say that stakeholders have certain rights with regard to how the business operates, and some would suggest that this includes even rights of governance.

Ethical issues can arise when companies must comply with multiple and sometimes conflicting legal or cultural standards, as in the case of multinational companies that operate in countries with varying practices. The question arises, for example, ought a company to obey the laws of its home country, or should it follow the less stringent laws of the developing country in which it does business? To illustrate, United States law forbids <https://assignbuster.com/whether-ethical-leaders-are-born-or-made-philosophy-essay/>

companies from paying bribes either domestically or overseas; however, in other parts of the world, bribery is a customary, accepted way of doing business. Similar problems can occur with regard to child labour, employee safety, work hours, wages, discrimination, and environmental protection laws.