

Ethics in leadership

[Business](#), [Leadership](#)



Ethics in Leadership Ethics, as defined by Richard Daft, is “ the code of principles and values that governs the behavior of a person or group with respect to what is right or wrong” (Daft, 2011, p. 445). Ethics play the most important role in any business, and are the key to its success. Every company expects a standard pattern of behavior from their employees on some common grounds. In order to define ethics in leadership, we must first define leadership. Leadership is defined as “ an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes” (Daft, 2011, p.). A dynamic leader operates with a high sense of ethics, integrity, and possesses high moral standards. True leaders have an appreciation for learning, take risks, and understand the importance of change and when it is necessary. Leadership, in a sense, is never a finished product, but rather, it is an ongoing process that continuously needs refinement. Leaders are aware of what they value and recognize the importance of ethical behavior. “ Leaders come in all shapes and sizes but all good leaders possess leadership style and actions that exhibit both their values and their ethics” (Daft, 2011, p.). Since we have defined leadership as the “ influence relationship among leaders and followers, ethical leadership is about leaders trying to influence people to act in an ethical manner” (Daft, 2011, p. 5). Some believe that ethical leadership is only a matter of leaders having good character. By being a person of strong character and having the right values, an ethical leader can use these characteristics to set an example for others. Without taking anything away from those characteristics, the reality of ethical leadership is far more complex.

Also read: Advantages and Disadvantages of Ethics in Business

Ethical leaders embody the purpose, vision, and values of an organization and of its followers. Ethical leaders connect the goals of the organization with that of the company stakeholders and employees. We've learned in this class that true ethical leaders " have to discover their own personal ethical values and actively communicate those values to others through both words and actions" (Daft, 2011, p. 447). One of the most famous examples of a company not showing ethical leadership is in the company Enron. The Enron Corporation was an energy trading and communications company based out of Houston, TX.

By 2001, Enron employed around 21, 000 people and was listed as the seventh largest company in America. Enron's executives practiced accounting methods that falsely inflated the company's revenues, which eventually led to bankruptcy and the collapse of the corporation in December 2001. In the case of Enron, the employees agreed to a set of values that were not demonstrated and led by the executives of the company. The leaders of Enron did not act in a manner that sets the example for the rest of the organization. Bad leadership and a lack of leadership ethics at Enron caused the eventual collapse of the company in 2001.