

Ethical leadership in the context of the specific scenario

[Business](#), [Human Resources](#)



As the modern business environment is becoming increasingly complex and unpredictable, modern leaders are faced with problems and tasks that require applying ethical analysis. This is due to the fact that due to the ongoing process of globalization, business choices and decisions impact an increasing number of stakeholders. The goal of the present research is to critically explore ethical leadership in the context of the specific scenario – a case study of a medical device company.

Ethical leaders

An exemplary ethical decisions and actions were demonstrated by Mark Felt, the former Federal Bureau of Investigation (FBI) Associate Director. Starting from 1973 Mark Felt while still working for the FBI, provided top secret information to The Washington Post reporters. His actions allowed to obtain information critical to the Watergate scandal, which in turn led to Richard Nixon`s resignation in 1974.

Overall, it can be said that Felt had a number of traits characteristic to ethical leadership, however the two of them were the most relevant: justice and value – driven decision- making. When becoming a whistle-blower for his organization, Mark Felt fully realized that his actions would have serious personal consequences in case his identity will ever be revealed. Due to occupying the second highest position within the Bureau, Felt has a lot to lose. However, despite these considerations, he put justice above personal gains or risks and leaked information that helped uncover criminal financial activities conducted at the highest political level – by the President of the United States.

Another important feature of Felt was value- based decision- making. Although Trevino and Nelson (2016) point out that it is difficult to establish which motives had guided actions by Felt. However, it is logical to hypothesize that when deciding to become a whistle-blower he considered the impact of his actions on personal future, the organization he worked for and the U. S. society in general. While his actions could have had negative consequences for himself and the FBI, they definitely benefited the U. S. society in general, thus adhering to the ethical leadership trait of value- based decision- making.

Scenario analysis

From a deontological perspective, the risk of introducing life threatening infection may be seen as inconsequential when compared to breaking an agreement of non- disclosure. The leader considering such ethical dilemma may ask himself: “ Is it worth losing my job for disclosing information that may not even be relevant?”. An alternative perspective – consequentialism – on the other hand, suggests that the situation should be evaluated from the standpoint of its potential outcomes. For example, introducing the product to the market without disclosing its health risk can lead to a number of deaths of customers, who will develop a rare infection. From consequentialist point of view such actions are unethical and therefore, the leader has to let public know about the potential risks.

Lawrence Kohlberg has developed six stages of moral development in the late 1950` s. These stages correspond to the three levels: (1) pro- conventional morality; (2) conventional morality; and (3) post- conventional

morality. According to the developed framework, individuals analyzing an ethical dilemma will transit through the discussed three stages. Such transition will lead to learning and modifying one`s behavior to solve an ethical dilemma. The following sub- section will focus on identification of the most appropriate level to respond to the scenario questions.

What actions would be best for society in the long term?

To answer such ethical question, the post- conventional moral level will be the most appropriate one. Individuals solving ethical dilemmas at this level, in addition to their own principles and beliefs are also guided by the universal human rights and values including but not limited to freedom, life and justice. According to such way of thinking, introduction of the new joint product will benefit majority of the society, while only negatively impacting a small minority. Therefore, interests of minority can be disregarded due to an overall excellent quality, affordability and effective design of the new joint.

If I reveal this information, will my company find out and fire me?

The abovementioned question as far as its cognitive moral level is asked from the perspective of pre- conventional ethical stand. According to Kohlberg (1969), this level of reasoning heavily relies on evaluation of consequences relevant to the individual self. At this level an individual is likely to contrast and compare two outcomes: losing a job or jeopardizing life of a small fraction of population.

Which course of action would best serve justice?

Depending on the interpretation of “ justice”, this question is asked from either conventional or post- conventional moral levels. If justice is viewed

from the standpoint of obedience and law, the level is convention. If however, an individual is referring to the key human value - justice - the level is post- conventional.

Are there any laws that indicate whether I should disclose this information?

This question and consequent considerations arise from the conventional moral level, where obedience and respect for law is highly important in ethical decision- making. Therefore, If the company`s intentions violate any laws, an individual will choose to violate non- disclose the information regarding infection risk.

If I keep quiet, will my company reward me for that?

This question is asked from the standpoint of pre- conventional level, as the individual rewards/ risks are put in front of the greater and more universal human values.

ELI assessment: critical reflection

According to the ELI assessment, Relationship Lens is my preferred ethical lens. Such lens allows me to make ethical decision based on such principles as rationality and equality. Maintaining a strong relationship with community is also pivotal for this lens. I commonly apply this lens at work, as well as my personal and social life. However, sometimes in my work life I also apply Results lens, which allows me to use intuition (sensitivity) to ensure maximum benefit for each individual (autonomy). According to Trevino and Nelson (2016), having an ethical lens is essential to the problem- solving process. Having an ethical lens means being ethically aware, which in turn

stimulates ethical judgement and an overall ability of an individual to take ethical action.

My key risk identified by the ELI is being dictatorial or overly authoritarian. Such risk is based on my assumption that due to my theoretical knowledge and practical experience I know what is best for my classmates, colleagues and community at large. The key threat of such position is that it may lead to an individual power abuse and make me abandon one of my key values - justice. The identified risk is highly relevant not only from ethical but also from a practical perspective. Totalitarian leaders are known to contribute to creating unhealthy and hostile work environments, where employees feel threatened and disengaged from the process of decision - making. Employees, furthermore, may feel like they have no voice within the organization and decide that their personal actions or performance has no impact on organizational outcomes. This may in turn lead to decreased level of motivation and morale among them. This is why it is so important for the leader to be aware of his personal risks and develop individual measures and strategies that can help mitigate such risks.

In order to mitigate the risk to become dictatorial, the following three steps are recommended. First of all, as per recommendation by Crane and Matten (2016), it is pivotal for me to focus on principles of transparency and accountability. These principles will help remind me that I am responsible for well- being of other people, and that as a leader I still have to report to my followers and demonstrate my decision- making process in great transparency. Secondly, minting an open communication channel with both

managers and followers will allow me to have sufficient information to conduct evaluation of ethical dilemmas. Thirdly, as an ethical leader it would be important for me to practice an effective appraisal system. A 360 degree approach will be most appropriate because it will allow collecting feedback/critique from all members of the crew, as opposed to only a small circle of people.

As demonstrated by the results of the ELI assessment, my primary values are rationality and equality. More specifically, I only mildly rationalize rationality (trusting logic versus intuition). Such value also characterizes me as a person who has a slight preference for community over autonomy (value of rationality). This finding is closely aligned with another one concerning my preferred lenses - relationship one. Both, my ethics lens and values emphasize my strong preference and regard for community. My classical virtue is Justice, which also focuses on maximizing benefits and well-being for the community as a whole, as opposed to focusing on individual gains. Moreover, this virtue predetermines how one treats all people - equally, regardless of their age, gender or ethnicity.

When performing the Clarifying Your Values exercise, the following five values emerged: equality, authority, promise keeping, fairness/ justice and respect. As discussed by Trevino and Nelson (2016) it is essential for an individual to know/ understand his/ her personal values, in order to avoid internal conflicts. I can conclude that the ELI and the Clarifying Your Values exercise had somewhat similar results, as both suggest that justice, equality and fairness are central to me during decision-making. Interestingly, the

results of the Clarifying Your Values exercise also confirm my key risk - authority.

The ethical lens of my choice - relationship lens - will help me base my decision- making on rationally considering community benefit. In line with the theory by Kohlberg (1969), this corresponds to the post- conventional level of ethical reasoning where one considers common good and universal principles as opposed to personal gains. Such lens is particularly important within the modern business world where my decisions may impact multiple stakeholders: customers, shareholders, employees, business partners, general public. Moreover, actions taken by a company may create conflicting situations that differentially impact various groups of stakeholders.

Relationship lens will allow to keep my focus on the diverse stakeholder groups, and ensure that my decisions are in accordance with the core values of equality, justice and rationality. However, the ELI assessment made me realize that it is highly important for me to focus on my possible risk of being dictatorial. When deciding what is indeed best for the community, it is important that I remember to seek feedback of others and involve each member of the team into decision- making process as per recommendation by Trevino and Nelson (2016).

Conclusions

The present report concludes that ethical leadership is concerned with solving a number of complex ethical dilemmas. In order to be able to make ethical decisions, one has to be aware of various ethical perspectives and frameworks. The three stage model by Lawrence Kohlberg can be regarded

as one of the most important frameworks that can help lead the process of solving ethical dilemmas, including that of a medical company case. The ELI assignment allowed me to identify the key ethical perspective (lens) - a relationship one. This finding is consistent with my core and classical values - rationality, equality and justice. The exercise also allowed me to identify my key risk - being dictatorial in relation to other people. Adhering to the principles of accountability, transparency as well as enhancing communication and implementing an effective appraisal system (360 degree feedback) will help me address this issue in future professional life. Overall it can be concluded that the entire exercise was highly valuable as it helped promote my ethical awareness and understanding of the business ethics principles. This, in turn will help me make ethical decisions and actions in future.