

Business leadership, ethical values and corporate social responsibility



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In recent times, there has been huge concern on the issue of ethical leadership in the corporate world. Researchers have increasingly shifted their attention towards identifying what could be driving costly unethical behaviour in organizations. Organizations leadership stresses short-term result while disregarding the long-term implications of their actions. The result has been scandals and accounting frauds.

Companies such as Enron, WorldCom (Knights and O'Leary, 2005), and Nortel executives (manipulating recovery earnings of post-dot-com in order to earn bonuses), are host of failure in ethical leadership that have threatened many senior management position and the financial survival of several companies. Some organizations lack authentic leaders who can exhibit leadership behaviour codes such as self-control, abstinence from egotistic self-interest and greed. How could such smart individuals get involved in such costly misconduct?

This is the question on the lips of leaders and stakeholders of all area of public life in the wake of corporate scandals and the debacles of educational policy in the 21st century first years. This week's journal article findings reveal that recent ethical failures arise from modern-day concerns with symbolic and material success, which dwell in an eventual pre-occupation with the self (Knights and O'Leary, 2005). The ethics and morality of the 21st century workplace is result of the (minds of) leaders of the organization (the behaviour they model and the policies they establish).

Knights and O'Leary (2005; 2006) states that business educators also fail to infuse the skills required to reverse the past 20 years trend whereby

companies routinely have put their self-interests above of the society's interests. In Nigeria, the country has been knocked hard by the recent global financial meltdown. There have been recorded failures of many public and private sector organizations. Undoubtedly, the failure has been blamed on leadership. The country's financial sector engulfment by crisis has exposed widespread of abuse in the capital market.

Cases example on point is the public investigations of Oceanic Bank and the Nigeria Stock Exchange (NSE). They underline corporate ethical leadership failures. The corporate scandals at Oceanic bank were revealed after Central Bank of Nigeria (CBN) blew the whistle to The Economic and Financial Crimes Commission (EFCC) about oceanic bank and President and Chairman of Council of NSE, Aliko Dangote petitions against the Director General. Reports were particularly concerned with the misconduct of leaders at these organizations. Reports noted the following misconducts;

Oceanic bank: During investigation of debt crisis of the bank, it was discovered the company engaged in bank and securities fraud. It also discovered that the MD approved credit facilities to the whopping sum of 747 billion naira with majority going to family members and cronies while the bank was sinking in debt. The NSE: Allegations of financial irregularities (price manipulation), corporate governance lapses and the inordinate delays of the succession plan implementation (Eugene, 2010) at the exchange. Implications of Unethical Behaviours on Modern Organisations There no country that is completely free of corruption.

But if corruption eats in deep it can hinder economic growth and good governance (Shenkar & Luo, 2007). The aftermath of above mention is that no company can grow in the wake of improper practices among its senior leaders. The nature and type of leadership organizations get determines or begets the nature and type of organizational leadership and followership they have. Taking this into cognizance, in organizations where leaders are seen as 'role models', their inactions or actions can shape the followers' behaviours positively or negative.

A side effect of attribution of causality of leadership is that leaders become symbols, which is more important hence, a leader as a symbol becomes target for action when problems occurs and serves as a scapegoat during negative events. Measures to address ethical leadership failures/way forward When leadership is saying one thing, and is practicing another thing totally antithetical to what it preaches, it succumbs to corporate scandals. Many companies that claim to be socially responsible often don't meet up with such expectation.

Remember the NIKE story of using cheap and child labour, the FIFA bribery scandal saga, Martha Stewart and ImClone Systems scandal and most recent the News of the World phone-hacking scandal. Transparency and accountability is the key in carrying out business in a responsible manner. For organizations to achieve sustainable development goals, leaders must show values of honesty, integrity, genuineness, asceticism and shun the temptation of accumulation excessive wealth which are the major drivers of corruption.

Organizations need to develop policies on ethics that is contingent to their distinctive situations. Leadership approaches need to be more value-based than result-focused and more collaborative than controlling. I conclude this paper by asking, is it possible for a firm to do business without getting involved in corruption (Shenkar & Luo, 2007)?

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