

## Leading with Character, Leadership Values & Effective Communication

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Ethical leadership is understanding what your basic values are and to live them in all aspects of your life in service toward the common good. Ethical leadership involves behaving in a manner that respects the rights and dignity of others; a concept that is at times in direct conflict with more traditional models of leadership. In the past, the main goal of leadership has been to grow outputs and profits. However, in the 21st Century this understanding has begun to slowly contract as more organizational development and human resource professionals proclaim that leaders also have the duty for ensuring standards of moral and ethical behavior. Good leadership then, refers not only to competence, but also to ethics that transform organizations and people's lives.

Corporate misconduct in the last decade has caused harm to millions of investors, customers and employees. Governments and business are responding by introducing more rules and regulations. But it is an organization's culture that determines whether it is ethical or not, not regulations. And it is the leaders who have the ultimate influence upon the culture.

“The leader is responsible for the set of ethics or norms that govern the behavior of people in the organization. Leaders set the moral tone.” (Bennis & Nanus 1985 p.186)

When leaders are perceived as unethical, it is easy for those around them to follow suit. Consider the business world, for example: often when top management are viewed as unethical or immoral, workers respond in kind by being absent more frequently, stealing

supplies from the office, performing poorly, or becoming apathetic or indifferent. If leaders don't think their ethics are on display, think again!

Based upon various polls conducted throughout the last decade, several researchers have concluded that Americans do not believe people in power are ethically sound. One study concluded that 55% of the American public believes a majority of business executives are dishonest, and an even higher percentage feels white-collar crime occurs on a regular basis. Even studies of executives themselves show that a majority believe executives they know "bend the rules" to get ahead.

For many years, corporate America has been blemished by unethical decision-making and disreputable behavior. As examples, one can recall Ford's defect in the Pinto's gas tank, false advertising by Nutri-System and Jenny Craig, fraud and illegal cash management by E. F. Hutton, Salomon Brothers' Treasury auction scandal, fraudulent accounting schemes by Enron, embezzlement practices from Tyco managers, and mutual fund abuses by Morgan Stanley. And most recently, Bernard Madoff pleaded guilty to the biggest investor scheme in history, defrauding investors of billions of dollars. The sport industry has certainly not escaped scandal and faulty decision making with the unending attention on steroid use and unfortunate conduct of highly visible professional athletes. Indeed "ethical mistakes are responsible for ending careers more quickly and more definitively than any other errors in judgment or accounting" (Osland, Kolb, & Rubin, 2001, p. 102). By looking at even these recent examples, the need for ethics in leadership becomes even more apparent.

Ethical leaders act ethically as an inspiration to others, and communicate and manage their organization's culture so as to promote ethical action. Ethical leadership requires ethical leaders. If leaders are ethical, they can ensure that ethical practices are carried out throughout the organization. Leaders are naturally in a place of authority both on and off the job, so ethical leadership must concentrate on how leaders leverage this power in the decisions they make, actions they engage in and ways they influence others. Leaders are responsible for inspiring followers to perform actions, complete tasks, and behave with certain manners. Top and effective leaders not only set the tone by encouraging open and honest communication but also influence processes and encourage empowerment and self-efficacy of their followers, as they foster the internalization of corporate vision. The nurturing aspect of leadership can also raise an organization's culture and employee's values to higher levels of ethical behavior. By demonstrating ethical leadership we promote a high level of integrity that stimulates a sense of trustworthiness, and encourages subordinates to accept and follow it's vision. Character and integrity provides a strong foundation for other personal characteristics that direct our ethical beliefs, values, and decisions.

To improve our ethical leadership skills, we need to set reasonable boundaries and have a clear purpose behind those boundaries. Communicate boundaries in a positive manner, and keep the focus on what "to do" rather than "not to do". Give others an opportunity to contribute to the process of establishing appropriate boundaries in the workplace.

Ethical leadership is very important in organizational communication. Business leaders'

decisions must be similarly beneficial for the business and people both. The leaders should have clear ethical values of doing business and make these values known to others in their circle clearly. It will compel them to convey complete and accurate information through all means on personal, professional, and legal grounds. This way you will have the respect and admiration of your employees and a peace of mind for yourself knowing that you have done well. Dealing otherwise will generate mistrust not only at organizational but social level and may even culminate into a big collapse, too. The burning example of not having ethical leadership in the company is the collapse of Enron, which fell from the high of sky because of unethical practices by its leaders.

“Ethical leadership starts with a basic commitment to communication. The listening aspect of communication is often now placed on the back burner. You will hear someone described as charismatic or articulate, yet are they saying anything of value or substance? I believe when representing a value system, an individual must first understand what exists within the organization. You need to recognize why something is important and can it be strengthened?” (Broderick, 2016)

If you have the responsibility of leading and influencing others, it’s important that you remain aware of the impact you have on them in the area of integrity and ethics.

Employees who see ethical behavior modeled by their manager or supervisor are more likely to act in kind. Additionally, employees who rate their leader as “ethical” typically have greater job satisfaction and higher levels of commitment.

People take the lead from what you do, not what you say. If your actions and words don't align they will spot that and people will become cynical about everything you communicate. Hannah Burandt, Assistant Swim Coach at the University of Houston says, "In my work, my ethical leadership that I demonstrate is my day-to-day interactions with my athletes, treating each and every one as fair as possible, giving them 100% of my coaching ability no matter if they are the fastest or slowest on the team. Always being honest in my discussions with my athletes, being fair in my decisions when helping choose athletes for relay slots, following the rules to the T when it comes to recruiting, paperwork, and compliance. For instance, when at a meet where the rules say I am not allowed to speak to recruits I am open and honest about those rules when sought out by recruits".

It is almost impossible to change someone's values so recruit the right people in the first place. Ethics is the heart of leadership. All leadership is values driven. The journey of ethical leadership begins with examining personal values. Ethical leadership can be learned in a variety of ways. Thoughts and actions must be consistent and congruent. Character development is critical in the process of being a good leader. As a leader, one is expected to uphold a higher standard.

Leaders with personal integrity set examples by making ethical decisions to guide their companies. They must recognize their own personal values and have accountability and respect for their employees and peers, as well as maintaining HR compliance. The old saying "lead by example" goes hand in hand with ethical leadership as employees who see business owners and managers practicing what they preach will be more likely to

respect their employers. These employees are also more likely to be ethical workers because they are lead by example.

Effective leaders create habits that exemplify commitment to the organizations culture. For decades, accounting firm Arthur Andersen was the most respected accounting firm in the world, in part because of its employees belief in the origin of how founder Arthur Andersen told a large client that there “was not enough money in Chicago” to induce him to fabricate the numbers. Unfortunately, the leaders of Andersen forgot this lesson and began emphasizing revenue over character, which is why the firm no longer exists.

In conclusion, while there is no single or precise way to produce and foster an ethical organizational culture, dedicated leaders will benefit by keeping these ideas in mind, and by remembering that all of their actions send messages to their employees, stakeholders and the community.

## **References**

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