

9.6: The Role of Ethics and National Culture

Learning Objectives

1. Consider the role of leadership for ethical behavior.
2. Consider the role of national culture on leadership.

Leadership and Ethics

As some organizations suffer the consequences of ethical crises that put them out of business or damage their reputations, the role of leadership as a driver of ethical behavior is receiving a lot of scholarly attention as well as acknowledgement in the popular press. Ethical decisions are complex and, even to people who are motivated to do the right thing, the moral component of a decision may not be obvious. Therefore, employees often look to role models, influential people, and their managers for guidance in how to behave. Unfortunately, research shows that people tend to follow leaders or other authority figures even when doing so can put others at risk. The famous Milgram experiments support this point. Milgram conducted experiments in which experimental subjects were greeted by someone in a lab coat and asked to administer electric shocks to other people who gave the wrong answer in a learning task. In fact, the shocks were not real and the learners were actors who expressed pain when shocks were administered. Around two-thirds of the experimental subjects went along with the requests and administered the shocks even after they reached what the subjects thought were dangerous levels. In other words, people in positions of authority are influential in driving others to ethical or unethical behaviors (Milgram, 1974; Trevino & Brown, 2004).

It seems that when evaluating whether someone is an effective leader, subordinates pay attention to the level of ethical behaviors the leader demonstrates. In fact, one study indicated that the perception of being ethical explained 10% of the variance in whether an individual was also perceived as a leader. The level of ethical leadership was related to job satisfaction, dedication to the leader, and a willingness to report job-related problems to the leader (Brown, Trevino, & Harrison, 2005; Morgan, 1993).

Leaders influence the level of ethical behaviors demonstrated in a company by setting the tone of the organizational climate. Leaders who have high levels of moral development create a more ethical organizational climate (Schminke, Ambrose, & Neubaum, 2005). By acting as a role model for ethical behavior, rewarding ethical behaviors, publicly punishing unethical behaviors, and setting high expectations for the level of ethics, leaders play a key role in encouraging ethical behaviors in the workplace.

The more contemporary leadership approaches are more explicit in their recognition that ethics is an important part of effective leadership. Servant leadership emphasizes the importance of a large group of stakeholders, including the external community surrounding a business. On the other hand, authentic leaders have a moral compass, they know what is right and what is wrong, and they have the courage to follow their convictions. Research shows that transformational leaders tend to have higher levels of moral reasoning, even though it is not part of the transformational leadership theory (Turner et al., 2002). It seems that ethical behavior is more likely to happen when (a) leaders are ethical themselves, and (b) they create an organizational climate in which employees understand that ethical behaviors are desired, valued, and expected.

Leadership Around the Globe

Is leadership universal? This is a critical question given the amount of international activity in the world. Companies that have branches in different countries often send expatriates to manage the operations. These expatriates are people who have demonstrated leadership skills at home, but will these same skills work in the host country? Unfortunately, this question has not yet been fully answered. All the leadership theories that we describe in this chapter are U.S.-based. Moreover, around 98% of all leadership research has been conducted in the United States and other western nations. Thus, these leadership theories may have underlying cultural assumptions. The United States is an individualistic, performance-oriented culture, and the leadership theories suitable for this culture may not necessarily be suitable to other cultures.

People who are perceived as leaders in one society may have different traits compared to people perceived as leaders in a different culture, because each society has a concept of ideal leader prototypes. When we see certain characteristics in a person, we make the attribution that this person is a leader. For example, someone who is confident, caring, and charismatic may be viewed as a leader because we feel that these characteristics are related to being a leader. These leadership prototypes are societally driven and may have a lot to do with a country's history and its heroes.

Recently, a large group of researchers from 62 countries came together to form a project group called Global Leadership and Organizational Behavior Effectiveness or GLOBE (House et al., 2004). This group is one of the first to examine leadership differences around the world. Their results are encouraging, because, in addition to identifying differences, they found similarities in leadership styles as well. Specifically, certain leader traits seem to be universal. Around the world, people feel that honesty, decisiveness, being trustworthy, and being fair are related to leadership effectiveness. There is also universal agreement in characteristics viewed as undesirable in leaders: being irritable, egocentric, and a loner (Den Hartog et al., 1999; Javidan et al., 2006). Visionary and charismatic leaders were found to be the most influential leaders around the world, followed by team-oriented and participative leaders. In other words, there seems to be a substantial generalizability in some leadership styles.

Even though certain leader behaviors such as charismatic or supportive leadership appear to be universal, what makes someone charismatic or supportive may vary across nations. For example, when leaders fit the leadership prototype, they tend to be viewed as charismatic, but in Turkey, if they are successful but did not fit the prototype, they were still viewed as charismatic (Ensari & Murphy, 2003). In Western and Latin cultures, people who speak in an emotional and excited manner may be viewed as charismatic. In Asian cultures such as China and Japan, speaking in a monotonous voice may be more impressive because it shows that the leader can control emotions. Similarly, how leaders build relationships or act supportively is culturally determined. In collectivist cultures such as Turkey or Mexico, a manager is expected to show personal interest in employees' lives. Visiting an employee's sick mother at the hospital may be a good way of showing concern. Such behavior would be viewed as intrusive or strange in the United States or the Netherlands. Instead, managers may show concern verbally or by lightening the workload of the employee (Brodbeck et al., 2000; Den Hartog et al., 1999).

There were also many leader characteristics that vary across cultures (Dorfman et al., 1997; Gerstner & Day, 1994). Traits such as being autonomous, conflict avoidant, status conscious, and ambitious were culturally dependent. For example, in France, employees do not expect their leaders to demonstrate empathy. Leaders demonstrating self-sacrifice are also viewed negatively, suggesting that servant leadership would be an improper style there. In Middle Eastern cultures such as Egypt, leaders are expected to be superior to lay people. They are supposed to have all the answers, be confident, and authoritarian. In fact, leading like a benevolent autocrat (someone who cares about people but acts alone) may be an appropriate style (Javidan et al., 2006). Even within the same geography, researchers identified substantial cultural differences. For example, in Europe, there were five clusters of cultures. Directness in interpersonal relationships was viewed positively in Nordic cultures such as Finland, but negatively in Near Eastern cultures such as Turkey. Similarly, leaders who are autonomous were viewed positively in Germanic cultures such as Austria, but negatively in Latin European cultures such as Portugal (Brodbeck et al., 2000). Finally, in some cultures, good leaders are paternalistic. These leaders act like a parent to employees, give advice, care for them, and get obedience and loyalty in return (Aycan et al., 2000; Pellegrini & Scandura, 2008).

Given all these differences, effective leaders should develop a sensitivity to cultural differences and adapt their style when they work in different societies or with people from different cultural backgrounds. It seems that flexibility is an important trait for global leaders.

Key Takeaways

People get their cues for ethical behaviors from leaders. Therefore, leadership characteristics and style will influence the level of ethical behaviors employees demonstrate. Being ethical is related to being perceived as a leader, and ethical leaders create a more satisfied workforce. More contemporary approaches such as servant leadership and authentic leadership explicitly recognize the importance of ethics for leadership effectiveness. Some leadership traits seem to be universal. Visionary, team-oriented, and to a lesser extent participative leadership seem to be the preferred styles around the world. However, traits such as how confident leaders should be and whether they should sacrifice themselves for the good of employees and many others are culturally dependent. Even for universal styles such as charismatic and supportive leadership, how leaders achieve charisma and supportiveness seems to be culturally dependent.

Exercises

1. What is the connection between leadership and ethical behaviors?
2. Do you believe that ethical leaders are more successful in organizations?
3. Which of the leadership theories seem to be most applicable to other cultures? Which ones are culturally dependent?

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