

# EMERGING ROLE OF LEADERSHIP, VALUES AND ETHICS IN ORGANISATIONAL DEVELOPMENT

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## **Abstract**

*An organization whether commercial or non-commercial is formed with a vision, mission or purpose. Its success largely depends upon the quality of its human resources comprising of its employees at all the levels – bottom, middle and top level, its employers and its external elements like suppliers , customers , patrons etc. The quality of internal environment of an organization depends upon the selection of employees, clear demarcation of their duties and responsibilities, dynamics of team heads i.e. leaders , the values and ethics followed regularly and religiously in daily working of the organization. Thus, the three elements –Leadership , Values and Ethics are most important pillars of organizational behavior. A good team is a waste unless its headed by a competent leader. Similarly, without properly defined organizational values , the preferences and morals of management or employers cannot be conveyed to the employees from top to bottom level. Also Ethics, which reflect the moral code of conduct to be followed by everyone working in an organization are also equally important as in their absence their shall be total chaos, conflicts and confusions in the functioning of an organization. Thus, in todays modern and competitive era, an organisation's survival and success largely depends upon its leaders or team heads coordination and vision, its values as defined and conveyed by the top management and ethics followed in handling employees and competition .Together these create an image of organization internally among its employees, customers and suppliers and outside among the society, nation and the world.*

**Keywords :** *ethical choices, leadership, leadership competencies, autocratic style, result-oriented*

## **1. INTRODUCTION**

Just as a good family is identified by its head i.e. leader , its preferences i.e. values and its conduct in the society i.e. ethics , similarly an organization is also like a big family. A good leader seizes good opportunities, identifies possible threats, knows strengths and weaknesses of its teams and maximizes gains or achieves goals set for or by him. He has to honour the values or rules set up by the organization e.g. social welfare or employee participation and follow the ethics i.e. moral code of conduct, like be fair to all members of team while division of work and responsibility among them while undertaking the task .Thus the biggest task of a leader is to coordinate with his team and highest reward for him is recognition of his honest and hard working efforts by the team after successful completion of task or objective.

## 2. ETHICAL CHOICES

A worker or an employee faces multiple times the question to choose the right path for decision making. These choices are called ethical choices as they decide between the right and wrong. For instance, a worker may be stuck in choice –whether he should use less raw material and save money for the company or use proper quantity to ensure good quality of the product. The ethical decision would be on the basis of its impact on the number of persons or community. Although using less material would give more profits to organization but only in short run as it will deteriorate the quality as well as company's image in society and might reduce future sales. Hence, will result in bad impact on larger number of people[1]

Thus, Organizational leadership may articulate that decision should be made on the basis of the greatest good for the greatest number, respecting and protecting the basic rights of individuals, and to impose and enforce rules fairly.

## 2. ETHICAL LEADERSHIP

A leader is always followed and observed by his team. As he has to lead and guide them, he has to set certain values and ethics for himself and his team. The followers may be uncertain about a leader if that leader has failed to abide with the model code of conduct. The values and ethics should be framed in accordance to the style of leadership adopted by the leader. Organizations values do come from the leaders and the leadership that the organization has set in place. Forming and maintaining a positive ethical climate is one of the most important responsibilities we assume when we take on a leadership role in an organization. Followers will look to leaders for moral guidance.

### 2.1 DIFFERENT STYLES OF LEADERSHIP

The leadership style correlates with the personality or attitude of a leader. Labeling leadership styles is a general practice, but each leader will have a more in-depth, detailed orientation in the leader's approach to managing, inspiring and driving results within his organization. The style chosen by a leader may be based on its suitability to the leader or situational as per the task or goal given. The various styles mostly adopted are mentioned hereunder[2-3] :-

- a. **Autocratic Style of Leadership:-** Also known as dictatorial or military style leadership. Here, the leader gives a specific task to his employees or team and issues strict instructions to be followed by them in completion of that task. He doesn't encourage any deviations and exercises strict control. The team might feel frustrated but has to follow the leader's commands. Such style is suitable at production level of an organization.
- b. **Laissez-Faire Leadership** :-Also known as delegative leadership, is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. This style encourages creativity among team members and is suitable in marketing and sales departments of an organization.
- c. **Transformative Leadership:-**A leader is transformational if he inspires changes in the team approach and functionality to fix a problem or an issue. It brings positive changes in the followers with the end goal of evolving them into good leaders in future. It is revolutionary in nature and creates an independent team of followers. The great leaders like Mahatama Gandhi, Subhash Chandra Bose or Shaheed Bhagat Singh have inspired millions of followers to follow their path and are thus true

examples of transformative leaders. Literature review has shown that such leadership was tried in a pharmaceutical industry and had shown a positive impact on employee performance[4].

- d. **Participant Leadership Style:-**In this style, the leader invites suggestions and ideas from all the members of his team. Thus, each team member gets equal chance of participating actively in the decision making process and execution of the task. It is democratic on one hand and time consuming on the other as lot of time is spent on discussions and quarrels among team members. It is best suitable at marketing level of the organization.
- e. **Transactional Leadership :-** The transactional style of leadership was first described by Max Weber in 1947 and then by Bernard Bass in 1981. Transactional leadership is a style of leadership in which leaders promote compliance by followers through both rewards and punishments. The focus is on completion of tasks by either means. Transactional leaders tend to lack the hype and charisma found in Transformative leadership, they are very much results-oriented, which is great for business. It is suitable at all the levels of organisation as it assists in performance appraisal and ranking of employees. This is highly suitable for manufacturing organizations especially in the field of automobile sectors where standards are given higher weightage than the employees.
- f. **Strategic Leadership:** It is a style in which the leaders make use of their potential to arrive at a strategic vision for the organisation to remain competitive in the changing environment. Strategic leaders anticipate and collect information from various sources regarding the competitors outside the organization, accordingly set up the hypothesis, weigh benefits/risks of changes being made. This is followed by motivating their employees through incentives/rewards programs to accomplish the objectives of the organization. This also boosts innovation and creates an environment encouraging the employees to be more productive.
- g. **Bureaucratic Leadership:**

Such types of leadership is based on the fixed office duties to be carried out in the line of hierarchy. A fixed system of rules and regulations are followed for the employees eg they are placed in the offices according to their qualification and expertise. Such style is carried out only in those companies who do not need any innovation or creativity.

Many more leadership styles exist, and a really effective leader is adaptable and capable of executing multiple styles in a manner that best fits their current situation. A Situational Leader is rare, and can change the entire course of a company, through his unique leadership skill set. This skill set comes naturally to some leaders, but requires years of practice for others .

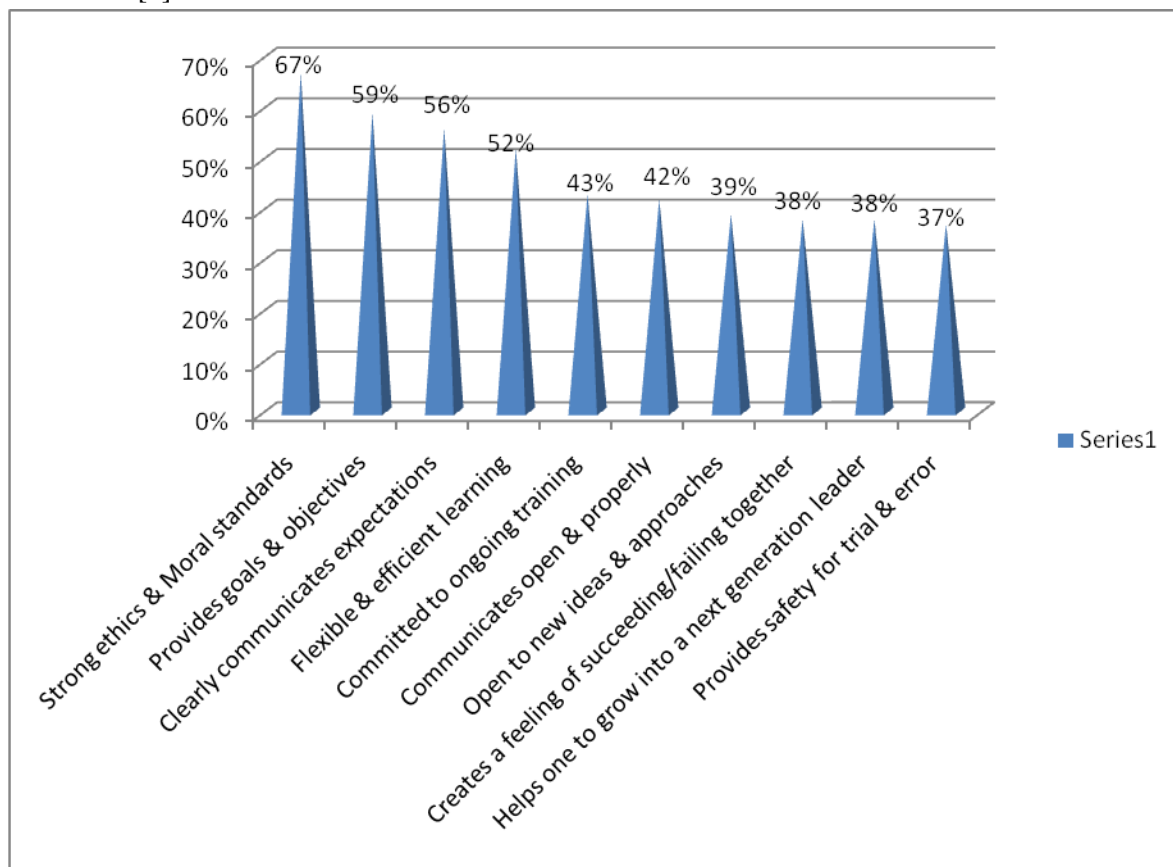
Whatever style a leader adopts, but one should always remember that a good team with an incompetent leader shall be frustrating , on the other hand a poor team with an excellent leader shall be a burden on the leader. Hence, for successful carrying out a task, first of all a good leader is to be identified on basis of personal traits, experience and past achievements and thereon he should be given fair participation and choice in selection of his team.

## 2.2 Traits of a Good and Effective Leader

An effective and dynamic leader is born with certain skills which come naturally like acumen, decision making, good observation, identification of problem areas, problem solving skills. He might be non-communicative or introvert but can still be a good leader with great values and ethics.

### **TOP 10 LEADERSHIP TRAITS (as toply rated by 195 global leaders:**

The top ten leadership traits according to the rating of 195 global leaders are given on the next below. [5]



## 2.3 ROLE OF ETHICS AND VALUES IN A BUSINESS ORGANISATION

As it is evident from the survey below, that 67% of global leaders have given top priority to prominence of ethics and moral values in a leader. The belief of leader in ethics and moral values depict his character.

Usually, in a business organization the main objective is to achieve the targets set at any cost or manner as the primary goal is profit maximization. This leaves a very less space for ethics and moral values in businesses. However, in case of professional institutions like doctors, Chartered Accountants etc. a certain code of conduct is followed, practiced and honored wherein an element of public welfare, public awareness is present.

Coming back to business organization, since the main motive is profit maximization, but one shouldn't forget that these business houses are part of societies, they interact with customers, suppliers and

government. Therefore, they should follow self-formulated code of conduct like good behaviour with staff, fair trade practices, true and correct payment of taxes to government .

“Business ethics is never going to be successfully regulated. There are bad people who are always going to want to do bad things.” Says Martin Taylor ,Vice President of Organizational Services for the Institute for Global Ethics [6]. He however states that one can set a standard for good behaviour and integrity based upon the following:-

- a. Leaders are often seen as an example by their followers. Setting up of various ethical programs shall prove futile unless the employees follow it, who in turn look at their leaders as an example.
- b. Leaders should always set realistic goals for their team. They should not merely sit in their office and only issue instructions, rather they should set goals with active team or employee participation.
- c. It’s the duty of management to provide adequate training to its employees before assigning any duty or task.
- d. Ethics should not be compromised in lieu of law compliance system setup by the management.
- e. Leaders should be credible enough so that his followers or team are willing to increase their efforts as they trust the leader for his knowledge, skills, ability and character.
- f. Actions stressed by leaders become values in an organization. If published values are not practiced by leaders, it creates confusion and inconsistency among workers which shall ultimately effect their competitive spirit. Hence, practice and adherence to stated values should be followed all over the organization.

Highly ethical organizations act with integrity, soundness and consistency. All units and organizational levels share a commitment to high moral standards.

Harvard business professor Lynn Sharp Paine [7] strongly believed organization’s integrity and values must be:

- a. Sensibly and clearly communicated .
- b. Organization leaders should be committed to act on their values
- c. The values should be part of the day-to-day decision-making process and be incorporated into every important organizational activity
- d. Systems and structures should support and enforce organizational commitments
- e. Leaders throughout the organization should be knowledgeable and skilled to make ethical decisions .

### **3. Conclusion**

Although a commercial organization main objective is profit maximization at any cost or means but if one goes realistically, for profits the humans cannot work like machines without any feelings, mutual understandings, sensitivity and coordination. Healthy competition is welcome but no organization can survive in a state of cut throat competition among its staff as this shall affect individual performances. Hence, for better team work and coordination – a coordinator (leader) is utmost essential. He has to get the

work scheduled, assign tasks among the team and frequently take reports on progress and completion of task. At the stage of planning, assignment and execution of tasks –he has to make / follow certain standards i.e values as well as ways i.e ethics to conduct tasks to achieve the mission of the organization.

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