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Robert Audi

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# ETHICAL LEADERSHIP AND LEADERSHIP IN ETHICS

by Robert Audi, University of Notre Dame

Almost everyone can be a leader in some way, with respect to some activity. But how is leadership best conceived? What is it for leadership to be ethical? And is there a distinctive kind of leadership in ethics? My aim is to clarify these questions particularly in relation to organizations and especially from a conceptual and normative point of view. Although there is an extensive literature on leadership, I hope both to clarify the notion of leadership and to contribute a number of ethical points about its appropriate exercise. My concern ranges even beyond organizations, which in my broad usage include institutions. Much of what is important about leadership crosses all the realms of human activity.

The subject of leadership has great conceptual and ethical interest, but there are also empirical questions about what gives rise to leadership and sustains it.<sup>1</sup> Although these questions are not my focus, I am in no way presenting a how-to approach.

<sup>1</sup> For an indication of the scope of contemporary discussions of leadership, see the *Harvard Business Review*, December 2001, a special issue on leadership. Another wide-ranging study, with discussion of survey research on ethical leadership, is Weaver, Treviño, and Agle (2005).

It is still possible, however, for a paper of this scope to facilitate answering some of the empirical questions about leadership. Dealing with empirical questions about how to pursue a goal can be greatly aided by clarity about what that goal is and how it differs from similar goals that may be conflated with it. With these points in mind, I address four related questions. First, what is leadership and how does it differ from other qualities important in organizations, such as power? Second, what are some of the basic elements that apparently constitute leadership and can be developed to enhance it? Third, what constitutes ethical leadership? Finally, how is ethical leadership related to leadership in ethics, which is something well beyond leadership that simply fulfills moral criteria? The paper proposes answers to these questions: broadly, by arguing that leadership is above all a trait of character that fits its possessors for directing a range of interpersonal activities; that it requires special skills in directing activities by those a leader is to guide; that such direction calls for being appropriately authoritative without being mere coercive; and that there are moral standards

## ABSTRACT:

This paper offers a conceptual portrait of leadership and a framework for exercising it in the realm of ethics. The paper provides an account of what constitutes leadership, a set of moral standards for its ethical exercise, and a distinction between leadership that meets these standards and leadership that not only meets them, but positively engages them. This engagement is central for leadership in ethics. The main context for analysis in the paper is organizational. Leadership is essential for the success of organizations and morally important in their daily operations. The paper also describes its nature and role in less structured realms. Leadership is not limited to chains of command, not separable from elements in a culture in which it is exercised, and not confined to any one sphere of endeavor or even to the realm of work.

leadership can both embody and promote in the positive way achievable by what I call ethical leadership. I conclude with a partial review of these points and an emphasis on the desirability of leadership in ethics as a worthy ideal in myriad human endeavors.

### 1. Leadership as a Quality in Persons

If there is a single quality that deserves the name 'leadership,' it is multidimensional. In addition to having many dimensions, leadership is exhibited in different ways in different domains. Leadership in management or any kind of governance is one thing—and there are differences in managerial leadership corresponding to its level in an organization. Leadership is another kind of thing in university governance, another in technology, and still another in marketing. It also has different dimensions within each of those realms, as it does at higher and lower levels of management. There is no one dimension of human activity in which leadership occurs; it ranges across all fields, and a characterization of ethical leadership should take into account various kinds of activities.

There are contexts in which leadership is spoken of as a kind of virtue—or at least as an asset in a person. One such context would be that of a CEO's consultation with headhunters: "What are her virtues?" might be a question to which 'leadership' could be a relevant answer. By contrast, particularly where someone is said to be a leader of some group or movement—including both gangs and uprisings, whether just or unjust—'leader' is a term for a high level of ability to get those led to do as the leader requests. The 'of' relativizes the term in that potentially misleading way. Here leadership is considered a strength, but not necessarily a virtue. Strengths can be used for or against justice. In the paper I mainly refer to leadership as a strength with the potential to both approach a virtue if sufficiently moral and, on the opposite side, to be a kind of power over others. Such personal strengths are among the important kinds of human characteristics that we should seek to govern by sound moral standards. Leadership

so governed is ethical leadership. Perhaps the first thing to note in portraying ethical leadership is that the phrase 'ethical leadership' can be used ambiguously: to designate leadership that is in itself ethical and leadership exercised in ethical matters, such as making and (as necessary) justifying promotions and salary distributions. Ethical leadership can produce leadership in ethics, but they are different and can vary independently. This point will be developed once a conception of leadership in general has been presented. Let us begin by noting a connection between two major categories of ethical appraisal.

In speaking of leadership, we may focus mainly on either of two major concepts: first, the quality of leadership—leadership as a characteristic of a person—a trait that some have and others lack; second, the activity of leading.<sup>2</sup> The activity of leadership—when we speak of outstanding leadership throughout a crisis—is roughly the exercise of the quality of leadership (an element of personal character) in relation to those who are to be led. The activity may also be called a process, but this term suggests a structured series of events in stages, something that the activity of leading need not always exhibit.<sup>3</sup> Each element in leadership is best understood in relation to the other: the quality is a characteristic of persons that includes a disposition to lead others; the activity is a manifestation of that characteristic in actually leading people.

We might also speak of leadership as a relation between leaders and those who follow their lead, as some writers on the topic do, but the relation in question must be understood in terms of the more basic notions of leadership qualities and their exer-

<sup>2</sup> There is a trait of character we might call leadership, but its primary expressions are in personal qualities, and these, even if sustained through significant episodes, can rise to leadership without having the stability necessary for traits of character.

<sup>3</sup> Lord, Brown, and Freieberg (1999), for instance, maintain that "Leadership is widely recognized to be a social process that depends on both leaders and followers" (167). I agree that leadership cannot be successfully exercised apart from the response of followers, but unlike these authors I am not pursuing what happens on the follower side when it is exercised or the empirical question of the dimensions of what might be called follower receptivity.

cise toward followers.<sup>4</sup> We cannot identify instances of the relation of leader to follower except by identifying, on the one hand, leaders in terms of their qualities and, on the other hand, followers by their responses to those leaders. My focus will be more often on the quality of leadership than on the activity, but always in the light of how that quality is manifested in actually leading people. The focus will also be on individual leaders rather than on teams that play a leadership role, as where a managerial group works closely together; but leadership as exercised by teams is of major importance in understanding organizations large enough to encompass team leadership. My major points will hold (with some qualifications) for teams as well as individuals.

#### **LEADERSHIP AND CAUSAL POWER.**

Leadership should not be conceived in causal terms alone. We cannot lead people without causing changes in their behavior, but doing this alone is not sufficient for leadership. Leadership must inspire voluntary conduct of the right kind. Producing the right kind of behavior by threats does not count as leadership. Voluntary responsiveness to a leader is essential for successful leadership. Coerced compliance is like a compressed spring waiting to burst from its confines. Even financially rewarding or professionally advantageous compliance with a leader's directives is fragile. It is highly vulnerable to financially more advantageous offers whose prospect may greatly reduce motivation to follow the present leadership. To be sure, we cannot expect many leaders to inspire loyalty strong enough to resist the blandishments of financial gain; but good leadership will at least lower the tendency to seek advancement unethically and will increase the inducement needed to dislodge a loyal employee.<sup>5</sup> Leadership, then, is

more than power over others. Power over others is roughly a potential to cause them to act in certain desired ways, including, where the power is extensive, ways that involve sacrifice.<sup>6</sup> Power may operate by threats or other kinds of coercion; leadership does not depend on coercion. Indeed, it is inversely proportional to the need to use coercion.

**LEADERSHIP AND IMITATION.** If leadership entails more than power over others, it also entails more than the ability to cause people simply to follow the leader's directives or even example. Following a leader can be merely imitative. Some learning requires imitation, and some leadership depends on the capacity to imitate. But the success of leaders is limited if they can affect behavior only by producing imitation. Imitation is largely limited to the situations in which the imitator has seen the leader operate. Leadership that does not reach beyond the situations in which the leader can exhibit the behavior to be imitated cannot elicit the full potential of those in its scope. High-level leadership and, arguably, good leadership at any level, should produce a capacity to apply what has been learned to new situations—and sometimes correct it. In the business world, as in life as a whole, dealing with novelty is of the utmost importance. This is increasingly important as change becomes more common and more rapid, as it certainly has in the information age.<sup>7</sup>

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representative one would be that, in organizations where leadership is good on such empirical counts as reported employee attitudes and job satisfaction, the threshold for monetary incentives (or other empirically measurable incentives) correlated with voluntary departures for alternative employment is higher than for organizations scoring lower on the relevant leadership variables.

<sup>6</sup> Gini characterizes power in some detail (1997, see esp. 324–25). His points support mine but also contain specific claims that I would not make, such as that power “is always personal,” “emanates from a system of ideas or philosophy,” and “is responsive to a field of responsibilities and tasks” (325). These descriptions seem to me to hold for important subcases but not for power in general.

<sup>7</sup> A number of writers on leadership have emphasized the need to deal with change. For instance, in characterizing leadership in contrast to management, Kotter says that whereas “management is about coping with complexity ... [l]eadership, by contrast, is about coping with change” (2001, 86). The stark way this contrast is drawn may suggest that management need not involve leadership, but I do not think that is true (or intended by Kotter).

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<sup>4</sup> According to Howell and Shamir, “Many writers ... agree that leadership is a relationship that is jointly produced by leaders and followers” (2005, 96; the omission is of the several citations of writers with whom Howell and Shamir agree on the point). This article, like a number of others in the literature on leadership, concentrates on the follower side of the relation rather than, as I do, on the leader side.

<sup>5</sup> This is meant to be a conceptual and normative claim about what counts as good leadership; but there is an associated range of empirical hypotheses which I can only conjecture to be plausible. A

**EXEMPLIFICATION.** There is, however, a notion of following a leader that is wider and more *important* than the imitative concept. Such following exemplifies what the leader manifests. Leaders do not merely present goals; they also model means or approaches to realizing goals. There are many ways to exemplify goals, and there are various ways to seek means to their realization. Good leadership exemplifies high standards and thereby helps develop versatility in those who are led. It engenders variable patterns of knowledge and skill, not simply information or a single routine.

**IMPLEMENTATION.** Without developing versatility in those under one's direction, the value of delegation, which is essential in leading large organizations, is limited. The more complex the task delegated, the more important it is for the person charged with it to have imagination and independent judgment. If, for instance, learning to sell life insurance to individuals did not enhance general sales ability, the salespeople who learn that skill could not even add routine auto insurance to their repertoire, much less advance to major institutional sales, say to a shipping company. If our agents are merely imitators, they may extend our arms, but they cannot creatively advance our policies.

**TRUST.** Without delegation, leadership is drastically limited in the crucial domain of implementation. You would have to put your policies into effect alone or use only people who operate largely under your eye. To be sure, delegation of a task does not guarantee that it will be done well, and delegation of authority does not guarantee that it will not be abused. But—particularly in large organizations—without delegation, leaders cannot effectively implement any but the simplest policies. If delegation requires a measure of versatility on the part of the follower, it also requires some measure of trust on the part of the leader—more of it in proportion to the importance of the delegated task. Those who cannot trust others are at best limited in their capacity to lead. Leadership requires both the ability to trust and the discretion to exercise trust at the right time,

to the right degree, and toward the right people. Excess here is risky; deficiency in trusting those one leads reduces incentive, narrows the opportunity to develop initiative, and may arouse resentment. Good leadership requires, then, an ability to judge both the capacities and the loyalties of others.

**STYLES OF LEADERSHIP.** We have seen that leadership is not reducible to power over others, that good leadership goes beyond producing imitation, and that those who are well-led develop at least a degree of versatility that warrants delegating certain tasks to them. Leadership is most effective when it is well-styled, and what this means varies with persons and the demands of the organization. Some leadership styles are familiar: for instance, authoritarian, consensus-building, exemplarist (leading mainly by example), and incentivist, i.e., leading by providing rewards and other incentives. Different people respond to different rewards, and leadership requires a good sense of what incentives will motivate various people in the organization. These and many other styles of leadership can be combined in numerous ways. Some authoritarian leaders can also set a good example (hence provide good role modeling); some consensus-builders can also provide incentives, whether in the form of bonuses or in profit sharing or with prestigious titles and accompanying authority. There are numerous kinds of combinations.

**FOLLOWERSHIP.** One further point is important in this section. Leadership succeeds only where there is an appropriate receptivity to it—call this followership. Good leaders can nurture it where it exists and, in many cases, cultivate it where it does not. But its recognition and cultivation are a distinct aspect of our topic. In particular, virtually everyone must follow someone else at some time and in some respects. This may require a certain humility; it certainly calls for recognizing that no one is an expert in everything. Even those who are mainly leaders may have to function as part of a team and will in any case have to recognize some people as having authority, specialized knowledge, or consensually accepted status that calls for accepting their leader-

ship. The acceptance need not be uncritical; good followership never is. But respectful attention and behavioral responses are still required.

## 2. Leadership and Role Modeling

If leadership is to be effective and not merely an unrealized potential to influence conduct, it must be perceptibly exercised. This entails a measure of role modeling. The role modeling appropriate to a leader is a kind of influence by exemplification. If we distinguish leadership from control—which in principle can be exercised from behind closed doors—then, to some extent, a leader serves as a role model to at least some people willy-nilly. Control is commonly coercive, but it need not be. A leader must have some measure of control over those led. We cannot lead people in a common enterprise if we cannot sustain their attention or, in some cases, require their effort, but this is commonly possible without coercion. Leadership exercised by role modeling is by its very nature non-coercive. That is one among other reasons favoring role modeling as an element in leadership.

Some role modeling—though often less than is desirable—is inevitable in the exercise of leadership. One cannot act as a leader without providing an example. Exercises of leadership tend to be noticeable—and often prominent—if only because we usually care about how those around us exercise an influence on others. When leaders are functioning in leadership roles, such as CEO or president, the default role modeling that goes with leadership is normally enhanced. Role modeling by leaders both provides opportunities and imposes responsibilities. Given the inevitability of role modeling, we should sort out and explore the development of its many dimensions.

One dimension is decisional. There are two variables here: the content of decisions made—what is decided—and the process of deciding. The latter concerns making decisions, a process that is commonly complex and often extended, with visible elements such as gathering information and discuss-

ing options. There are good and bad ways to make decisions; there are also more and less consultative, cooperative ways. These are process variables. By contrast, the variable of success in decisions is more directly connected with their content, i.e. with what is decided. Some decisions are clearly successful, others clearly not, and still others impossible to classify as either one. Success is commonly a matter of what is decided, but it is by no means entirely independent of how a decision is made. The effects of these variables may be difficult to separate. Success itself may be mixed or imperceptible. The clearly successful cases of decision making apparently tend to be more influential in role modeling (though this is an empirical hypothesis I can only propose as plausible).<sup>8</sup>

A different though overlapping dimension of role modeling is communicative. There are many ways to convey decisions and directives. Clarity is plainly desirable here; so is emphasizing the elements of a plan decided upon in proportion to their importance. There are also subtler variables. Some communications of decisions show respect; some are dryly factual; some are authoritarian or even threatening.

The communicative dimension is in practice inseparable from the rhetorical. The language of leadership is important to its effectiveness. This is nowhere more important than in communicating decisions. There are simple directives that can be conveyed by non-verbal signs or in sentences whose styling barely rises to intelligibility; but at high levels of management and even in workaday matters, it is common for linguistic coloration—both in verbal content and in voicing—to play a significant role in influencing those who are to be led.

The point bears extension. What we say—the content of our utterances or written directives—does not exhaust what we communicate. You may say to an employee, “You’re responsible for doing an effective

<sup>8</sup> Perhaps a case in point is David Neeleman, CEO of JetBlue Airways. Another may be Amy Domini, a pioneer in social investing. See Gunther (2004, esp. chapter 11, “Amy Domini and Social Investing,” 216–35).

summary of our pricing policy,” but your intonation may, in the context, communicate a reluctant transfer of authority, a wholehearted vote of confidence, or a threat. What we communicate can go far beyond the content of what we say. It is profoundly affected by our voice. Good leaders not only say the right sorts of things; they use their voices effectively.<sup>9</sup> This can be manifested in (for instance) being audible without being loud, authoritative without being authoritarian, accenting the highlights without rushing through the details, and hitting the right intonation to fit the content and audience.

### 3. Creative Leadership

Good leadership, I have stressed, cannot simply produce imitation. It cannot be exercised merely by giving orders or achieved simply by controlling those who must be led. To realize the highest potentials in those led, leadership must produce a measure of versatility as well as new or enhanced skills. These point to another element of leadership: creativity.

To be sure, there are tasks that are very familiar to leaders, and people can be led to do their part in them by leaders who do not exhibit creativity. It should also be granted that creativity can be detrimental to leadership if the leader does not have some measure of predictability—a trait, however, that can be in tension with both leadership and creativity. Predictability in adhering to certain basic standards of conduct, particularly ethical ones, is needed to prevent a debilitating anxiety among those to be led. It is also needed to develop and sustain trust. Still, the required kinds of predictability do not prevent creativity. A good leader may be creative in regard not only to means to established ends, but also to formulating and establishing new ends. We should consider creativity in more detail.

#### *Imagination*

It is the imagination that is the chief constituent in creativity. Creativity takes some brains, too; but people can be very brainy and rather unimaginative or

imaginative yet not particularly brainy. Imagination is not all of creativity, however. It is also possible to be imaginative but not especially creative; creativity implies coming up with something worthwhile. Not everything the imagination produces is valuable.

How, then, might imagination be fruitfully conceived in relation to leadership? Imagination is largely the capacity to create—initially in the mental realm—new things; but if it is well developed in the way real creativity requires, it achieves a balance between novelty and truth or novelty and, say, useful products or objects of beauty. Not everything new is true; and not every invention is valuable. Novelty without truth—or usefulness of some kind—can be largely worthless; truth without novelty can be mere platitude. Even novel truths may be trivial. Take the truth that there are more paintings than chairs in my study. This may be previously unknown, but its discovery deserves no credit.

Creativity is partly an ability to achieve a good balance between truth and novelty. There may be a moral here for every domain of life, as well as the organizational realm. If we are too cautious, we tend, out of fear of error, to be intolerant of novelty; if we are too bold, we tend, in the hope of achieving novelty, to be too tolerant of error. Good leaders have to find the right balance; they must tolerate certain risks as necessary and reject others as unwise.

Three points will shed further light on what imagination is and how it can enhance leadership. First, imagination is not just a matter of linear inferential power: making valid deductions along a logical line. An intelligent person—or a machine—can deduce various theorems from an axiom, but it takes imagination to come up with valuable axioms in the first place, such as Euclid’s postulates for geometry.<sup>10</sup> It can also take imagination to find useful theorems; a fruitful deductive path may be hidden in the underbrush or difficult to discover among the attractive options.<sup>11</sup> It may also take imagination to find means

<sup>10</sup> The notion of linear inference should be understood in part by contrast with that of inference to the best explanation (*abduction in some terminologies*).

<sup>11</sup> Imagination can also be required, then, to find a valuable theorem; it can even be needed to see that a theorem follows, but I am not im-

<sup>9</sup> The distinction between what we say and what we communicate is developed in Audi (2000, chapter 6, esp. 163–68).

to ends—commercial, educational, political—examples abound.

Second, and related to its non-linearity, imagination is not codifiable: there is no formula for being imaginative. Consider science, where one might think a high degree of codification is possible. There is (as philosophers of science have often said) a logic of verification, but not of discovery. Given a hypothesis, say that fluorocarbons damage the ozone layer, we can use scientific method to verify it—though even here we may need imagination to figure out just how to apply the method. But given only a scientific problem, such as how to reverse the greenhouse effect, we are thrown back on imagination. Knowledge of the facts about climate and pollution is essential, but not sufficient.

A striking metaphor for imagination is from Shakespeare's *A Midsummer Night's Dream*: The-  
seus says of the poet's eye that it

Doth glance from heaven to earth, from earth to  
heaven;  
And as imagination bodies forth  
The forms of things unknown, the poet's pen  
Turns them to shapes, and gives to aery nothing  
A local habitation and a name. (5.1.13-17)

These deceptively simple lines voice several major points. The imagination surveys an unlimited field—from heaven to earth. It discerns not just the vague outlines of things unknown, but their forms. And it places things in an intelligible context: it gives to something unrecognized a familiar name and address. This is partly by using analogy and metaphor. In the software business, for instance, we find an imaginative metaphor where moving blocks of print up or down on a computer screen is called scrolling and where relocation of items is dubbed cutting and pasting; we find a lack of imagination in the design of grammar checkers that flag a multitude of good sentences.

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plying that all inferential power is linear or even that every inference that proceeds wholly by self-evident steps to a theorem, and in that sense linearly, provides a route to discovery of that theorem by any rational person who reflects on the axiom in question.

### ***Some Dimensions of Imagination***

The imagination, and with it creativity, has various dimensions. One is insight—both analytical, yielding a sense of how similar things should be distinguished, and synthetic, yielding a sense of how different things may be connected. Another is foresight—an ability to see what consequences significant events will have and, sometimes, to anticipate the apparently unpredictable. Without foresight, leaders are condemned to hindsight—among the dearest prices we can pay for a lack of imagination. These two visionary capacities seem natural in some people, but education and experience can enhance them.

A third dimension of imagination is inventiveness, which is mainly what I have been speaking about. There are at least two kinds. Instrumental inventiveness finds new means to established ends, such as cures for diseases. By contrast, intrinsic inventiveness gives us valuable ends, such as works of literature and art deserving contemplation in their own right, whether or not they are means to anything further.<sup>12</sup> And the two kinds of inventiveness can be combined, for instance, in the creation of a theory that is both beautiful and useful.

Instrumental inventiveness is the kind crucial for implementation, which, as I have stressed, is a central element in the successful delegation that marks much good leadership. Delegation to someone with little or no instrumental inventiveness must be quite limited: the person will have to be told what to do in considerable detail—sometimes at such length that one might as well do the job oneself. To be sure, there are those who, knowing the general purpose for which they are delegated, will not only find good means to the assigned task, but will undertake new tasks that, in their judgment, fit the general corporate or shared goal. Such initiative can be a blessing

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<sup>12</sup> This distinction is related to one much studied in the management literature: that between transactional and transformational leadership. The former requires instrumental inventiveness but little if anything in the way of intrinsic inventiveness; the latter is required by (though it does not exhaust) transformational leadership. See, e.g., Bauer and Green (1996), Bass and Steidlmeier (1999), and Howell and Shamir (2005).



or a problem. A good leader knows how to set limits as well as how to give the right amount of authority to enable the imaginative person to do the job efficiently and, where appropriate, with an individual stamp.

### ***Is Imagination Teachable?***

There is certainly no formula for teaching imagination; it is something we stimulate and nourish, more than teach. I believe that (among other things) we have to model it, which means that we have to try to be creative ourselves in working with those we should lead. We can present new ideas often and old ideas in an imaginative way; we can speculate on possibilities, look at an idea from several points of view, construct illustrative or hypothetical examples even if they may seem odd, and bring up questions that would not ordinarily arise. We can also try to give several different reasons for or against a view or policy. This enhances both the risk of engendering disagreement and the prospects for consensus. The better the reasons, the better the chance that those who must be persuaded will accept at least one reason and be motivated accordingly.

Granted, variegated illustration and multiple argumentation can make listeners wonder whether one is illustrating or arguing for its own sake; but the point is that each argument provides a different way of understanding why the conclusion holds and can give additional support to the belief that it does hold. This applies as much in selling a product or in negotiating a contract as in abstract matters. Arguments are both paths to understanding and pillars of conviction. If one path is blocked—or too steep—another may take us to comprehension; and if one pillar collapses, whether from counterargument or skeptical doubts or mere forgetfulness, another may sustain the position. On the motivational side, the better people can imagine the benefits of the efforts asked of them by leaders, the more motivated they are likely to be; and each argument can indicate a different benefit or direction. This may be particularly important where the benefits are non-instrumen-

tal—the pleasures of accomplishment, the stimulation of human interactions, and appreciation of art. Imagination, assisted by argument, is important in producing motivation to work.<sup>13</sup>

To some readers, it may be apparent that I have treated imagination largely as an intellectual faculty. But what good is imagination in organizations, or indeed in much of everyday life, if it produces only mental constructs? In answering, we must not lose sight either of the intrinsic value of exercising the imagination or of the subtler instrumental values of this, such as gaining satisfaction in our jobs, providing relief from the pressure of daily tasks, and generating enthusiasm for practical work. Still, it must be granted that imagination carries neither its own executive power nor a facility for application of its creations to real-life problems. These two characteristics are, however, important for leadership. Good leaders must have a measure of executive power, and they must be able to bring their ideas to bear on the tasks constitutive of their domain of leadership. This capacity for applications is part of the versatility that is so important for good leadership. To some extent this latter ability is itself a matter of imagination: it requires instrumental creativity. But instrumental creativity does not always accompany the imaginative capacities that generate projects and models that deserve realization.

## **4. Ethical Standards for Good Leadership**

We have seen roughly what kind of characteristic leadership is and how it differs from power. We have also seen how real leadership requires a measure of creativity and have explored some major aspects of creativity. Leadership requires, on the internal, intellectual side, imagination and, on the side of application, a measure of executive power and instrumental inventiveness in practical matters. But so far, the ethical side of leadership has only been implicit. One could be an effective leader with great creativity and still unethical. What sorts of standards must

<sup>13</sup> These points are not just speculation. For a provocative short statement of the importance of intrinsic motivation, backed by a study in the military, see Wrzeiewski and Schwartz (2014).

ethical leadership observe—indeed, internalize?

The question has a simple answer at a high level of generality: ethical leadership is the kind one should expect from an ethical person—an adequately informed person with integrity, in the widest use of that term.<sup>14</sup> This idea can be elaborated at great length, but here I simply want to stress a set of intuitively plausible principles of moral obligation. I think it is fruitful to consider W. D. Ross's list of duties—obligations, in more recent terminology—as a guide.<sup>15</sup> These are widely regarded as expressing at least most of our core ethical obligations: those we have simply in virtue of being moral agents and not from a specific cultural or religious perspective (which may impose other obligations). These core obligations summarize a wide-ranging conception that (supplemented by two principles I shall propose) may be plausibly considered constitutive standards of morality.

Ross's list of these arguably constitutive standards, which he called “prima facie duties,” i.e. (in this context), moral obligations that prevail unless overridden by some set of competing moral obligations, is this<sup>16</sup>:

1. Justice: including the positive obligation to prevent and rectify injustice as well as the negative duty not to commit injustice.
2. Non-injury: roughly, the obligation to avoid harming others.
3. Fidelity: promise-keeping.
4. Veracity: particularly, avoidance of lying.<sup>17</sup>

<sup>14</sup> Why this is the widest use is explained in Audi and Murphy (2006). Being adequately informed on relevant matters is characteristic of such persons but not strictly entailed (even highly ethical persons may, through no fault of their own, be misinformed or lack important information).

<sup>15</sup> See Ross (1930). For an informative study of the applicability of Ross (1930) to business ethics, see Drake (2021).

<sup>16</sup> Another way to understand prima facie duties is to take them to be moral reasons that are at once defeasible yet ineliminable given their grounds. A promissory duty, for example, may be overridden by an emergency caused by an explosion in one's factory, but, like a weight on a balance scale that is outweighed by the goods to be sold, it is not eliminated. This is why an explanation is owed to the promisee. A detailed treatment of prima facie duties is given in Audi (2004) and in chapter 4 of Audi (forthcoming).

<sup>17</sup> Ross treated veracity as fidelity to one's word, but I list it separately as generally and plausibly taken to have independent weight.

5. Reparation: the obligation to make amends for wrong-doing.

6. Beneficence: the obligation to do good deeds, in particular to contribute to virtue, knowledge, or pleasure in others.

7. Self-improvement: the obligation to better oneself.

8. Gratitude: the obligation of expressing appreciation for good deeds toward us (where these include good work done under our direction as well as beneficent deeds toward us).<sup>18</sup>

On my view, there are two further prima facie obligations that have a similar status.<sup>19</sup> The first is

9. Liberty: the obligation to preserve and, where possible, enhance freedom and autonomy.

We should seek to nurture freedom and autonomy (roughly, self-government) in persons. In organizations, this implies permitting and sometimes encouraging independence and even innovation. This is doubtless typically a case of beneficence, but neither beneficence nor justice exhausts the content of the obligations in the range of liberty. Moreover, good leadership aims at free cooperation and values the liberty of choice and in style of action that is possible in virtually all complex activities. This aim accounts for one value of gratitude as an element in leadership: expressions of gratitude are crucial reinforcement in the exercise of leadership. They are a major feature of what might be called leadership by incentive as opposed to leadership by pressure.

The second obligation beyond Ross's list is constituted by what I call

10. Respectfulness: The obligation to treat people respectfully in the ways (manners) in which we do what is obligatory as opposed to obligations of matter, which concern what we do.

Unlike the previous standards, which are common in some form to all the major ethical theories, obli-

<sup>18</sup> This obligation becomes stronger roughly in proportion to how difficult the good deeds are and in inverse proportion to how strong an obligation the person in question has (or had) to do them.

<sup>19</sup> See Audi (2004, 194–95), Audi (2016, 38–79), and Audi (forthcoming) for a description of these last two standards.

gations of manner have received far less attention and need explanation. They are, in a certain sense, adverbial. Consider giving directives to employees or students firmly versus timidly, politely versus rudely, respectfully versus condescendingly. These different manners of doing the same basic deed make a vast difference in styles of leadership and in its effectiveness. There are times when one can do the right thing, but cannot do it in the right way and should delegate the responsibility. Imagine having to give a negative performance report to an employee one dislikes. Some managers cannot do this sympathetically and might see that delegating the task to a neutral colleague is preferable. More generally, differences in manner can mount up to the difference between the magnetism of an incentive from ahead and the bruise of a kick from behind. These duties are especially important for role modeling.<sup>20</sup>

Giving these common-sensical obligations a central place in determining ethical conduct is not confining. The framework is, moreover, compatible with various ethical theories. These principles do not stand in need of justification from other considerations, but they can be supported by many kinds of theory, e.g. Kantian, utilitarian, or Aristotelian.<sup>21</sup>

I have noted a wide use of 'integrity' in which that term perhaps encompasses all of these obligations, at least if they are all constitutive of being ethical. I am not opposed to an integrity conception of leadership so conceived. But I do not find the term adequately clear to constitute, by itself, a good focus for clarifying and enhancing leadership.<sup>22</sup> If, however, being a person of integrity is sufficiently clarified in relation to the obligations just described, the notion may then offer the advantage of convenient summary and its own exhortatory force.

At this point one might wonder how the ethical

standards just formulated reflect some prominent concepts thought to be essential for good leadership and associated with good ethics. Consider, for instance, authenticity and transparency. The first is commonly used as a name for something like integrity in the wide sense of moral soundness.<sup>23</sup> The notion of transparency is used with almost equal breadth in some cases, but in a narrower sense it involves allowing what one does to be visible to a high degree.<sup>24</sup> This might be considered a requirement of fidelity or veracity, but that would hold only if one has committed oneself to such visibility or claimed to provide it, say in making financial statements. These obligations are commonly best fulfilled in a way that exhibits significant transparency, but often determining the appropriate degree of it is a matter of prudence. Some measure of that trait is normally an element in the traits characteristic of leadership as described in sections 1 and 2 of this paper, but it is not by itself a moral trait. What is said in this paper bears on how much transparency is appropriate to a given case, but transparency, at least beyond a certain minimum, is more an effect of good leadership than a basic ingredient.

One more point is necessary if the framework of common-sense obligations is to be adequately understood. There are often conflicts of *prima facie* obligations, say duties to give employees safe working conditions and good benefits and, conversely, duties to produce good profits. Ross thought that no theory can help in resolving such conflicts and that our only reasonable resort is to appeal to practical wisdom: roughly, to our intuitive sense of what resolution is best, where we consider both past cases as precedents and the future commitments we would make if we took a given resolution of the conflict as precedential. Certainly practical wisdom is indispensable, and there are no simple formulas for resolving conflicts of obligations. But there are theoretical positions that can help in this matter. In my view, the best of these is a version of Kantian ethics sup-

<sup>20</sup> The importance of what I am calling obligations of manner is amply confirmed by many of the examples of ethical role modeling in Weaver, Treviño, and Agle (2005).

<sup>21</sup> How Kantian ethics may be used to support the truth of Rossian principles of *prima facie* obligation is shown in chapter 3 of Audi (2004).

<sup>22</sup> This point is argued in Audi and Murphy (2006) and Audi (forthcoming).

<sup>23</sup> See, e.g., George (2003) for authenticity conceived as covering a wide range of moral and morally valuable traits.

<sup>24</sup> For a wide as well as some conceptions of transparency, see Baum (2004).

plemented by (among other things) considerations drawn from the theory of value.<sup>25</sup> I cannot pursue the application of general ethical theories to conflicts of obligations; it is enough to stress here that one can deal with many moral problems by seeking to fulfill *prima facie* obligations where they do not significantly conflict and to appeal to practical wisdom or a plausible theory where they do.

## 5. Leadership in Ethics

In the light of what has been said about ethical leadership, it will be apparent that such leadership is not achieved without some measure of leadership in ethics. This is a matter of articulating, upholding, and implementing moral standards.<sup>26</sup> Granted, in domains that—unlike the governance of large organizations—do not call for complex moral decisions or subtle moral reasoning, leadership can be ethical without exhibiting the criteria for success in this in the way we would expect from leadership in ethics. There is room for leadership in ethics in any walk of life; and, like managers and even CEOs, rank-and-file, lower-level individuals can be highly ethical leaders of their teams without addressing ethics in the way required for leadership in that domain. Leadership is not intrinsically hierarchical, even if it is rare for lower-level members of an institution to exercise leadership of those “above” them.<sup>27</sup>

These points may appear to imply that ethical leadership is equivalent to leadership that does not violate the moral principles articulated above. But it is misleading to make the case negatively, in terms of non-violation. Some of the principles express highly positive goals. Consider the obligation of beneficence. Even when we do good deeds to the extent to which they are obligatory, good ethics calls on us to do more if we can. There is no precise answer

to the question of how much this is. It may be true, however, that someone who is a genuine leader in ethics, like any robustly ethical person, will tend to do some things that are supererogatory.

Indeed, in addition to the indefinitely demanding goal of beneficence, there are *ideals of beneficence*. *An ethical leader not only avoids being unethical, but also seeks to fulfill certain ideals that call for positive conduct that goes beyond the requirements of duty. This point is supported by studies of highly ethical leaders and comports well with the charitable role that many companies try to play.*<sup>28</sup> (I do not deny that charity may be good business from the point of view of profit, but many organizational leaders support the practice for independent reasons as well.)

We can, to be sure, distinguish between leadership that is simply ethically adequate and leadership that is truly admirable from the moral point of view. Whatever one says about this difference, it is probably uncontroversial that—for both the material welfare of those led and from the moral point of view—it is best for leaders to be not merely ethically in the clear, but morally admirable. Stressing that point can be significantly motivating to leaders in business and in other walks of life. Virtue and ideals have an attractive power that should not be lost by taking ethics to state only constraints or only the standards society has a right to demand leaders meet.

Leadership in ethics, as distinct from ethical leadership that does not rise to this, is commonly—and always potentially—a major element in what has been called “leadership as meaning-making,” where actions in an organization are meaningful when their “undertaking (1) supports some ultimate end that the individual personally values and (2) affirms the individual’s connection to the community of which he or she is a part.”<sup>29</sup> Leadership in ethics stresses ultimate values such as justice, fidelity, and the well-being of individuals—the object of the obligations of beneficence. Clearly these values are interpersonal and support a sense of community among

<sup>25</sup> This is explained and defended in Audi (2004).

<sup>26</sup> For an indication of why this is so, see Treviño and Brown (2004, esp. 79).

<sup>27</sup> Cf. the claim that “Generally speaking, the leader’s task is to influence those who are in hierarchically subordinate positions to achieve a common good.” See Sanders, Wisse, and Van Yepren (2015, 214). This view implicitly treats (proper?) leadership as ethical but the paper does not address how one may lead *in ethics*.

<sup>28</sup> See, e.g., Murphy and Enderle (1995).

<sup>29</sup> Podolny, Khurana, and Hill-Popper (2005, 22).

the groups that have internalized them. Prominently stressing that we—the workers in a given organization—are to be guided by such other-regarding standards may be expected to reinforce our sense that the shared work has meaning.

It would be easy to slide from the point that leadership in ethics supports meaning-making to the claim that leadership entails it. It does not. *Good leadership, in the widest sense of that phrase, does entail it; but not all de facto leadership is good. Might we say that ethical leadership entails meaning-making? This is too strong: there is no necessary failing in ethics on the part of a leader who does not communicate guiding values in a way that builds a sense of meaning and community. It is plausible to claim, however, that leadership in ethics tends to build meaning. Plainly, many variables must be satisfied to yield success.*<sup>30</sup>

What may be plausibly added to the tendency hypothesis just formulated is the normative point that meaning-making is an appropriate aim of leadership in ethics and a necessary constituent in the aims of the most comprehensive kind of such leadership. It is a natural outcome of good leadership, an essential aim of comprehensive ethical leadership, and strongly supported by leadership in ethics.

In the light of what we have seen, we may conclude that although ethical leadership paves the way for leadership in ethics and the latter entails some degree of the former, there are spheres in which ethical leadership can be exercised without leadership in ethics and certainly without creating meaning in the rich sense just indicated.<sup>31</sup> The narrower the sphere in which one leads others, the more room

there is for leadership to be ethical without rising to leadership in ethics. That leadership is facilitated, however, by leaders' fulfilling ethical standards more demanding than minimal duties; and leadership in ethics is surely required for the highest kind of ethical leadership.<sup>32</sup> A leader who performs ethically with no explicit articulation of ethical standards, or at least a clear role modeling of them, lacks something that may be properly sought at least in the best kind of leader. A major reason for this is that since ethical standards should guide conduct in general, particularly interpersonal conduct, which is pervasive for nearly everyone, and since a truly good leader gives guidance in how to do things that are within the scope of moral standards and must be judged by them, leadership that does not address the ethical standards appropriate to the various tasks in question is, as leadership, deficient and, in getting the work of the organization done well, unlikely to be as successful.

Indeed, it is difficult to see how sound moral standards, such as those that go with the ethical principles listed above, can be prominently set out as guidelines, and clearly appealed to in explaining major decisions, without some measure of leadership in upholding them. The point applies even to what is commonly called "transactional leadership," but it applies in still further respects to the richer case of "transformational leadership."<sup>33</sup> This is not to say that pedagogy is needed for the exercise of

<sup>30</sup> This hypothesis finds some support in Podolny, Khurana, and Hill-Popper (2005).

<sup>31</sup> Regarding what he calls "managerial ethical leadership," Enderle goes further: "[m]anagerial ethical leadership aims at two goals: (1) to clarify and to make explicit the ethical dimension ... in any ethical decision and (2) to formulate and justify ethical principles" (1987, 658). A CEO of a self-consciously ethical kind might be expected to do this, but I do not see that it holds for leadership in business by managers of all kinds simply in virtue of their being ethical in their leadership. It does seem an apt characterization of one kind of leadership in ethics. Enderle's recent views on leadership are presented in his book *Corporate Responsibility for Wealth Creation and Human Rights* (2021, esp. part III, "Implications of Wealth Creation and Human Rights for Corporate Responsibility").

<sup>32</sup> For Lynne Sharp Paine, the relationship between ethical leadership and leadership in ethics may be still closer. She says, e.g., [E]thics has everything to do with management.... Managers who fail to provide proper leadership and to institute systems that facilitate ethical conduct share responsibility with those who ... knowingly benefit from corporate misdeeds. Managers must acknowledge their roles in shaping organizational ethics and seize this opportunity to create a climate that can strengthen the relationships and reputations on which their companies' success depends. (1994, 587) Cf. her later work on leadership, in which, under the heading of "leadership capabilities," she suggests such criteria as are indicated by the questions, "If the heads of your company's business units were asked to present an ethical assessment of their business, would they know what to do?" and "If members of the leadership team were asked to identify some ethical issues the company should be working on, would they be able to do so?" (Paine 2003, 249–50).

<sup>33</sup> For an informative discussion of transactional versus transformational leadership and many references to literature treating the distinction, see Bass and Steidlmeier (1999).

leadership in ethics. But leaders should keep moral standards in view and, in some cases, appeal to them as constraints. When good leaders do these things, then to at least some degree they are also manifesting leadership in ethics.

## 6. Values-Based Leadership and Organizational Culture

Given the importance of values in ethical discussions and the attention that has been given to “values-based leadership,” something must be said about this concept. There are many kinds of values—not only moral values, but intellectual, religious, aesthetic, economic, and many more. Even greedy people have certain values and can be very good at fulfilling them. If ‘values-based leadership’ designates leadership based on ethical values, something close to it has been our main subject so far. If some other kinds of values are included, the leadership in question will be mixed, say based on both ethical and economic values.<sup>34</sup>

There need be nothing objectionable about conduct based on mixed values. Organizations may be led on the basis of both moral and other values, just as educational institutions are. Moral values, such as justice, fidelity, and veracity, constitute constraints on how other values are pursued, but this is compatible with other values being the driving ones in an organization. Ethical leadership requires a good balance between the driving non-moral values that most organizations serve and the moral values that should govern how they are served. But because there are so many other values appropriate to leadership, especially in business, which may have a very diverse set of goals, the notion of values-based leadership is a potentially misleading orientation from which to characterize ethical leadership.

Ethical standards and values of many kinds are

<sup>34</sup> Some discussions of leadership do not explicitly distinguish different kinds of values. At one point Gini says, “All leadership is value-laden. All leadership, whether good or bad, is moral leadership” (1997, 325). If ‘moral’ here means ‘morally appraisable,’ this is true; but as Gini’s paper as a whole makes clear, not all values are moral and not all leadership is ethical even when it is driven by ‘values’ of some kind.

often implicit in organizational culture, which is an increasingly important element in understanding the ethical character of organizations. In most organizational cultures, and clearly in educational institutions, leadership is often top-down. The top—or most influential top—to be sure, may be in a subgroup, such as an academic department with high autonomy. Depending on organizational structure, a great deal of leadership is exercised through role modeling.<sup>35</sup>

In many organizations, by contrast, CEOs or presidents set the tone and exercise a pervasive influence. Moreover, some leadership styles penetrate the culture of an organization more easily—or deeper—than others. Whether in fact highly ethical styles generally influence organizational culture more than less ethical styles is difficult to judge. (This is a good empirical research question, as is the question of whether television and films can, through the role models they present and the values they promote, influence organizational culture.) I see no reason why the answer cannot be affirmative for many kinds of organizational structures. But much depends on the wider culture in which a corporation operates and on the character of those who are to be led. There are some soils in which even healthy plants will not grow. Even healthy plants, however, may be improved by nutrients and cultivation.<sup>36</sup>

If ethics is increasingly an element in organizational decision making, and if, as I urge, moral ideals as well as the basic minimal ethical obligations play a major role in business decisions, then the frequency of conflicts may be reduced and their resolution facilitated. It is often said that, at least in the United States, litigation is too commonly the way of conflict resolution. It is at least possible that if leadership

<sup>35</sup> As Weaver, Treviño, and Agle remark, “[E]very manager must be ‘chief ethics officer’ in his or her particular domain ... although ethical leadership can be a top-down phenomenon, ethical role modeling appears to be much more a ‘side-by-side’ phenomenon” (2005, 324).

<sup>36</sup> For discussion of the importance of “tone at the top” and a study of how conflicts among leaders at the top are and should be dealt with, see Warren, Peytcheva, and Gaspar (2015). They consider the “tone set by top management” to be “the most important factor contributing to the financial reporting process” (561).

in (and indeed beyond) business can become more ethical, the need for litigation will be reduced. In conflict resolution, just as persuasion is preferable to coercion, negotiation is preferable to litigation. Litigation must not define our ethical limits; cases may be won unfairly, and the law may be too lax in the first place.<sup>37</sup> Ethical leadership and, especially, leadership in ethics can reduce the need for litigation.

## 7. Personal Morality as a Potential Element in Ethical Leadership

We have so far been focusing on leadership in what may be broadly called the workplace.<sup>38</sup> But neither ethical leadership nor, especially, leadership in ethics can be entirely detached from personal morality. Under 'personal morality' I include chiefly an individual's moral standards governing family relations, personal (as opposed to professional) friendships, and conduct in private places such as homes and clubs. The phrase also includes moral standards of conduct governing one's behavior in non-business public settings, such as sports events, visits to cultural institutions, and political gatherings. The relation of personal morality to ethical leadership is stressed by a number of writers in business ethics, for instance Treviño, Hartman, and Brown, but it is too rarely analytically explored.<sup>39</sup> Let me partially fill this gap.

The distinction between ethical leadership and leadership in ethics is highly pertinent here. Personal morality affects both, but it is likely to affect the latter more than the former. The question is best considered in the light of examples. Four domains have been mentioned: family relations, personal

friendships, behavior in private places, and conduct in non-business public settings. With special relationships, and especially with private conduct between consenting adults, we immediately encounter the problem of wider ethical disagreement than we find regarding public conduct. Among the many who accept all of the moral principles proposed above, there is disagreement about (for instance) homosexual conduct, about when, if ever, adultery is permissible, and about romantic relations between people in the same organization even when the parties are discreet.

Consider a hypothetical case. Could a man who is a high executive be an ethical leader if, for instance, he has an extramarital affair and, after noticeably excessive drinking at a company dinner, behaved too noisily in the audience of a concert? These cases are different. Given how such things usually occur, they strongly suggest that the man is not an ethical leader, but self-serving and lacking in respect for others. But suppose he is separated from his wife and each knows the other has a lover. Suppose further that the public displays of tipsy conduct come after he has recently suffered loss of a parent. We must ask how loud and annoying he was relative to the other concert-goers and whether he might be identified with the organization. Noisy bravos are one thing; drunken comments are quite another.

Each instance could be discussed at length. My main point about these is that we would need a great many facts to make more than a rather unspecific negative moral judgment on the ethical character of the man. There is a great deal of distance between overall moral virtue, which he lacks, and moral vice, of which (so far as my description goes) he gives only inconclusive evidence. One variable to be considered is whether, as the obligation of reparation requires, he does anything to make amends for his bad conduct. Note two other points. If he broke his marital promises to his wife without her agreement to cancel them, this would be different—a case of simply cheating. If he lied or broke promises to personal friends, this too would bespeak bad character in a way the other cases need not. There is, then, a certain range of prima facie immoral actions that we

<sup>37</sup> This point may not be highly controversial, but it is noteworthy how many codes of ethics cite an obligation to obey the law as essential, with no mention of the possibility that legal standards may be too low or otherwise inadequate.

<sup>38</sup> The notion of a workplace is more complex than that of a traditional place of business, such as a corporate office or a store.

<sup>39</sup> Citing the Lewinsky scandal in William Clinton's presidency, they say "personal morality is associated with leadership.... When we asked whether personal morality was linked to ethical leadership, most executive answered yes. 'You cannot be an ethical leader if your personal morality is in question ...what you do privately reflects on the organization'" (Treviño, Hartman, and Brown 2000, 132, no reference given for the quotation).

might reasonably expect to impair ethical leadership in an organization, but in special cases need not.

A second important point here is that the cases bring out the importance of our central distinction: between ethical leadership and leadership in ethics. The latter is impacted considerably more by the moral perceptions of those toward whom the leadership is to be exercised. If our executive can keep his dubious conduct private, he might still manage to rise to leading others in ethical matters—or at least those that are crucial for the business in question. One can be a leader in ethics in a domain. There is a limit to compartmentalization; but even if leadership in ethics cannot be narrow, it need not always be fully comprehensive. From this point of view, the sports event has special importance. If one is highly visible in public, ethical leadership is likely to be impaired by any public conduct that is morally dubious or, especially, plainly reprehensible.

Two disclaimers are needed immediately. First, no claim is being made about the causal connection between immoral personal conduct, or what might be called ethically “loose” conduct in personal matters, and conduct in organizations. I simply make the safe assumption that compartmentalization is difficult and that we tend to treat people similarly across personal and organizational contexts; but I ascribe no specific probabilities to such carry-over, and I assume that they differ greatly from case to case. Second, I am not in the least suggesting that the universal ethical standards sketched in section 4 of this paper do not always apply in private conduct. They do. But in different contexts what counts as a promise, an injury, a good deed, or, especially, a morally deficient way of doing something permissible will vary.

Two other dimensions of the question of personal morality must be considered (though a detailed analysis will not be possible). One is how leadership is connected with romantic relations within the organization; the other concerns the proper limits of privacy for business leaders.

There is wide and (in my view) reasonable agree-

ment that business leaders should not become romantically involved with someone for whom they are an immediate supervisor with initiative (or control) regarding remuneration and promotion. This is not only because of the possibility of exploitation (which may run in either direction or both); it is also a matter of fairness to other employees, who might reasonably fear that they would suffer from bias in favor of the person who has (at least) the ear of the supervisor.<sup>40</sup>

What of workers at the same level? Each organization should address this in some way, even if only cautionary standards rather than outright prohibitions are formulated. Having a romantic relationship with someone at the same level is not intrinsically unethical. It may, however, interfere with professionalism in business matters, and it commonly results in a bias in favor of the other person which, in turn, can result in preferential treatment of a kind that is morally wrong. Once again, if ethical leadership is not necessarily compromised for people in such a relationship, it is put at risk; and again, the risk to leadership in ethics is greater. To be sure, circumstances matter greatly; in some organizations, for instance, the two might be in different divisions and only occasionally interact; in other situations, the two might work together side by side much of the time.

Concerning the limits of privacy for business leaders, we might begin by stressing that unlike public officials, they are not elected or selected by people who are a democratic constituency. This justifies a lower level of permissible scrutiny, other things equal. It is not clear, however, what constitutes appropriate scrutiny for public figures, and there is no easy way to formulate clear principles for scrutiny of businesspeople either. What can be said briefly here

<sup>40</sup> There is no question that romantic relationships will sometimes arise regardless of any reasonable set of prohibitions that might be established. What should be done if they arise where they should not, e.g. between a boss and someone who reports to her or him, is a large question I cannot pursue. Among the possibilities are resignation or reassignment of one party, but the latter is a good option only where the organization in question is large and has a structure in which certain biases can be eliminated.



is this. First, the larger and more publicly visible a company is, and the higher the level of a person in it with a leadership role, the greater the importance of public conduct that is ethically unassailable and the more likely (and appropriate) it is for others in the company—and perhaps the media—to take an interest in the conduct. Second, this point should be balanced by a respect for privacy. Business leaders should not be pursued in their private activities by either journalists or people in their companies who want to profit or to spy or create gossip. However—and this is the third, balancing point—organizational leaders who seek to provide leadership in ethics should maintain, and may be expected to maintain, a higher standard of ethical conduct in public, as well as in non-business private conduct, than applies to those whose leadership, even if ethical, does not include addressing and promoting moral standards in the way appropriate to leadership in ethics.

Leadership is a multifaceted quality that is not reducible to power over others or to any single dimension of human interaction. This paper describes important characteristics of leadership: delegation and its connection with trust and followership; imagination and its manifestations in creativity, versatility, insight, and foresight; and judgment as essential to successful action involving any of these characteristics. I have distinguished between ethical leadership, which adheres to sound moral principles, and leadership in ethics, which positively advances such principles in their own right. I have argued that, if only in the inevitable role modeling that goes with leadership, good specimens of ethical leadership can embody a measure of leadership in ethics. I have described a comprehensive set of principles suitable to guide leadership of both kinds. A longer treatment could discuss leadership in connection with role differentiation both between fields of endeavor and within a given one, such as corporate or educational leadership. My purpose here has been more limited. It is to portray ethical leadership as a capacity that is both cultivable and improvable and, when realized at a high level, conduces both to avoiding conflicts

among those led and to realizing positive goals for management, for those they lead, and for the general public. If these points about leadership are sound, then there is good reason not only to press for ethical leadership but also to urge those who care about it to go further—to achieve leadership in ethics.<sup>41</sup>

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<sup>41</sup> This paper has benefited from discussions with my students and colleagues, particularly Professors Amy Colbert, Georges Enderle, Patrick Murphy, and Oliver Williams in and beyond my years in Notre Dame’s Mendoza College of Business, with various audiences, especially in conferences of the Society for Business Ethics, and from extensive comments by anonymous readers for the journal.

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