



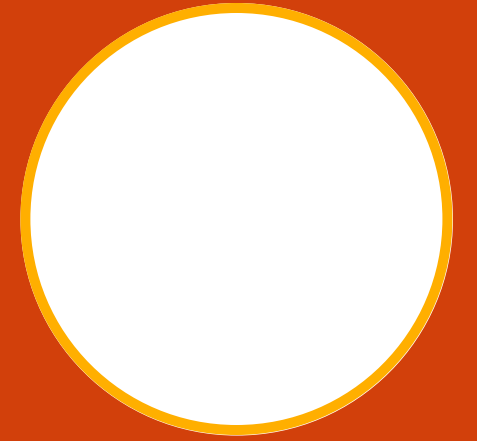
LEADERSHIP

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Leadership, Ethics, and Values

Group 4

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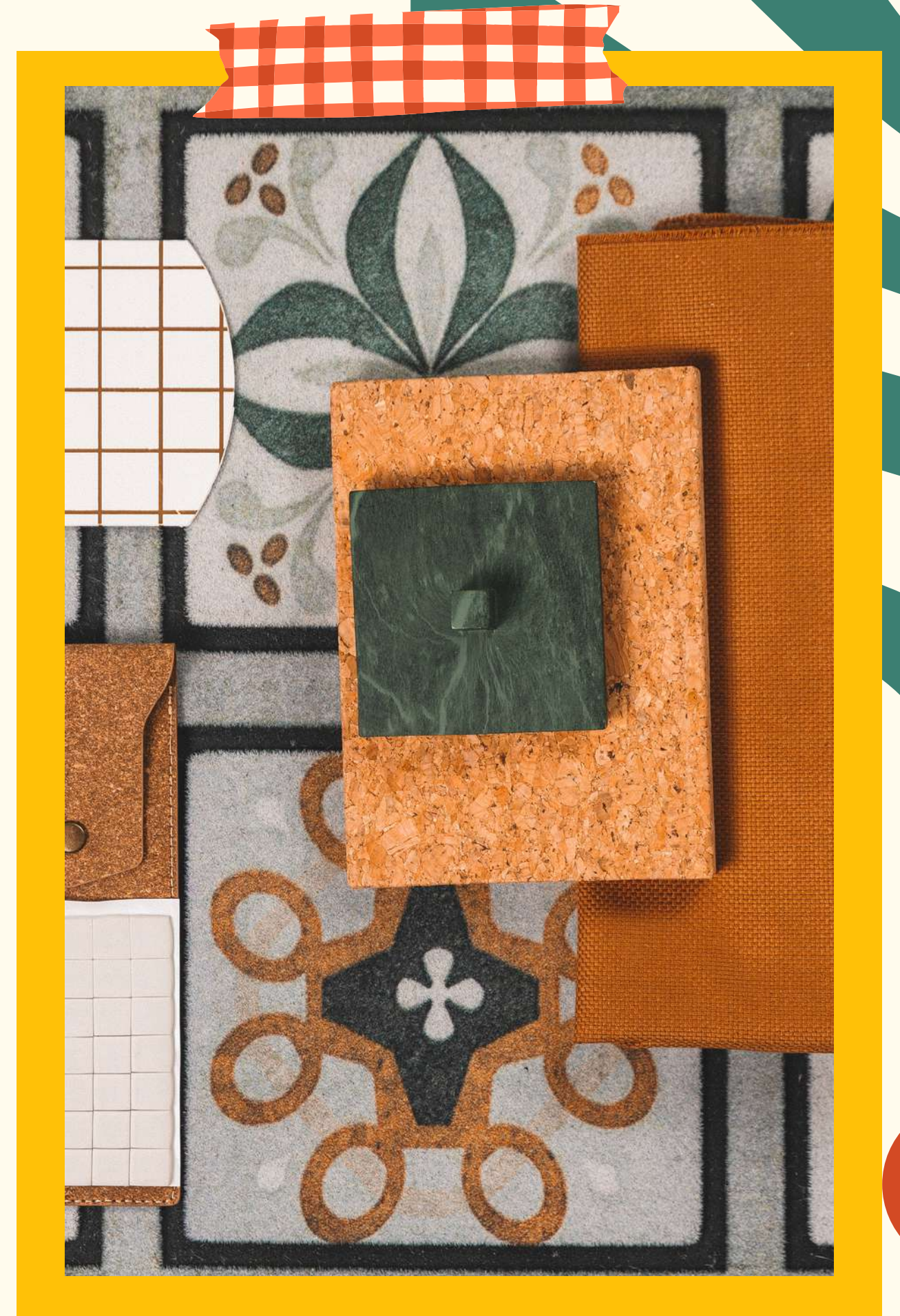
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Learning Objectives

- 1) To comprehend how ethics, values, and leadership are fundamentally related to one another in the context of organizational behavior.
- 2) To understand how values can have a big impact on how leaders behave.
- 3) To comprehend the relationship between particular value systems and effective leadership.



Leadership and “Doing the Right Things”

True leadership is characterized by a high degree of trust between leaders and followers. Bennis and Goldsmith identify four key qualities fostering trust: **vision, empathy, consistency, and integrity.**

Vision unites people around a shared purpose, while **Empathy** involves understanding and connecting with followers.

Consistency and **Integrity** are essential for building trust as they demonstrate commitment to principles.



Values, Ethics, and Morals

Values are crucial as they reflect an individual's important behaviors or beliefs. Values shape career choices and actions, even prompting someone to leave an unethical company. In work settings, values affect decisions about joining, committing to, and leaving an organization, as well as interactions with colleagues. Leaders must recognize their significance.



The Different

Values represent what's important to individuals, while **Ethics** is a branch of philosophy dealing with principles of right conduct. **Morality** applies these rules in real-life situations.

Values may or may not align with ethics and morality, as not everything valued is inherently valuable. Ethics seeks to guide behavior, though actions may deviate from these principles. In practice, these terms are often used interchangeably.



Are There Generational Differences in Values?

Significant historical events, technological shifts, and economic conditions shape the values of individuals growing up in a particular era, leading to distinct generational value systems. These value differences can create tension in leader-follower interactions, with older leaders and younger followers having divergent core values.

Researcher Zemke identifies four generations with unique experiences:

Veterans (1922–1943): Shaped by the Great Depression and World War II, they bring stability but can be nostalgic.

Baby Boomers (1942–1960): Post-WWII, they emphasize participation, equality, but can hold too many meetings.

Gen Xers (1960–1980): Grew up with Watergate, downsizing, and technology, valuing independence, skills, and work-life balance.

Nexters (1980–): Known as millennials, they are optimistic, value diversity, and prioritize personal interaction.

Moral and Ethical Reasoning and Action

Moral reasoning is vital in ethical decision-making, often differing from professed values. Biases like implicit prejudice and in-group favoritism can lead to actions misaligned with stated values. **Ethical decisions** often entail choosing between two ethical options, not just right vs. wrong.

Rushworth Kidder suggests three ethical principles:

- 1) ends-based (considering consequences),
- 2) rule-based (universal principles), and
- 3) care-based (empathy).

Applying these principles to specific situations helps determine the best choice.



Why Do Good People Do Bad Things?

Performance measurement systems in organizations can also pose ethical challenges. Pressure to meet performance metrics may lead to unethical behavior, such as cheating the system or manipulating the system to align with one's interpretation of organizational goals.

These ethical dilemmas often require individuals to balance accountability with morality and may necessitate taking action to address systemic issues. For leaders, maintaining moral vigilance is crucial in navigating these challenges.



Ethics and Values-Based Approaches to Leadership

Ethical leadership involves two key components:

The moral person is principled, caring, honest, fair, and open in their actions. They maintain clear ethical standards even under pressure.

Ethical leaders go beyond personal morality; they make ethics part of their leadership by communicating values and role modeling ethical behavior.



Authentic Leadership

Authentic leadership is about aligning values, beliefs, and actions, inspired by the idea of "to thine own self be true." Authentic leadership involves self-awareness and consistent alignment of actions with inner values.

The study of authentic leadership has gained momentum recently because of beliefs that

enhancing self-awareness
can help people in
organizations find more
meaning and connection
at work

promoting transparency
and openness in
relationships—even
between leader and
followers—builds trust
and commitment

fostering more inclusive
structures and practices
in organizations can help
build more positive ethical
climates.



Servant Leadership

a leadership style and philosophy whereby an individual interacts with others to achieve authority rather than power. Ten characteristics are often associated with servant leaders;

Characteristic	Explanation
Listening	the emphasis on listening effectively to others.
Empathy	understand others' feelings and perspectives.
Healing	foster each person's emotional and spiritual health and wholeness.
Awareness	understand their own values, feelings, strengths, and weaknesses.
Persuasion	influence others through their persuasiveness.



Servant Leadership

Characteristic	Explanation
Conceptualization	integrate present realities and future possibilities.
Foresight	have a well-developed sense of intuition about how the past, present, and future are connected.
Stewardship	stewards who hold an organization's resources in trust for the greater good.
Commitment	develop toward being more responsible, caring, and competent individuals.
Building Community	help create a sense of community among people.



the Good, the Bad, and the Ugly




four general categories of attitudes and behaviors seemed to characterize the group:

- **Interpersonal behaviors:** They showed care, concern, and compassion for others. They tended to focus on the positive rather than the negative, and accepted others' failures.

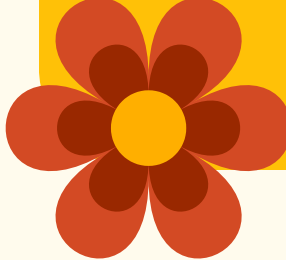
- **Basic fairness:** they manifested in the fairness shown others. They were not only open to input from others but actively sought it.

- **Ethical actions and self-expectations:** They held themselves to high ethical standards and behaved consistently in both their public and private lives.



- **Articulating ethical standards:** They articulated a consistent ethical vision and were uncompromising toward it and the high ethical standards it implied.



Ethical climates refer to those in which ethical standards and norms have been consistently, clearly, and pervasively communicated throughout the organization and embraced and enforced by organizational leaders in both word and example.




Unethical climates are those in which questionable or outright unethical behavior exists with little action taken to correct such behavior, or (worse) where such misbehavior is even condoned.



Creating and Sustaining an Ethical Climate

- **Formal ethics policies and procedures:** certain formal policies and procedures are probably necessary if not sufficient conditions for creating an ethical climate.
- **Core ideology:** an organization's heart and soul. It represents the organization's purpose, guiding principles, basic identity, and most important values.
- **Integrity:** an individual whose outward behavior and inward values are congruent and transparent.
- **Structural reinforcement:** An organization's structure and systems can be designed to encourage higher ethical performance and discourage unethical performance.
- **Process focus:** There also needs to be explicit concern with process, not just the achievement of tangible individual, team, and organizational goals.





Creating an ethical climate is not easy or just a matter of following a simple recipe. Conflicts over values can arise even when an organization has clearly published values that are embraced by everyone. That can happen when employees and leaders have divergent perceptions of whether the leader's behavior embodies important corporate values.



Study Case

Ethics is considered to be able to eliminate dirty business practices

According to Professor at the Faculty of Business Economics, University of Indonesia, Cynthia Afriani Utama, there are still many companies that get around taxes (transfer pricing), unclean policies, unethical culture. So he considered that it was necessary for an individual's ability or moral awareness to differentiate between right and wrong actions.

Ethical violations in business practices in Indonesia are a serious problem that can damage a company's integrity and reputation and destroy public trust. So good strategies are needed, such as increasing awareness and training related to business ethics, to prevent it.

However, he reminded that cooperation between the government, business sector and civil society is very important in fighting ethical violations and promoting fair and responsible business practices.



Summary

This chapter delves into the links between ethics, values, and leadership. Ethics involves right conduct, and values are central to leadership within cultural contexts. Moral reasoning progresses through stages, guiding ethical action. Leadership is closely tied to specific value systems, and there's a growing interest in fostering ethical organizational climates.



Thank you!

