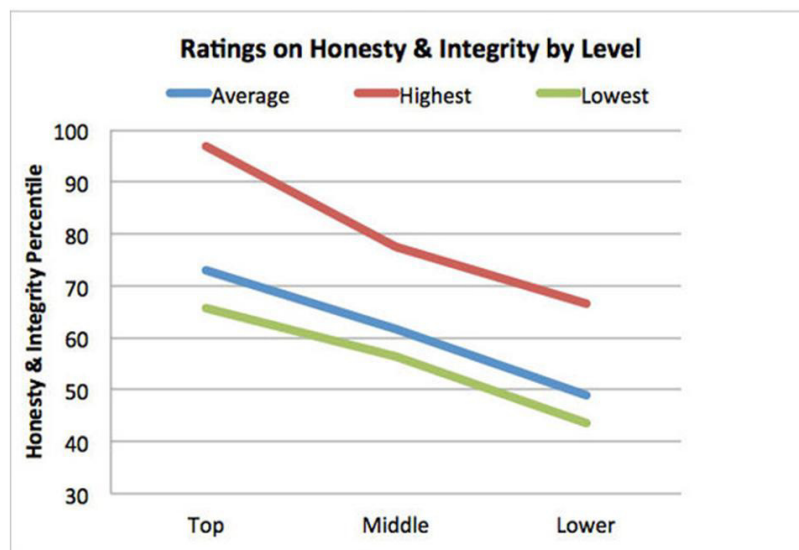# Ethical Leadership

Effective leadership is crucial in persuading stakeholders to cooperate and support the work of the project manager — and therefore contribute to successful project outcomes. Similarly, the importance of ethical behaviour has been a hallmark of PMI's drive to establish the profession of project management, supported by the PMI Code of Ethics and Professional Conduct[1].

What is less well understood is the crucial role leaders play in establishing the ethical culture of their organizations. Generally speaking, the top managers in an organization create a ceiling - that is, leaders at the next level down tend to be rated lower than their managers on every leadership dimension including their honesty and integrity[2].

Data collected by Jack Zenger and Joseph Folkman

It is no surprise that ethical leadership directly influences the culture of the team being led. But how does this influence extend beyond the team? One key direction ethical leadership takes, is indirect - across the hierarchy, to peers of the leader. There is also a cascading effect, with the ethics of a senior leader influencing subordinate leader's behaviours. In turn, ethical conduct trickles down their team's culture, and so on down the hierarchy. Research among more than 2,500 serving military personnel[3] backs up two key findings from business studies[4]:

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[1] Download the **PMI Code of Ethics and Professional Conduct**:
   https://mosaicprojects.com.au/PDF-Gen/PMICodeofEthics.pdf

[2] For more on the **concept of Integrity** see, The origins of Integrity:
   https://mosaicprojects.wordpress.com/2014/01/13/the-origins-of-integrity/

[3] Schaubroeck, J.M., Hannah, S.T., Avolio, B.J., Kozlowski, S.W.J., Lord, R.G., Trevino, L.K., Dimotakis, N., Peng, A.C. *Embedding Ethical Leadership in and Across Organizational Levels*, Academy of Management Journal, Vol. 55 No. 5 1053 – 1078

[4] Including *'The Data's In: Honesty Really Does Start at the top'* by Jack Zenger and Joeseph Folkman, HBR Blog Network 1 June 2012.

1. The ethical culture of a team is unlikely to be any stronger than the standard set by the team leader, and is usually slightly less ethical.
2. The ethical culture of a less senior leader is unlikely to be any stronger than the standard set by the senior leader, and is usually slightly less ethical.

In short, the ethical framework of an organization is set at the top and standards can be expected to deteriorate as you move down the hierarchy and out into the teams.

Note: these studies were not looking at extreme ethical behaviours, such as dishonesty or discrimination - breaching these standards would offend most people. The research above focused on subtle but important aspects of ethics similar to those found in the "aspirational" sections of PMI's Code of Ethics. These types of behaviours encourage individuals to develop, creates a great place to work and urge external stakeholders to support the team.

The practical implications of these findings are that leaders need to 'walk the talk' by engaging in ethical leadership. They need to create a strong ethical culture in their teams by providing the tools needed to help team members behave ethically on a reinforced basis. Some suggestions include positive reinforcements such as praising someone for notifying you of a mistake they have made, encouraging the open reporting of 'bad news' in any form, establishing systems that strongly encourage ethical behaviours such as refusing to allow derogatory remarks in any form (jokes included) backed up by formal systems such as clearly defined and protected 'whistle blower' procedures.

More recent studies by Jack Zenger and Joseph Folkman have identified tiredness as a factor that pre-disposes people to being less ethical. This aspect of work-life balance is definitely within the control of senior leadership. For more on this see our blog: **Tired workers lose their ethics**[5].

Once established, an ethical culture in your team can be expected to have a strong effect sideways and downward within the organization — and outward to the wider stakeholder community.

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[5] **Tired workers lose their ethics**: https://mosaicprojects.wordpress.com/2014/01/24/tired-workers-lose-their-ethics/

www.mosaicprojects.com.au

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