

Beyond rule following: decoding leadership ethics

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Abstract

Purpose – *The purpose of the paper is to help leaders gain awareness of areas that can lead to problems in ethical decision making. Instead of simple “black and white” decisions, leaders face a myriad “grey” situations that cannot be addressed via blind application of company policy. The areas of focus are time, proximity, competitiveness, and personality.*

Design/methodology/approach – *The reader will learn about the “Urgency&Proximity Model” (U&PM); which describes how the urgency of an ethical decision and the proximity between the moral agent and the people involved in the situation impact the moral agent’s decision-making process. The authors incorporate the “Five Factor Model” of personality into the U&PM, raising possible connections between personality and moral reasoning.*

Findings – *The findings indicate that company policies lend themselves only to the simplest decisions, not ethical dilemmas. Thus keeping in mind the U&PM model, organizational competition, and one’s own personality (from the WorkPlace Big Five Profile™) can form an ethical basis for moral decisions.*

Research limitations/implications – *Additional research is needed to connect the aspects of personality to the U&PM.*

Practical implications – *Leaders are advised to increase self-awareness, consider their personality traits, and position the moral dilemma being addressed in the U&PM.*

Originality/value – *This paper is only an introductory examination of ethical decision making based on urgency, proximity, competition, and personality. The concept should be further investigated because of the impact these factors can have on leadership decision making.*

Keywords *Ethics, Personality, Leaders, Decision making*

Paper type *Conceptual paper*

As Human Resources manager for a manufacturing plant, you take special pride in being fair. Your job, after all, often involves enforcing less than popular rules. You know that favoritism is a slippery slope to disaster. You are dismayed, therefore, when one of your best friends – and a key Organizational Development internal consultant – confides that she is planning to “fake” a sick day.

She tells you:

You know me, I’m the hardest worker around. I easily work 12 hours a day. I would never even dream of doing something like this. The thing is – this new VP of Operations is an absolute jerk. He shouts at his team and makes people feel very uncomfortable. Now he asked me to help facilitate yet another team meeting for him – and I can’t handle that. It won’t be a team meeting; it will be a team assassination attempt. The VP is an idiot but he has backup – the CEO won’t hear a thing against the guy. The word around is that he has boosted production and almost saved the company. As a result, nothing and no one can touch him. There’s basically nothing I can do but bear it . . . and I’ve been in too many of these meetings to handle another one. Either I fake being sick in the next one or I quit. I think it’s better to just fake being sick.

You know your friend is telling the truth – the new VP is an idiot and you are particularly concerned with his impact on the team. You also know that your friend is a key player – she

has acted as a buffer between the team and the VP and losing her could very well have others quitting. Politically, “faking sickness” might not be a bad idea . . . but of course this does put you in an awkward position. What should you do?

By definition, ethical dilemmas are moral problems with very little chance of win-win solutions. In the case presented, reporting the friend would hurt the relationship and possibly the organization. Not reporting her, on the other hand, means condoning a lie. Your reputation could be hurt – possibly your ability to perform your job.

Typical “rule following” workshops for leaders most often ignore moral dilemmas. They assume, conversely, that ethical decisions are straightforward – you steal or you don’t steal. This difference between true dilemmas and the easier “clear cut” ethical decisions make up “two levels” of ethical decision making (Josephson, 1989):

The first is to distinguish the clearly unethical decisions from the ethical ones. It’s usually unethical to lie, to steal, to injure others. There is a second level of decision where you’re choosing between ethical values, truth and fairness, truth and loyalty, where no one answer is absolutely right or absolutely wrong. Here you just have to analyze the situation as clearly as possible and be sensitive to what your values are (Josephson, 1989, p. 21).

“Rule Following” ethical training typically addresses the first level only. Leaders will follow the rules. Leaders won’t overtly lie. Leaders won’t steal from their employers and won’t encourage their employees to steal. Company officials, therefore, develop lists of policies, create pretty posters of values, and believe all is solved.

If only it were *that* easy.

A world of gray

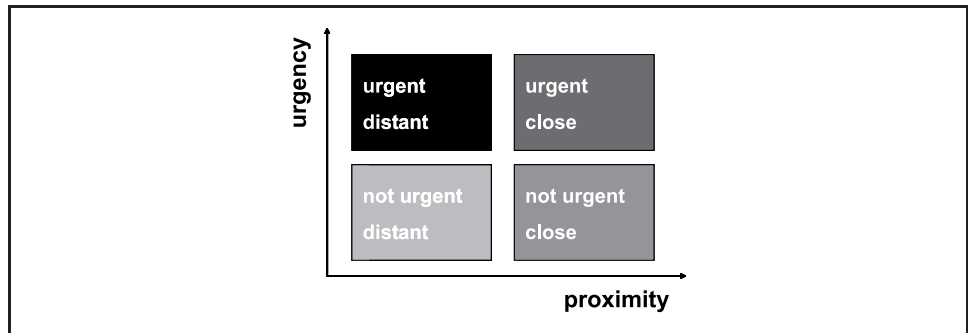
Instead of these simple “black and white” decisions, however, leaders must face – often without the benefit of prior reflection and training – myriad “gray” situations. These situations cannot be addressed via a blind application of company policies. Company values could help – but only if they mean more to the leader than a pretty poster hanging on the conference room wall.

The natural difficulties attached to solving ethical dilemmas are compounded by three other factors: Time, proximity, and competitiveness.

1. *Time*. Finding an ethically sound solution to a moral dilemma requires rational thinking. Rationality requires time – and time is often an elusive commodity for leaders. Instead, leaders must make multiple “millisecond decisions” (Cheigh, 2004) in a given day. Under severe time pressures leaders could easily make self-serving decisions or decisions that favor those whom they like.
2. *Proximity*. We tend to favor those who are closest to us. Indeed, a recent study conducted at the National Australian University found that proximity impacts how people make ethical decisions (Ryan *et al.*, 2004). Whenever people feel close to the players in an ethical dilemma, the tendency is to reach a solution that is based on preserving that relationship. This tendency usually trumps justice or fairness.
3. *Competitiveness*. Michael Josephson, founder of the Josephson Institute for the Advancement of Ethics, points out “If I am willing to cheat, I could have a competitive advantage in playing golf. But it is not the same game. If we define the purpose of living only as accomplishment of a particular task, accomplishing the task becomes the moral imperative – winning the election, getting the scoop, making the profit” (Josephson, 1989, p. 20). Take the recent scandals in baseball, for instance. Were the players involved influenced by the public’s constant appetite for record breakers? The need to win is ingrained in American culture. Winners are promoted by many popular TV shows (*The Apprentice* for instance) and by most MBA programs. Likely, the need to be Number ONE is a powerful force influencing leaders confronted with an ethical dilemma.

Points one and two can be further examined in the “Urgency & Proximity Model” (see Figure 1), which shows the relationship between ethical decisions, proximity, and time. The

Figure 1 U&PM



closer a leader is to the players in the ethical dilemma and the more urgent a decision is, the more likely the leader is to act emotionally, rather than rationally. The “high urgency + high proximity” quadrant provides ideal conditions for knee-jerk emotional decisions.

An interesting study run by Batson *et al.* (1995) highlights this model. The researchers asked managers to choose whether to promote one of two candidates. Candidate A had an edge on candidate B as far as professional skills, competence, and experience. Candidate B, however, was facing severe family health problems. Respondents were more likely to choose candidate B whenever they knew of such problems. Interestingly, respondents in that study would freely admit that their decision was “unfair.” They would still, however, abide by it.

Thus, we can see the impact that time, proximity, and competition have on ethics. These factors shape the way leaders think about ethical dilemmas. Under urgent, close, and highly competitive conditions, leaders could base their ethical decisions on immediate emotions and empathy. Will this happen always? Of course not. One more factor must be considered: the leader’s personality.

Personality matters

During the last decade, personality researchers finally found a common language: The “Five Factors” of personality. A quick search on any academic psychological database will reveal hundreds of articles connecting these “five factors” to a variety of work related topics such as leadership success, teamwork, learning styles, and yes, integrity as well. The five factors (as explained by Howard and Howard, 2001) are:

1. *Need for Stability* (N) indicates our tolerance to stress. Stress occurs when you decide that something (called a stressor) has come between you and one of your goals. A low N score corresponds to more resilient personalities. Low N individuals tend to handle stressful workplace situations in a calm, steady, and secure way. On the other side of the continuum are the high N scores of reactive personalities. Reactive people will typically respond to stimuli in alert, concerned, attentive, or excitable ways. These people may experience workplace stress more than others.
2. *Extroversion* (E) indicates our tolerance to sensory stimulation. A low E score relates to introversion. Introverts typically prefer to work alone, without too much external stimuli. These are often serious, skeptical, quiet, or private individuals. High E scores, on the other hand, belong to extroverts. These are the folks who make friends easily and enjoy being around others. Extroverts are often informal leaders – this trait, after all, often correlates with leadership abilities.
3. *Originality* (O) is the degree to which we are open to new experiences/new ways of doing things. A person whose O score is low may possess expert knowledge about a job topic or subject – but is typically not interested in broader “out of the box” ideas. These are the more pragmatic, down to earth, and “here and now” individuals, who tend to focus on efficiency. High O scores, on the other hand, tend to be found in “cutting edge” visionaries with a variety of interests and strong imagination.

4. *Agreeableness* (A) is the degree to which we defer to others. Low scores (called “Challengers”) often relate to others by being expressive, tough, guarded, persistent, competitive, or aggressive. The other side of the continuum belongs to more adapting, accepting, and tolerant individuals, who are often uneasy with conflict and who prefer not to “rock the boat.”
5. *Consolidation* (C) is the degree to which we push toward pre-established goals. Low scorers approach their goals in a relaxed and open-ended fashion. High scorers, on the other hand, tend to pursue their goals in an industrious, disciplined and dependable fashion.

Interesting connections may be established between these personality traits and integrity. For instance:

- *Higher Need for Stability* leaders might perceive most situations as urgent. The more anxious and pessimistic the leader, the more “knee-jerk” reactions he could have. High N leaders could, therefore, almost permanently operate on the upper quadrants of the U&PM model. A key challenge for them could be to stop and reflect.
- *High Originality* individuals may have an edge when analyzing gray problems and imagining the impact of a particular moral dilemma on others. On the other hand, highly Original individuals who are also low in Agreeableness and low in Consolidation could tend to “push the envelope,” ignoring or minimizing the importance of company policies.
- *Lower Agreeableness* individuals could be more likely to assume that the decisions they make are right in the first place. Low agreeableness often correlates with a stronger focus on one’s own needs and interests. This poses special challenges when the ethical dilemma impacts the leader personally. Challengers are also often more competitive – and could need more acknowledgement and “ego-massaging.” Logically, “winning” and “acknowledgement” needs could trump the interests and needs of others.
- *High Consolidation* individuals are often ambitious. When high Consolidation is paired with low Agreeableness and high Extroversion, individuals are more likely to need to win at all costs. The influence of Consolidation, however, could also be positive – high Consolidation individuals, after all, are often also disciplined and focused. If the ethical dilemma is “clear-cut” (i.e. clearer right or wrong answer) and easily answered by existing policies, those individuals could be more likely to follow the rules.

Additional research in the personality connections to the U&PM would be valuable. In particular, it would be interesting to explore the role of Originality – does it matter? What is the importance of moral imagination? Do original leaders have an edge understanding the complex nuances of a moral dilemma? It seems to make sense that they would – but the connection is yet to be demonstrated empirically.

Research that has been conducted so far tends to focus on the more clearcut issues (i.e. will the employee steal?). A large metastudy conducted by Ones *et al.* (1993) did find significant connections between workplace honesty and three of the five factors: Need for Stability, Agreeableness, and Consolidation. In other words: calm, disciplined, and agreeable individuals tend to be more honest at work. The first two traits – calm and discipline – are common in leaders (Howard and Howard, 2001). Agreeableness, however, is often not a leadership trait. Leaders, after all, challenge and lead, rather than follow. Does that mean leaders are not honest? Not really. There are other motivators for leadership honesty – for starters, “stealing” or “not stealing” are fairly low level moral decisions. It does mean, however, that leaders’ natural tendency to push and challenge must be understood and positively channeled.

Possible solutions

Ethical behavior may not occur naturally. Ethical behavior is a result of vigilance, determination, and time. Michael Josephson (1989, p. 21) adds, “The question is, do we have the strength to do the right thing?”. Too often, he argues, individuals rationalize unethical decisions because they will “benefit the company” or will “be good for the family”

or “please the shareholders.” Leaders, due to the constraints already discussed, could be quite good at rationalizing their own decisions.

How can one avoid rationalizing and attempt to solve the problem of ethical decision making? For starters, be aware. No one is 100 percent ethical 100 percent of the time. Understanding fully the impact of time, proximity, competitiveness, and personality could help you recognize ethical red flags and improve your decision-making skills. Second, invest in your own leadership development. Take time out of your busy schedule to explore your personal ethical values, develop a personal Code of Ethics, and practice solving moral dilemmas. “It is one thing to sacrifice truth for fairness. It’s another thing to sacrifice truth for success. You can only sacrifice an ethical principle for another ethical principle” (Josephson, 1989). Seek to find your own ethical principles. Reflect on them. Apply them constantly. Make them real.

Finally, you might reflect on the ethics of your business. You cannot lead ethically without answering for yourself the following questions: What is the ethical basis for the existence of this business? Is the business only to make money for shareholders, to be #1 in the industry, and/or to provide a product or service to customers? Each answer can present further ethical conundrums. How do your answers impact your personal ethics?

This brings to mind the following story: A businessman and a non-businessman are on a camping trip. They come upon a sleeping puma that just happens to wake as they begin to walk past. The businessman begins to take off his backpack and place it on the ground. The non-businessman looks a bit confused as he freezes.

The non-businessman says, “What are you putting that pack on the ground for? You’ll never outrun that puma.”

The businessman says, “I don’t have to outrun the puma. I just have to outrun you!”

Where do *your* ethics lie?

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