

RESPONSIBLE LEADERSHIP AND ETHICAL DECISION-MAKING

RESEARCH IN ETHICAL ISSUES IN ORGANIZATIONS

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RESPONSIBLE LEADERSHIP AND ETHICAL DECISION-MAKING: WHY DOES IT MATTER?

Balancing economic, environmental, social and ethical responsibilities presents one of the most significant challenges confronting businesses and societies today. Driven by stakeholder pressures 95 per cent of the CEOs surveyed by KPMG now consider sustainability and ethics as a key strategic area (KPMG, 2013). Not surprisingly, sustainability and ethical challenges are increasingly being labelled as ‘grand challenges’ of our times (Howard-Grenville, Buckle, Hoskins, & George, 2014). Unfortunately, traditional ‘academic research is not moving far enough, fast enough’ in addressing these grand challenges (Bansal, Good, & Sharma, 2016, p. 3).

Responsible leadership is critical to address the sustainability and ethical challenges confronting organisations and societies (Meyer & Kirby, 2012). The three theatres of corporate social responsibility proposed by Rangan, Chase, and Karim (2015) – focusing on (1) philanthropic activities; (2) improving operational effectiveness and (3) transforming the business model – all call for responsible leadership at the helm of organisations, societies and governments. Similarly, research by Sandhu, Smallman, Ozanne, and Cullen (2012) highlights that responsible leadership is critical for organisations to achieve deep and meaningful engagement with sustainability. In their research organisations which demonstrated a higher level of environmental and social responsiveness had a long history of responsible and ethical leadership.

Not surprisingly then Kanter (2010) sends out an unambiguous message to managers to be prepared to lead responsibly and ethically:

Are you ready for the new era of end-to-end responsibility? It's no longer good enough to do your job well, satisfy customers, and generate financial returns. In the future you will be held accountable for the supplies you use and where they came from, what your customers do with their purchase and whether it improves their lives, and the costs and benefits to the countries and communities touched along the way. (p. 42)

In this special issue, we have 10 carefully selected papers. The concepts and ideas in these papers were presented by the authors at the recently held conference of the Australian Association of Applied and Professional Ethics (AAPAE) in June 2016 at the University of South Australia in Adelaide, South Australia. Each of them explores responsible leadership and ethical decision-making through distinct lenses and across multiple levels. The first

three papers in the special issue set the scene; they collectively define and extend the field of responsible leadership and ethical decision-making. The paper by Pless, Sabatella and Maak (*Mindfulness, Reperceiving and Ethical Decision Making: A Neurological Perspective*) explores how the practice of mindfulness can have significant positive effects on ethical decision-making in organisations. They provide an overview of mindfulness research in ethical decision-making and explore areas in which neuroscience research may inform business ethics. While they caution that mindfulness alone is not sufficient for ethical decision-making, their paper extends the field through bringing together neuroscience and mindfulness in understanding ethical decision-making.

The paper by Savur (*Role of Exemplars in Ethical Decision-Making in Small and Medium Enterprises (SMEs)*) extends the examination of responsible leadership and ethical decision-making through focusing on the role of exemplars in ethical decision-making for managers in small and medium enterprises (SMEs). This paper employs an empirical examination (semi-structured interviews) with owners and senior managers of SMEs in Australia. Savur concludes that while the managers in SMEs are more likely to use individual exemplars, they also rely on multiple exemplars to learn moral behaviours, develop their ethical decision-making skills and to get inspired.

The paper by O'Brien (*Military Ethics and Responsible Leadership: The Enduring Contribution of Guillaume-Henri Dufour*) turns the attention on responsible leadership and ethics in the military. The paper uses the case study of Guillaume-Henri Dufour (a much decorated Soldier serving in Switzerland) to discuss the growing importance of military ethics and responsible leadership. In particular, two specific occasions, the Sonderbund war and the agreement for the Geneva Convention are explored to enable systematic education of military leaders to lead responsibly and ethically.

The second set of topics explored in this special issue consists of four articles that collectively focus on the role of academic institutions in promoting responsible leadership and ethical decision-making. The paper by Harris and Sandhu (*Effective Use of Reflection and Research Activities in Teaching Business Ethics*) discusses how reflection and research activities can be used as a transformative experience to teach business ethics. They leverage their experience of developing and teaching 'Business and Society', a compulsory first-year subject for all undergraduate students in an Australian business school, to discuss the pedagogical mechanisms through which they developed ethical decision-making skills of the students.

The paper by Siddiqi, Chick and Dibben (*Spirituality and Its Role in Responsible Leadership and Decision-Making*) discusses how organisations are now looking to employ well-rounded professionals who can lead with 'both their heart and soul'. Siddiqi explores how spirituality can be incorporated within the higher education sector. Her results indicate a support for the

inclusion of spirituality, but also caution that this inclusion demands careful programme design.

The next paper by Erlic (*Would a Hippocratic Oath of Business Encourage Business Leaders to Make Ethical Decisions? A Study into What Business Students Learn in Business Ethics Class*) empirically investigates what future business leaders learn in business school ethics classes. Erlic surveyed 128 academics who teach ethics to business students in 29 Australian universities. The study found that there are no uniform universal standards regarding what is taught in business ethics courses. The paper argues for the establishment of a universal standard in business ethics education to ensure that future leaders are equipped for responsible and ethical decision-making.

The next paper in this set is by Kemp (*Ethical Decision-Making in Early Childhood Education*). This paper examines the question of parents' rights to make choices regarding the education and upbringing of their children. Kemp argues that parents have rights to make choices about the care and education of the children. But just having the freedom to choose from alternative schooling or caring options may not be enough. Kemp calls for responsible leadership and ethical decision-making by the state and early childhood education service providers and stresses on the need for them to engage in consultation with the parents, so that a participative approach can be used to determine the nature and content of educational and development programmes for children.

The last set of concerns explored in this special issue consist of three papers that explore the 'dark-side' and the negative consequences when individuals, organisations and societies fail to put in systematic measures to ensure responsible leadership and ethical decision-making. The paper by Pankhania (*The Ethical and Leadership Challenges Posed by the Royal Commission's Revelations of Sexual Abuse at a Satyananda Yoga Ashram in Australia*) examines the ethical and leadership challenges which arose from revelations of child sexual abuse at an Australian yoga ashram. The paper presents implications of ethical and leadership failures at both organisational and societal levels. Pankhania's research aims to lead yoga academics and regulatory agencies to re-evaluate practices and values that have been used to justify abuse.

The paper by Breakey (*Arbitrary Power, Arbitrary Interference and the Abuse of Power: Corruption, Natural Rights and Human Rights*) explores the relationship between human rights and corruption. Breakey argues that there are strong thematic links between systematic corruption and violation of human rights. The paper concludes with reflections on 'the human right to freedom from corruption'.

Judith Kennedy and Michael Kennedy's (*Mixing the Sexes in New South Wales Hospitals – A 15-Year Saga*) paper focuses on the ethical failure of the hospital practice of placing male and female patients in the same room in general wards. They argue that despite the 'normalization' of this practice over the last 15 years, it is a fundamental violation of patient dignity.

Together these 10 papers, collectively support the call for responsible and ethical leadership to prevent the damaging and perhaps irreversible effects of ‘runaway capitalism’ (Meyer & Kirby, 2012). As Kanter (2010) writes the time is ripe ‘to take full responsibility’ (p. 42). We hope that readers will enjoy reading through these papers and some may consider furthering these concepts and ideas into future research and papers.

Sunil Savur
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Editors

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