A NEW CONCEPTUAL MODEL:
Integrating Ethical Leadership into the Assess, Challenge and Support (ACS) Model of Leader Development

Abstract

Our paper discusses the need for continued focus on ethical leadership and the importance and benefits of ethical leadership development. We propose integrating ethical leadership development, that uses cognitive development theory, into the Center for Creative Leadership’s Assess, Challenge, and Support (ACS) leader development model to help address the continued failures of ethical leader development. Our extended framework includes values and morals as a component of the model, and ethical organizational culture as its backdrop, thereby incorporating an examination of ethical leadership into each component of the ACS model. We conclude with practical implications and suggestions for future research.

Introduction

Organizations spend annually between $12-14 billion dollars on leadership training and development. However, the results of the training have failed to deliver on the expectations of long-term change in leadership skills and habits (Kivland & King, 2015; McNulty, 2017). Especially troubling is its failure to develop ethical leaders, as the impact of their poor ethical choices continues to result in alarming stories that dominate the press. These poor ethical decisions have resulted in damage to organizations’ reputations and loss of profits, in some instances even affecting entire sectors. While there continues to be increased interest in leadership development, including theories and models, there is little evidence in the literature that demonstrates a convergence of these models and ideas into an approach to leadership development that includes ethics as a central component. Scholars have argued two reasons why leadership development fails: (1) because training is often generic and lacks the opportunity for application for the context of the leader’s job, and (2) because it fails to consider the impact of the culture of the leader’s organization (Beer, Finnstrom & Schrader, 2016; Gurdjian, Halbeisen & Lane, 2014). To be more effective, leadership development, especially ethics training, should more closely mirror real life situations where ethical dilemmas arise and the corresponding decisions have to be made. These scenarios should include the competing influences and pressures that make those decisions complex and challenging (Soltes, 2017). We propose that incorporating ethical leadership into a leader development model would help reduce the incidents of poor decisions by leaders when faced with ethical dilemmas.

Models of Leadership Development

Many models and theories of leadership development have been established and used to teach and train leaders, each targeting a specific type of leadership
development. The assess, challenge, and support (ACS) model (McCauley & Van Velsor, 2010), suggests a three-pronged approach to leader development that includes assessment, challenge, and support, in order to facilitate leaders’ ability to learn from experience. “Assessment” calls for the use of instruments and measures by the individual, co-workers, supervisors, and subordinates to gain a clearer picture of the individual's own and others’ perceptions of that individual’s strengths and weaknesses in behavior. Once assessment is complete, “challenge” calls for the organization or individual to create developmental experiences that provide opportunities to learn and apply the new skills identified in the assessment phase. The final phase, “support,” requires that the individual’s organization, supervisor, and colleagues provide the tools, resources, and time necessary to devote to the developmental experiences. This continual developmental cycle repeats itself, encouraging ongoing assessment, practice, and thus improvement (McCauley & Van Velsor, 2010).

While this model has merit and has been used successfully in leadership development, it specifically lacks an ethical leadership component in each of its stages, which, if included, could strengthen the transfer of ethical training after the developmental experience. Given the continued importance of developing ethical leaders, we suggest incorporating ethical leadership development that extends the assess, challenge, and support model to include awareness of the organization’s morals and values anchored in an ethical organizational culture.

Impact of Ethical Leaders and Ethical Leadership

Social learning theory suggests that people learn by emulating attractive and credible role models (Bandura, 1977, 1986), and that learning can happen both through direct experience, engaging in an activity oneself, and through watching others engage in an activity. Brown, Trevino and Harrison (2005) set forth a definition of ethical leadership based upon a review, analysis, and synthesis of several other attempts to denote the meaning of the concept, resulting in the following classification of ethical leadership: “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (p. 120). More recently, Rochford, Jack, Boyatzis, and French (2017) offered the following definition of ethical leadership:

The ability to consider issues from multiple stances, including what is fair and just, balance alternative perspectives against each other, and encourage followers to do likewise through the demonstration of consistent inspiring conduct, reinforcement of fair and just decisions, and humane interpersonal relations (p. 761).

Ethical leadership, therefore, highlights the importance of leaders building relationships with followers and promoting ethical conduct and role modeling ethical behavior and reinforcing it. A study by Trevino (1986) found that most managers will look externally for input about what is right and wrong behavior in an organizational setting. If true, then what managers find when they look for those cues must be morally and ethically consistent with the organization’s values so that the employee makes the most ethical choice, confident that the decision will be supported. Trevino, Hartman, and Brown (2000) stated that “employees in an organization led by an executive ethical leader will imitate the behavior of their leader and therefore the employees will be more ethical themselves” (p. 136). Additionally, ethical leaders “consistently reward ethical conduct and discipline unethical conduct at all levels in the organization” (Trevino et al., 2000, p. 136). This conduct allows employees to consistently see
appropriate behavior receive reward and inappropriate behavior receive punishment, so the employee learns through cues what behavior is acceptable within the organization. Therefore, developing leadership programs that train leaders to model the morals, values, and behaviors that support an organization's overall ethical culture and objectives is in the best interest of the organization.

In addition, House (1977), Bass (1985), and Kouzes and Posner (2003) include role modeling as an essential behavior of any leader (Brown et al., 2005), and Aristotle would state that morality can only be learned by watching a moral person (Gini, 1998). In fact, the behavior ethics literature widely supports the assertion that leaders have a profound influence on employee behavior (Bonner, Greenbaum, & Mayer, 2016; Brown & Trevino, 2006; Brown et al., 2005; Schminke, Ambrose, & Neubaum, 2005).

The fraud convictions of Canopy Financial’s executive leadership provide relevant examples of the influence a leader has over employees who might otherwise have behaved ethically. In that case, Jeremy Blackburn, COO, and Anthony Banas, CTO, were convicted and sentenced to 15 and 13 years in prison respectively, in a scheme that one judge called “the most aggravated financial fraud he had seen in his 18 years on the federal bench” (U.S. Securities & Exchange Commission Litigation Release #22266, 2012). Blackburn and Banas were found to have misappropriated $18 million from 1,600 client accounts for operating and personal use, and then fabricated and misrepresented documents to potential clients and investors in order to receive funding and new business. In defendant Banas’ sentencing brief, Banas himself discussed the impact of Jeremy Blackburn’s influence on his decision-making:

I am guilty of what is set forth in my plea agreement. I should not have taken custodial funds for my own personal use—no excuses—what I did was wrong. When Jeremy suggested and encouraged it, I should have said no. When it continued, I should have asked for help (United States of America v. Jeremy Blackburn and Anthony Banas, 2012, p. 7).

This case demonstrates the negative influence of an unethical leader. It also exposes the missed opportunity for a different conclusion that might have occurred had Banas had a conversation with an individual who helped clarify the unethical nature of the CEO’s instruction. Banas’ words demonstrate his belief that if he had asked someone for help, it may have provided enough support for him to have made a different decision, changing his clients’, the investors’, and his own outcome. One way that this could have been reinforced was specific leadership development training that provided him the tools to (a) recognize the ethical implications of the request, and (b) find the courage to seek support for his situation. Banas, seeing Blackburn, his longtime friend and supervisor, engage in unethical behavior and, in fact, directing Banas to do the same, created the ideal climate for the unethical choices to be made and even celebrated. Also, had Blackburn received context-specific leadership development training on the importance of discouraging unethical behavior or disciplining employees when he discovered it, both may have resisted, and the outcome may have been different.

Numerous studies from an individual performance perspective have found ethical leadership positively correlated with desirable individual outcomes. These include follower ethical decision-making, pro-social behavior (increased positive organizational citizenship behavior (OCB) and a willingness to do more than the bare minimum requirements of the job because of the nature of the relationship with the leader), follower satisfaction, follower motivation, follower motivational commitment (Brown & Trevino, 2006; Bedi, Alpaslan, & Green, 2015), and firm financial performance (Wang, Feng, & Lawton, 2017). In one study, the authors found that “ethical leadership has very substantial predictive ability for ethical climate, organizational commitment and quality of work life” (Beeri, Dayan, Vigota-Dagot & Werner, 2013, p. 73). In other words, people who observe their leader as one who engages in ethical behavior are more likely
to engage in ethical decision-making and behavior themselves, are more likely to exhibit OCB, and are happier and more committed to their jobs. Ethical decision-making in managers has also been linked to organizational effectiveness (Trevino, 1986; Wang et al., 2017). Ethical leadership—and specifically, modeling ethical behavior—has also been found to be a key factor in the success of formal ethics programs, and these programs contribute to the overall ethical climate of an organization (Beeri et al., 2013; Korey, 2008). Thus, creating organizations that select, support, encourage, and promote moral and ethical people is good for organizations. Plus, taking care to ensure the development of leaders that make good ethical decisions is positive for organizational performance and for increasing ethical behavior throughout the organization.

Another argument for ethical leadership development lies in the consequences of leadership that is “ethically neutral.” While not necessarily seen as unethical, this kind of leadership can have undesirable organizational outcomes. In the absence of clearly positive moral and ethical behavior, there is significant potential for negative impact if a leader is viewed as “ethically neutral.” When no evidence of positive ethical values and behaviors is visible, followers make assumptions that include perceiving ethically neutral leaders as follows: self-centered, less open to input, having less concern for others, less compassionate, having an overall narrower view, focused more on financial ends than means to achieve them, and focused more on the short-term bottom line” (Trevino, et al, 2000, p. 139). Therefore, it is in the individual’s, the organization’s, and society’s best interests that organizations provide a climate that facilitates opportunities for leaders to give attention to their moral and ethical development so that their behaviors are visible and meaningful to those who are looking to them for cues to appropriate behavior and organizational expectations. It is through specific leadership development programs with ethics at their core that could help develop these leaders.

The Case for Moral and Ethical Leadership Development

There is significant scholarly support for lifelong moral development, beginning with the classical philosophers and continuing to today’s contemporary authors. Aristotle argues that supporting the continued moral development of individuals is a desired end in itself, as the ultimate goal of any endeavor is to develop into virtuous, moral beings (Crisp, 2000). Kant would postulate that organizations must support their employees as beings in and of themselves, not just in what they can do for the organization, and would therefore support the idea of ethical and moral development for the betterment of the person alone (Patton, 1956).

Support for individual moral and ethical development exists in contemporary scholarly literature as well. Brown and Trevino (2006) propose that there are strong incentives to develop ethical leadership in an organization given the significant number of scandals in corporate ethics over the past decade. Highly publicized ethical missteps at Enron, Arthur Andersen, Wells Fargo, and Volkswagen give corporations reason to take a closer look at ethics policies, organizational ethical culture, and the development and support of ethics within their organizations. In the wake of the wave of these corporate scandals that occurred in the early 2000s, Diane Swanson, a leading academic researcher in management and business ethics, partnered with several colleagues in academia and petitioned for higher accreditation standards to include specific ethics coursework in AACSB-accredited business schools (currently 856 institutions in 56 countries), recognizing the obligation of business schools to participate in training moral and ethical leaders (Swanson, 2004). According to Hartman (1998, 2006), an objective of business school education should be to improve people’s character, which serves as an avenue for causing the person to act “according to appropriate moral principles” (p. 69). Hartman (2006) continues that a person’s “moral imagination” is the clarity to correctly frame “morally significant states and events” (p. 74) such that the individual recognizes the moral issues at the outset.
In addition, Gunia, Wang, Huang, and Murningham (2012) state, “the notion of cognitive awareness of relevant moral values is an important precursor to ethical decisions” (p. 15). This, along with other efforts, resulted in the AACSB Ethics Education Task Force (2004) recommendations that business ethics, including ethical leadership and ethical decision-making, be included in undergraduate and graduate business curriculum. Thus, leadership development with a focus on ethics is recognized as important to developing business leaders.

In essence, before a person can decide what to do in a certain situation, the individual’s moral imagination must be developed enough to first recognize that there is a moral or ethical issue, then second to cause consideration of individual values, and finally to reason through how to put those values into practice. To do that, individuals first need a fundamental understanding of their “actual and possible” values (p. 78). To develop this foundation, Hartman (2006) suggests that training focused on developing ethics can help leaders to hone this moral perception through conversation and experiences that help them by means of guidance and reflection to analyze their values and learn how to apply them appropriately (Hartman, 2006). Similarly, Gunia et al. (2012) suggest that contemplation within a social context, which they suggest is best found in conversation within organizations, is a crucial element of moral and ethical decision-making.

Several scholars have made suggestions for how moral and ethical development is possible. Wilson (1975) and Haidt and Kesebir (2010) suggest that a convergence of cross-disciplinary approaches to morals and ethics is emerging. Haidt and Kesebir (2010) summarize this “new synthesis” into three major components that have an impact on ethics and ethical leadership, specifically the ideas of (a) “intuitive primacy, but not dictatorship,” (b) “moral thinking is for social doing,” and (c) “morality binds and builds” (p. 799).

The idea of “intuitive primacy but not dictatorship” (p. 799) supports development, because although human beings are born with intuitive, automatic moral attitudes, preferences, and responses, those reactions can be overridden through a variety of interventions—most notably through conversation and deliberation that allow the individual to consider his initial reactions in light of morals, values, and ethical behavior (Haidt & Kesebir, 2010). Focused moral and ethical development activities can influence the intuitive perspectives to more closely match societal or organizational values and expectations of ethically and morally appropriate behavior. Brown and Trevino’s (2006) perspective built on social learning theory (Bandura, 1977, 1986) supports the idea that ethical behavior develops with subordinates when they interact with leaders who behave ethically and talk about ethics and appropriate ethical behavior. Gunia et al.’s (2012) research also supports the idea that conversation and contemplation allow for more ethical decisions. This is consistent with Hartman’s assertions that it is critical for an individual to practice moral and ethical principles, as this “moral utilization” enhances the relationship between moral reasoning and ethical leadership, and practice provides individuals with the opportunity to analyze their beliefs and actions in less risky situations (Hartman, 2006).

Further, Bebeau (2002) agreed that training can improve moral sensitivity, which is the ability to recognize a situation or decision as having a moral or ethical component for consideration. Lieberman (2000) argued that continued conversations regarding values, moral reasoning in decision-making, and ethics in general can have a positive impact on behavior. Recent research confirms this argument, finding that having time to think about and/or converse about the implications of a right/wrong decision leads to more ethical decisions. As a result of this research, the authors suggest “organizational leaders might consciously design moral decision making processes, integrating them into training” (Gunia et al., 2012, p. 32).

This improved moral and ethical behavior benefits the organization in many ways. Hersh, Miller, and Fielding (1980) found that training focused at helping
people move through the stages of moral judgment did create change, especially in scenarios where there was conflict with someone who was at a higher developmental level. In these situations, the lower-level individual tended to rethink the original position and restructure, demonstrating that development is possible. Reconsidering the idea of leader as role model, engaging in these conversations with ethically developed leaders will help improve moral reasoning for all.

Proposed Extension of the ACS Model of Leader Development

We propose the use of Kohlberg's (1969) cognitive moral development theory as the foundation for the extension of the ACS leader development model that measures and develops moral and ethics as a core component. This is shown in Figure 1 and explained below.

Figure 1 Model of Ethical Leader Development: The model includes the components of the Center for Creative Leadership’s “Assess, Challenge, and Support” model (McCauley & Van Velsor, 2010), but for these elements to be successful in ethical leadership development, it should also focus on its relationship with organizational values, morals, and ethics. The relationship demonstrates that these elements are central to all aspects of the development process, and each component must consider the values and morals of the organization, in essence a fourth component of the model. The extended model is surrounded by an ethical organizational culture demonstrating the inside-out relationship of ethics when it is within, between, and among the ACS components. Each component is discussed in detail below, but the graphic depicts the need to emphasize values, morals and ethical perspectives in each stage of a development program.
Cognitive Moral Development as Foundation of Values, Morals, and Ethical Culture

Trevino’s (1986) interactionist model of ethical decision making in organizations relies upon Kohlberg’s (1969) work and proposes that “an individual’s level of cognitive moral development strongly influences a person’s decision regarding what is right and what is wrong; the rights, duties and obligations involved in a particular ethical dilemma” (Trevino, 1986, p. 602). Kohlberg’s (1969) theory supports six stages of moral development, with stages three through six occurring in adulthood. These four stages are defined within two levels, as shown in Table 1 below:

Table 1.
Kohlberg Stages of Adult Development

<table>
<thead>
<tr>
<th>Stage</th>
<th>What is considered to be right</th>
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</thead>
<tbody>
<tr>
<td><strong>Level 2: Conventional</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Stage Three:</strong> Interpersonal accord, conformity, mutual expectations</td>
<td>Stereotypical “good” behavior. Living up to what is expected by people close to you.</td>
</tr>
<tr>
<td><strong>Stage Four:</strong> Social accord and system maintenance</td>
<td>Fulfilling duties and obligations to which you have agreed. Upholding laws except in extreme cases where they conflict with fixed social duties. Contributing to the society, group.</td>
</tr>
<tr>
<td><strong>Level 3: Principled</strong></td>
<td></td>
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<tr>
<td><strong>Stage Five:</strong> Social contract and individual rights</td>
<td>Being aware that people hold a variety of values; that rules are relative to the group. Upholding rules because they are the social contract. Upholding nonrelative values and rights regardless of majority opinion.</td>
</tr>
<tr>
<td><strong>Stage Six:</strong> Universal ethical principles</td>
<td>Following self-chosen ethical principles. When laws violate these principles, act in accord with principles.</td>
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(Kohlberg, 1969)

Kohlberg (1969) hypothesized that most adults are in stages three or four, and that less than 20% of human beings reach stages five and six. Yet stages five and six are the levels at which adults begin to consider the impact of their decisions on others and factor ethics and morals into those decisions. Kohlberg’s (1969) third to sixth stages of development have been correlated to Kegan’s (1994) orders of consciousness and Torbert’s (2004) stages that take a constructive development theory approach to moral and ethical development. These three models converge at Kohlberg’s (1969) stages five and six wherein all models show a transition to greater concern for and with others, rather than emphasis on the self as an individual. Kegan (1994) and Torbert (2004) both extend beyond, with additional phases that include emphasis on transformation at the highest development level (McCauley, Drath, Palus, O’Connor & Baker, 2006). McCauley et al. (2006) refer to these final four phases in two distinct groups, independent and inter-independent, and they correlate development to at least the “independent” level to leadership performance. The moral reasoning level has been positively related to ethical leadership (Brown & Trevino, 2006), showing that development opportunities that increase moral reasoning abilities improve ethical leadership capabilities.
Finally, studies show more significant increases in moral judgment through cognitive moral development training than through traditional training methods (Trevino, 1986). Studies show an increase in ethics between pre- and post-training scores when participants engaged in training focused on cognitive moral development (Goldman & Arbuthnot, 1979; Penn & Collier, 1985). With cognitive moral level a measurable factor, with results so closely correlated to ethics, and with research that supports successful development, this model suggests cognitive moral development theory as a basis, but not the only avenue, for extension of the ACS model to include a foundation of values, morals, and ethics.

Impact of Ethical Leadership on “Assessment” of the ACS Model

Assessment is the initial step in the ACS leadership development model. Our extension of the ACS ethical leadership development model proposes adding values, ethics, and moral reasoning as key components of the assessment portion of the development process. To do this, we assert that assessments of individuals’ cognitive moral development and other aspects of ethical behavior and ethical leadership would be beneficial. There are several instruments available that have been shown to accurately measure cognitive moral development, including the Defining Issues Test (Rest, 1979), Standard Issue Scoring (Kohlberg, 1969; Colby, Gibbs, Kohlberg, Speicher-Dubin, & Candee, 1980), and the Social Reflection Questionnaire (Gibbs & Widaman, 1982).

Several scholars support the need to go beyond standard personality assessments in order to better understand how behavior is shaped (Hogan & Kaiser, 2005; Judge, Piccolo, & Kosalka, 2009), and there are a number of instruments that exist across a variety of disciplines that may provide the basis for a framework to assess and measure several key components of ethical leadership and can be used to measure subordinates’ perspectives on supervisor ethical behavior. These include, and could be used as part of the Assessment phase of the ACS model:

- Perceived Leader Integrity Scale (PLIS), (Craig & Gustafson, 1998) – measures follower perception of leader’s trustworthiness, civility, self-centeredness, honesty and evil.
- The Ethical Leadership Scale (ELS) (Brown et al., 2005) – measures follower perception of leader’s fairness, trustworthiness, doing right thing, reward and punishment.
- Leadership Virtues Questionnaire (LVQ), (Riggio, Zhu & Reina, 2010) - measures follower perception of leader’s prudence, fortitude, temperance and justice.
- The Ethical Leadership at Work Scale (ELWS) (Kalshoven, Den Hartog, & De Hoogh, 2011) - measures follower perception of leader’s fairness, integrity, ethical guidance, people orientation, power sharing, role clarification and concern for sustainability.
- The Ethical Leadership Questionnaire (ELQ) (Yukl, Mahsud, Hassan, & Prussia, 2013) - measures follower perception of leader’s honesty, fairness, setting examples and concern for values.

Authors have also identified the importance of internal perspective of ethical consideration when faced with an ethical dilemma (Berry, 2007; Monahan, 2012). There are a number of assessments that should be considered, specifically related to their relationship to ethical leadership practices. The “Big 5” personality tests have shown that both agreeableness and conscientiousness are positively related to ethical leadership (Brown & Trevino, 2006) and could be part of a formal leadership development program’s assessment portfolio. Locus of control has been found to have a strong correlation to ethical development, and measures exist that can be used and evaluated with an eye towards ethical
behavior (Trevino & Youngblood, 1990). Individuals with an internal locus of control believe in free will and choice, and individuals with an external locus of control believe in fate and that their behavior has very little impact on outcomes, as the outcome was already predestined.

Studies have found that individuals with an internal locus of control behave more ethically because of the opportunity for behavior to influence outcome (Trevino, 1986). Trevino (1986) also found that field dependence impacts an individual’s ability to make ethical decisions. Field dependence is the degree to which an individual relies upon input from other individuals when making a decision. Individuals who are field independent rely more heavily on their internal perspective, and individuals who are more field dependent will look for input from others before making a decision (Trevino, 1986). Assessing field dependence can give insight into how an individual is likely to respond to an ethical dilemma.

There is scant literature on the self-measurement of ethical leadership per se, which creates a challenge in adding it as a specific component of a leadership development model. However, the Ethical Leadership Style Questionnaire (ELSQ) is a self-reported instrument that presents ethical dilemmas to the respondent and forces them to take an internal perspective and make a decision (rather than focus on an external assessment on the degree that their leader exhibits ethical leadership behaviors). Based on the answers, the ELSQ helps “leaders to understand their ethical leadership decision-making preferences and orientation when faced with an ethical dilemma” (Chikeleze & Baehrend, 2017, p. 47). These preferences are six ethical styles of a) duty ethics, b) utilitarianism ethics, c) virtue ethics, d) caring ethics, e) egoism ethics and f) justice ethics (Northouse, 2019). Therefore, the ELSQ could be a useful assessment tool for evaluating internal perspective of ethical leadership decision-making when faced with an ethical dilemma while allowing the respondent to help understand the orientation of others.

While there have been arguments against the validity of self-measuring moral and ethical values and behaviors, as a development tool, the disparity between an individual’s self-perception and those of the individual’s superiors, peers, and subordinates would have value. Brown & Trevino (2006) support this idea by suggesting that assessments related to ethical behavior must include subordinate input for accurate representation. We therefore contend that a combination of self-reporting measure of their ethical orientation (such as ELSQ) as well as peer, supervisor, and follower reporting instruments (the others) is required to get a complete picture of an individual’s ethical leadership behavior, which is currently lacking in the Assessment phase of the ACS model. These same assessments can provide valuable insight into which specific developmental experiences that are most critical for ethical improvement and future reassessment. The systematic application of a variety of assessments, combined with the other components of the ACS model, may provide a more reliable method of developing ethical leaders, addressing the present gap in the model.

Impact of Ethical Leadership on “Challenge” of the ACS Model

Once an accurate assessment has been completed to provide a picture of the leader’s ethical foundation, appropriate challenging developmental experiences can be planned to increase the portions of ethical and moral reasoning and behavior that can benefit most from development. There are several options that can improve ethical development, including a variety of experiences in and through the workplace, such as strategic assignments, coaching, mentoring or through formal ethical leadership training. For example,

Business ethics courses can improve students’ character by helping them think critically about their values and realize them in practice. Those two activities are essential to character development. We can teach them (students) how to create
organizations that encourage rather than punish doing the right thing (Hartman, 2006, p. 69).

Many theories of both cognitive development and reasoning agree that practice, through role modeling, conversations, and staged experiences are effective methods for development. For example, the SIM model encourages practice and experience. This model asserts that individuals first determine that an ethical or moral issue exists, then the individual's intuition takes over to make an initial assessment and reaction regarding the issue, and then the individual endeavors to explain, understand, and justify the response and associated behavior (Sonenshein, 2007). Social learning theory supports challenging assignments that require interactions between developing leaders and leaders believed to be representative of the organization's morals and ethics, as people learn from interaction with one another.

“Role taking and responsibility for moral dilemmas are two ways that adults can continue moral development after their formal education” (Trevino, 1986 p. 607). As such, this type of activity should be part of a formal developmental program. This approach can be used in developmental experiences when trying to reduce an individual's field dependence, as the individual can be placed in situations where the available field is minimal, which will require the individual to make the decision and choose the course of action through self-reflection rather than relying upon the input of others. Aristotle’s definition of character requires not only knowing a person's values, but for that person to be willing and ready to act on them, and the ability to see and know how to do so in a given situation (Hartman, 2006). Development focused on (a) assessing one's values and (b) providing opportunity to make decisions wherein they recognize a dilemma, assess their values, and act accordingly helps provide experience so that this type of decision-making becomes habitual. Therefore, providing challenging developmental experiences anchored in the organization's ethical culture would help leaders make better decisions when faced with an ethical dilemma, which is not currently directly addressed in the ACS model.

Impact on “Support” from CCL’s ACS Model

Culture can be viewed as the “how” of the work—in other words, the manner in which the work gets done, not just the nature of the work itself. Schein (2017) describes three core elements of an organizational culture: “observable artifacts, espoused beliefs and values and basic underlying assumptions” (p. 18). Artifacts are the objects, emotions, behaviors, and “feelings” that an individual notices about an organization when encountered. Artifacts can be difficult to define and describe and are often referred to as the way an organization feels, but they can also be tangible items such as written documents, photographs and artwork on the walls, the layout of the space, and the like. Espoused beliefs and values represent both the actual stated values of an organization—those words that might be published in a mission statement and printed in documents and agreements, and the subtler, implied values that are real in what the organization values—whether or not they are in alignment with, or opposed to, the stated values. Basic underlying assumptions are the often-unconscious beliefs and attitudes upon which most organizations are built, and on top of which the values and artifacts are layered. They are difficult to uncover for the outsider, as insiders do not recognize their existence since they are so often assumed (Schein, 2017).

Organizational culture is the foundation of the “support” element of the development model, and there is increasing interest in the impact of organizational culture on ethical behavior and, specifically, ethical leadership (Toor & Ofori, 2009; Rochford et al., 2017). Support is critical and, in fact, binds together the rest of the model. Organizations must define what is right or run the risk of a person high in moral reasoning, but with a conflicting definition of “right,” acting in conflict to the organization's values. This definition must include congruence between
the basic underlying assumptions, values, and artifacts of the organization. This might begin with an organizational culture that expects and rewards moral and ethical behavior through a variety of media including written policy, compensation practices, frequent conversation, job descriptions and the selection process, exemplars, and corporate stories.

Jones & Hildebrandt (1995) found that organizational expectations had an impact on employees' ethical choices. Formal ethics programs have been found to support and develop ethical behavior and norms within an organization and should be formalized as part of the organization's expectations (Beeri et al., 2013). Expectations and climate are core pieces of organizational culture, and a framework that includes ethical perspectives on these aspects of culture make up critical components of support. Menzel's (1995) Ethical Climate Scale can be used to assess the perceived ethical climate of an organization and to measure changes in ethical climate. Culture might be a mediating factor to ethical development, as some authors propose that how an employee will act depends on the person's ability to recognize ethical issues and that this ability appears to be a function of corporate culture more than individual employee attributes (Chen, Sawyer, & Williams, 1997). Brenner & Molander (1977) agree with their perspective that managers do not apply ethics or live up to strict ethical standards because of a lack of reinforcement of ethical behavior, competition, and a sense that only results are important to superiors. The Canopy Financial example demonstrates the importance of these expectations, as Anthony Banas behaved in accordance with the expectations (or perceived expectations) of his superior. If ethical expectations had been explicit, the outcomes may have been different.

Another powerful yet less obvious mechanism for supporting ethical decision-making and behavior is through patience and time. Solace and silence has an impact on ethical decisions and an impact on ethical development. Giving leaders the time and space to reflect on decisions before finalizing them may minimize the external pressure to conform, and the mental space to consider an issue from an ethical and moral perspective is key to ethical decision-making (Akrivou, Bourantas, & Papalois, 2011; Gunia et al., 2012). If Banas had taken the time to consider the potential ramifications of his decision or to discuss his discomfort with a trusted advisor before he made the first illegal transfer, perhaps he would have avoided taking the first step down the slippery slope that led ultimately to his conviction. In its critical role in the ethical leadership development model, support must spring from an organizational culture that includes ethical and moral perspectives evident in its artifacts, values and assumptions. This culture must be coupled with development that supports the time, intention, and contemplation required to make sound ethical decisions as well as a framework that encourages reflection on past decisions to evaluate their ethical congruence.

Implications for Practitioners

Leadership development practitioners and university professors currently working to create a more ethical climate or to develop ethical behaviors in their students and organizations, can easily and quickly incorporate ethical leadership, ethical dilemmas and case study analysis and conversation into their work. They could, for example, ask employees to talk about ethical situations they have encountered, and discuss the various preferred choices and outcomes. In using the ACS leadership development model, they could incorporate ethics into each stage of the model, which could improve the outcomes of moral and ethical development. More formally, assessments can be used as part of leadership development programs, and formal training programs (even using other models) can be developed to analyze and build the ethical toolkit of organizational leaders and employees. In addition, pairing new employees with leaders who are viewed as ethical exemplars can not only demonstrate an ethical climate but can offer a specific person with whom an employee can speak should an issue arise that gives them pause.
Implications for Future Research

Studies that assess cognitive moral development as well as other measures that indicate ethical behavior could be measured pre- and post-ethics training program or coursework to determine the impact of the developmental activity. In addition, evaluating past incidences of ethical and unethical behavior could be useful in analyzing antecedents to each type of decision. Finally, studies of individuals who had an opportunity to engage in unethical behavior but did not, would be interesting to determine what prevented the decision to understand if a specific intervention contributed to the ethical choice.

Conclusion

For morals, ethics, and the associated behavior to become a standard component of the culture of organizations, emphasis must be established early in the leadership development process and evaluated and revisited throughout the individual’s life. We provide a model of ethical leadership development incorporated into the ACS model that can be applied to both higher education and practice. Building a core focus on values, morals, and ethics into the widely used ACS development model provides a framework for organizations to incorporate ethics into all aspects of development, including the critical “support” component that requires an ethically clear and supportive organizational culture. Ethical leaders and leadership will create a culture of ethics, and ethical cultures will demand and grow ethical leaders and leadership, creating a cycle of positive ethical behavior that will sustain itself. As those ethical leaders depart for new roles in new organizations, the cycle will repeat, expanding the ethical influence into the world.
References


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