



**Ethical Leadership | Develop and use purpose-driven leadership skills further to positively impact individuals, teams, organizations, and society.**

*10062023, Jocelyne de Pessemier*

# CEOs under Fire

## More CEOs ousted

Globally, in the last five years, forced CEO turnovers for ethical lapses increased 36%, from 3.9% of all CEO successions to 5.3%.



## Examples of ethical lapses cited by companies

Fraud  
Bribery  
Insider trading

Inflated resumé  
Sexual indiscretions  
Flawed responses to environmental disasters

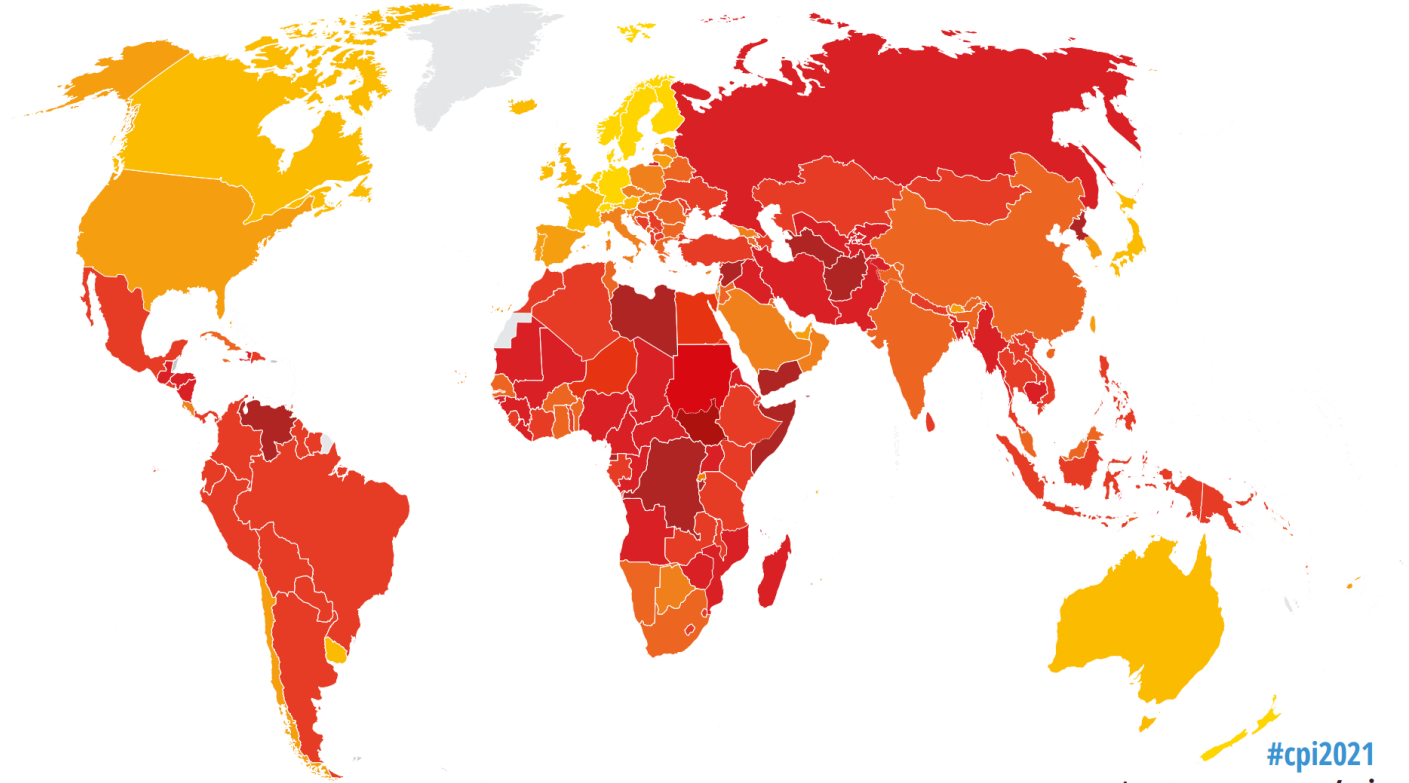
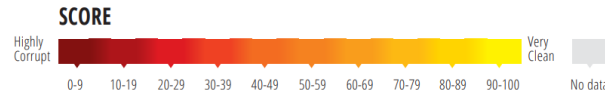
# Why are more CEOs getting dismissed for ethical lapses?

- Increasingly vocal negative public opinion is hard to ignore.
- Digital communications provide irrefutable evidence of misconduct.
- Governance and regulation have increased.
- Business pursuing growth face heightened risk.



## CORRUPTION PERCEPTIONS INDEX 2021

The perceived levels of public sector corruption in 180 countries/territories around the world.



#cpi2021

[www.transparency.org/cpi](http://www.transparency.org/cpi)

This work from Transparency International (2021) is licensed under CC BY-ND 4.0

# How can you prevent ethical lapses?

- **Establish a culture of integrity to discourage from breaking the rules.**
- **Ensure that your company's metrics or bureaucracy do not create pressures that influence employees to cut corners.**

*"A true measure of performance is multidimensional and has to include the short-term, the long-term, risk, environmental issues, society, employees, customers, suppliers, and government."*
- **Put effective accountability structures and processes in place that help offset the negative effects of power and encourage moral leadership.**
- **Leaders who care about the value they create, without regard for self-interest, and avoiding tribal behaviour (such as nationalism or in-group favouritism) can influence others positively by means of the norms and moral decision-making environment they create.**

# What is ethical leadership to you?



## What is ethical leadership?

***“Ethical leaders, are business leaders that give way to employees by inspiring, developing and creating a culture of trust and respect, and demonstrate appropriate conduct, in accordance with recognised principles and values, both inside and outside of the office, even when it may not benefit their business.”***

**The benefits of ethical leadership are multiple:**

- ✓ **Improved brand image**
- ✓ **Improved staff morale**
- ✓ **Positive workplace culture**
- ✓ **Customer and staff loyalty**
- ✓ **Improved recruitment**
- ✓ **Attract investment**
- ✓ **...**

## What are ethical leadership principles?

The acronym, **FATHER** is a commonly associated framework which explains the principles of ethical leadership.



**Fairness** is about how humans interact with each other and expect to be treated fairly, without favoritism.

**Accountability** for mistakes is an important attribute of ethical leadership, showing people they can trust.

**Trust:** You can't have a great team without trust that runs through it.

**Honesty** creates an environment for open discussion, which fosters trust and the truth.

**Equality** is essential for our survival and happiness, and working with ethical leaders fosters an attitude of respect and fairness.

**Respect** is the ability to show regard for others' wishes, feelings and rights, which is essential for understanding humanity and understanding differences.

## How do ethical leaders demonstrate these principles in practice?

•Ethical leadership is characterized by respect for others, **egalitarian treatment, listening attentively, considering opposing viewpoints, and valuing contributions equally.**

Being a **good communicator** is essential for building trust and respect in an ethical team.

Ethical leadership requires **fair mediation** and equal treatment of others to create an egalitarian standpoint.

Ethical leaders must be able to **temper stressful situations** and create an environment of fairness and trust to manage high performing teams.

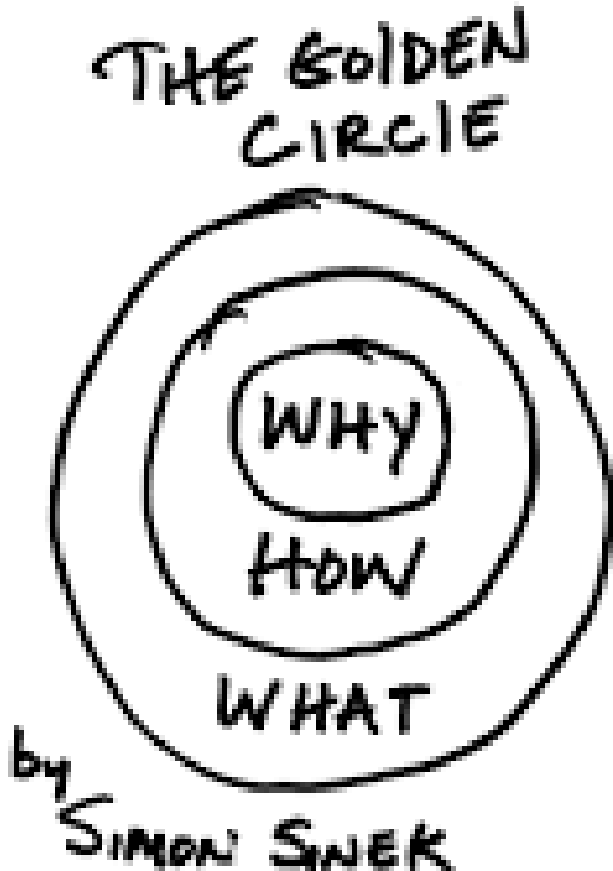
Ethical leadership is about **understanding changes**, listening to concerns, and making decisions that are respected across the team to ensure a smooth transition in new environments.

**Zero tolerance of ethical violations:** Ethical leaders must hold themselves accountable and not allow others to break ethical codes of conduct.

**Sets a great example:** Ethical leaders would have high standards for their team, the same standards they set for themselves on a daily basis.

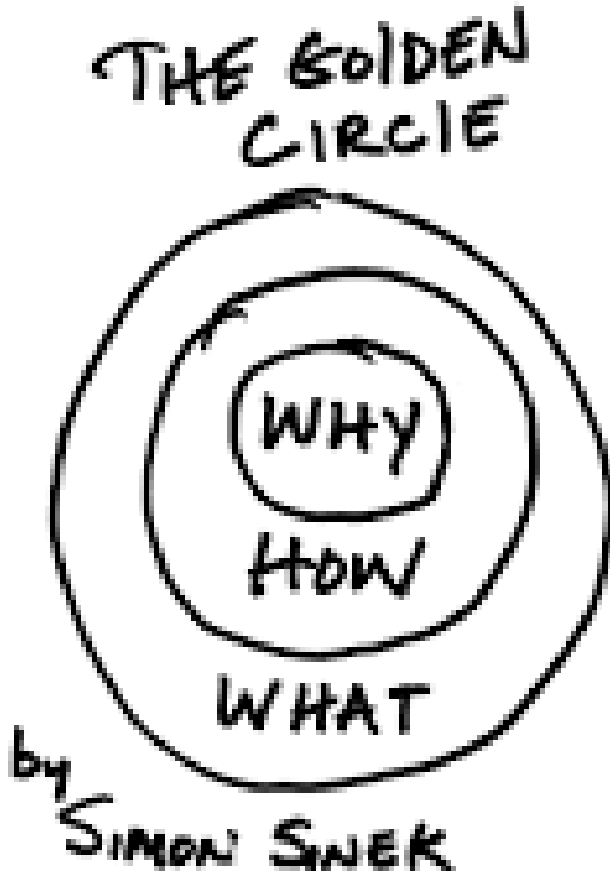


## How to define the key principles of your ethical leadership and put these into practice?



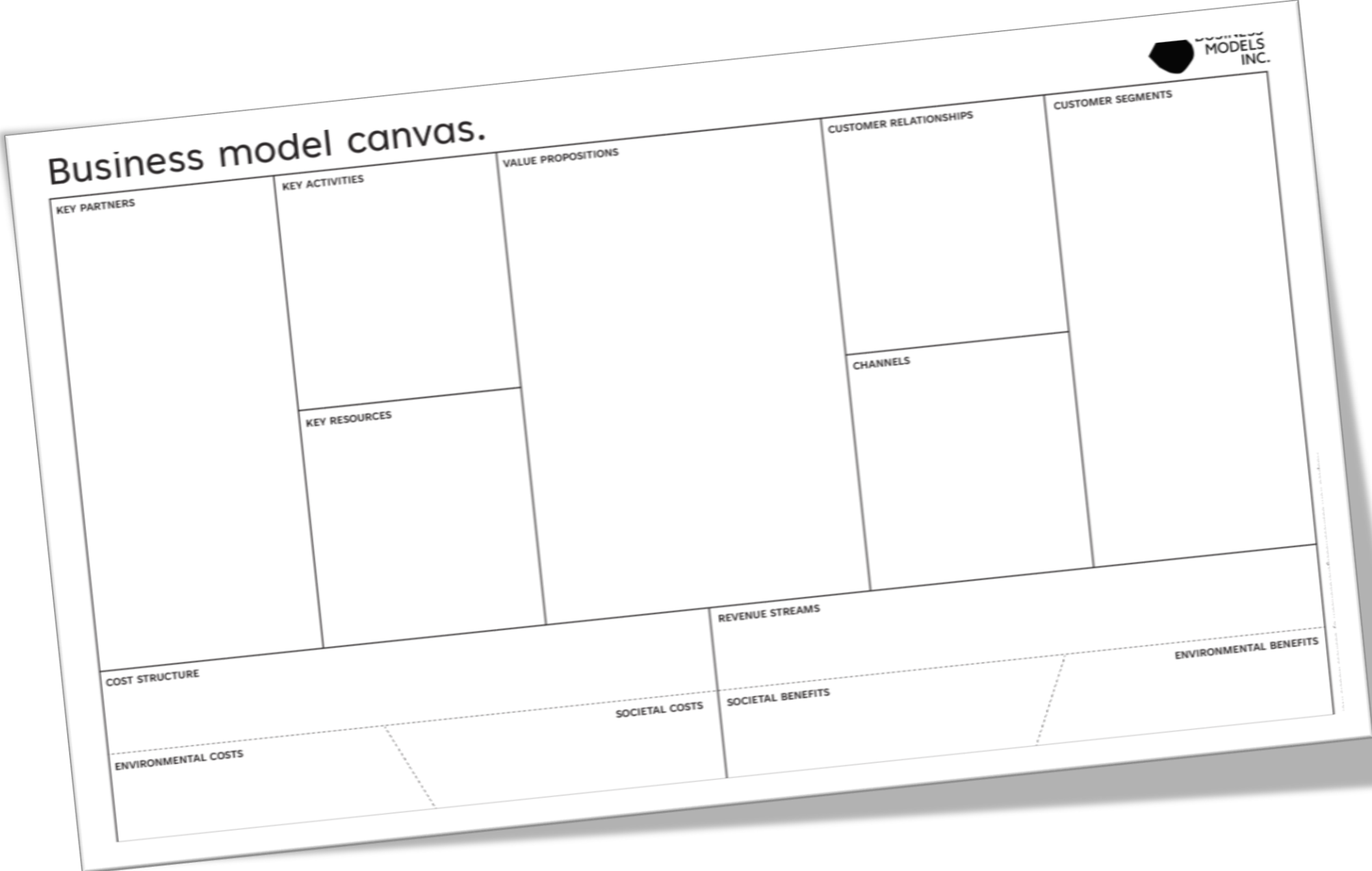
- ✓ *What is your mission, purpose or believe?*
- ✓ *What is your vision, your strengths, values or guiding principles?*
- ✓ *What is your strategy, the service that you deliver in your role as business leader?*

# How to define the key principles of ethical leadership for your company, team and put these into practice?



- ✓ *What is the mission, purpose or believe?*
- ✓ *What is the vision, the strenghts, values or guiding principles?*
- ✓ *What is the strategy, the service or product that you deliver as business or team?*

# How to define the key principles of ethical leadership and put these into practice?





# How would you react to non-ethical leadership?





