

Discussion paper

June 2017



Purposeful
leadership:
what is it, what causes it
and does it matter?

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Contents

Foreword	2
Why talk about purposeful leadership?	3
Methodology	4
Aims of the study	4
1 Ethics in an organisational context	5
2 Purposeful leadership and its impact	11
3 Leadership in the context of organisational ethics	18
4 Enablers and constraints of purposeful leadership	22
Implications and conclusion	27
References	32

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Foreword

‘We’re determined at the CIPD to champion a more human future of work, and by necessity a more “human” practice of HR.’

I am writing the foreword to this study of purposeful leadership on the day of the One Love Manchester concert, a fundraising event to support victims of a horrific terrorist attack in May 2017. The concert is reportedly being viewed by almost 11 million people in the UK and is broadcasting in over 40 countries around the world. The concert’s simple and resonant messages are ‘love is stronger than hate’ and the city of Manchester will not cower in fear. This huge event is being fronted by a singer and actress, Ariane Grande. She’s 23, has a background in TV, and I’m fairly sure doesn’t have an MBA, nor has she spent intensive time on leadership development. But across social media last night she was being hailed as a leader.

Simultaneously, across the globe, debates are intensifying as to the nature of political and business leadership. Narcissists are revealing their true selves on social media, nations are rejecting ‘mainstream’ political leaders and businesses are increasingly challenged on their societal legitimacy. We want more from our leaders than an ability to make tactical decisions and preserve short-term or institutional goals. Not only do we want more, but a failure to deliver the leadership that workforces and societies deserve has never been more visible.

So how can we – in the HR profession – enable and support the development of leaders that people actually want to follow? The leaders whose ethical code and behaviours make it clear that they’re worth following, heart and mind, because they care not just about themselves, their careers and their goals, but yours and society’s too? Building on a number of studies on trust (CIPD 2014), decision-making (CIPD 2015), and corporate governance, this study begins an examination of an under-considered facet of leadership purposefulness. Much has been discussed about the critical nature of invoking and ‘living’ purpose in an organisation, but little around the alignment of this purpose to the internal, perhaps hidden, moral compass of an organisation’s leaders.

We’re determined at the CIPD to champion a more human future of work, and by necessity a more ‘human’ practice of HR. And starting with the premise that we need to understand the motivations and values of business leaders and create a framework for considering these feels like an important part of the challenge. So I hope you enjoy this report, that it stimulates your thinking, and legitimises for you the question, ‘who’s earned the right to be followed in this organisation?’

Laura Harrison

Director of Strategy and Transformation
CIPD

Why talk about purposeful leadership?

Recent years have marked a rising interest in ‘purposeful’ organisations. These are businesses that are values-driven, recognise their responsibility to their employees and wider society, and have a higher aspiration to deliver ethical outcomes to a range of stakeholders beyond achieving short-term commercial gains. But recent corporate scandals have thrown into sharp focus the gaps between the rhetoric of goodwill and organisations’ actual commitment to an ethical purpose – which is made obvious in the decisions made in the day-to-day interactions between managers, employees and their customers.

Organisational leaders are hailed as being responsible for achieving the organisation’s espoused values and helping it to realise its purpose (Grojean et al 2004). First, at the most senior level, leaders can be directly involved in formulating, articulating or redefining organisational purpose. Second, in setting goals for individual workers, teams and the organisation as a whole, leaders at all levels are responsible for interpreting the overall organisational purpose into an achievable plan of action. When organisations fail to live up to their espoused purpose and the public’s expectations of ethics and integrity, leaders are the ones to accept responsibility and take remedial action. As a result, organisational purpose has become closely associated with the purpose(s) and ethics of organisational leaders.

But, the reality is that few leaders and organisations begin their association with a blank sheet of paper. Even the most senior leaders inherit organisations with an existing historical and cultural legacy that informs their purpose, and most likely also have an established approach to ‘doing ethics’. Leaders who are already operating within the organisational hierarchy are less likely still to be involved in formulation of the organisational purpose, and are instead in a position of having to accept the purpose as is – if it already exists.

On the flipside, organisations receive leaders with their own personal history and ethical stance that can be very difficult to shift. It is unlikely that leaders leave their personal ethics at the door when they begin to define or enact organisational purposes. This could lead to either an alignment or misalignment between what the organisation sees as its purpose and how it enacts this and what the individual leader sees as their purpose and how they pursue this within the organisation.

In practice, there seems to be a lack of understanding around how the ethical values of organisations and personal values of leaders interact, and how this relationship contributes to achieving the organisational purpose. Typically, the attributes of purposeful organisations – **societal responsibility, values and ethics** – are simply translated directly into

the qualities that characterise their ideal leaders (The B Team 2015). But there is also a certain degree of scepticism about whether the aforementioned facets inform the leadership recruitment strategy within most organisations and whether companies are actually more interested in the business and commercial acumen of the leaders they are looking to hire.

Despite a growing adoption of the idea of ‘purposeful leadership’, the concept hasn’t been explored much in the academic literature and there is a lack of understanding about what qualities make up purposeful leaders. With these challenges in mind, we set out to test the idea that a leader’s **moral self**, their **commitment to various stakeholder groups** and the **vision** they set for their team act as key enablers of their ethical behaviours – as observed by their followers – and subsequently understand the impact purposeful leadership and its individual components have on various organisational and employee outcomes.

Methodology

Four organisations participated in the complete study: a large retailer (RetailCo); a care charity (CareCharity); a central government department (GovDep); and a police force (PoliceOrg). In each organisation, we gathered quantitative data through a questionnaire survey to leaders (524) and their followers (1,033). We were able to ‘match’ followers to specific leaders, which meant

we could conduct multi-level analysis on the data to explore the findings in a much more nuanced way. We also conducted a series of interviews and focus groups in each organisation, as well as in a fifth organisation, a building materials and construction solutions firm (BuildCo). Altogether, we held 46 interviews and 16 focus groups involving 79 participants.

We also surveyed a representative sample of the UK working population. Overall, 1,319 people of working age (18–65) participated in the survey, of which 734 individuals identified themselves as leaders while the rest (585) identified themselves as followers.

Aims of the study

The purpose of the discussion paper is to shed light on the concept of purposeful leadership and its individual components, how they interact with organisational ethics and ethical behaviours of leaders, and what outcomes they deliver for employees and the organisation as a whole.

In the first section, we explore the manner in which organisational vision is interpreted by employees and the extent to which ethical behaviour is discussed and reinforced by the case study organisations. To understand how leaders make judgements across conflicting priorities, we examine how leaders respond to the

needs of their stakeholders, the conditions under which employees challenge unethical behaviour, and the degree of ‘fit’ between an organisation’s values and the values of its employees.

In the second section, we examine data from the employee outlook survey and the case study organisations to understand the impact of purposeful leaders on organisational and employee outcomes.

In the third section, we look at ‘ethical fit’ – the extent to which employees feel that their values fit with those of their organisation. Ethical fit is an important concept

to explore, as it acts as an indicator of how employees see themselves in the ethical context of the organisation.

In the fourth section, we investigate some of the enablers and constraints of purposeful leadership and how these can be addressed.

In the final section, we outline the key findings from the report and expand on organisational implications for selecting and developing leaders in relation to the ethical context of the organisation.

1 Ethics in an organisational context

Not every organisation talks explicitly about its 'purpose' – the fundamental reason why an institution exists. But this does not mean that they don't have a position on ethics. Most organisations commit to their priorities through communicating a set of intended goals – typically expressed as organisational vision. While this vision can be morally neutral, for example, describing a goal of expanding into new markets, the ways of achieving it will invariably raise ethical dilemmas: should the growth be achieved even at the expense of people's well-being?

In order for the purpose to be embedded within an organisation, the vision needs to be translated into ethical values and behaviours, and adopted by all employees (CIPD 2016). Although it is difficult to establish how much ethical talk and action exists *within* organisations, this can be gauged through the ways ethical dilemmas are resolved in practice.

To shed some light on how organisations approach the subject of ethics, we explored the way overall vision and individual behaviours are discussed and reinforced by the case study organisations, the degree to which leaders are committed to the interests of their stakeholders in practice, the conditions under which employees challenge unethical behaviour, and the degree of 'fit' between an organisation's values and the values of its employees.

Ethical talk and ethical climate

While there is a sense that ethics and ethical behaviour are very important at all the case study organisations, leaders and followers observed that the two topics aren't always discussed at an organisational level.

In some case study organisations, focus group participants feel that the reason behind the lack of ethical talk is that those conversations are limited to the senior leadership team and do not always filter down to the rest of the organisation. One leader at RetailCo, for example, felt that while board members would certainly discuss ethics, this would not necessarily permeate throughout the business because of the operations-oriented and sales-driven nature of retail work. Under such a competitive operational context, talk of ethics with employees does not seem to be a priority.

In large part, however, there is no reason to suggest that the lack of communication around ethics is having a negative impact on the ethical climate of the organisations or ethical behaviours of employees. Most employees consider ethics as being the cornerstone of their work – part of their 'day job' – irrespective of the extent to which their organisation openly talks about the subject.

One driver of ethical behaviour – in the absence of an overt discussion at an organisational level – is the nature of the vision and values of all the case study organisations. For instance, at CareCharity,

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ethics is part of the framework that makes up the organisation’s values. In turn, these are constantly and consistently communicated to employees. The organisation’s ethical climate was described as flexible, recognising individual differences in the interpretation of ethics:

‘Everybody that you manage will see ethics differently, and I think it’s about keeping within the core ethics of the organisation but adapting those to meet other people’s understanding.’

Similar opinions were shared at PoliceOrg, where some described ethics as running *‘through the lifeblood of everything that we do in policing; if we don’t maintain that we’ve got no public confidence, we police with consent.’* Followers feel that they have an understanding of what ethics and ethical behaviour means in the context of the organisation because of the succinctly described vision of the force. Most also believe that the vision has a strong ethical component to it and that this is widely communicated across the organisation. This might explain why, although some leaders feel that the force is not doing enough in communicating the importance of ethics and ethical behaviour to more junior officers, most of their followers actually understand the importance of these elements from the organisation’s vision. The risk, however, is that if the vision keeps changing, there is a chance that the message might get ‘muddled’ by the time it reaches the lower ranks, with staff receiving unclear messages from the top. Even in the presence of ethical policies and guidelines, it is extremely important that organisations have a clear vision with ethics as a critical component and that this is consistently communicated to all employees.

Another possible source of ethical commitment is the ethos associated with a particular profession, highlighted both in GovDep and PoliceOrg. Leaders and followers at these organisations said that they chose to work in the particular sector because of their personal ethics. One leader at GovDep described how fairness and integrity direct everything he does at GovDep: *‘We are talking about public service, so what is good for the sort of economic health of the nation, it drives everything I do,’* he explained. At PoliceOrg, many leaders said that their personal identity is closely bound up with their identity as a police officer, and in some cases being a police officer has caused a shift in their own attitudes, for example being more compassionate:

‘I think that’s one of the things with police officers, they identify first and foremost with ... the ethical standards that are expected of you [and they] kind of drive your life and because you’ve taken an oath, that oath is a life-changing promise – you’re never off duty.’

While organisations may choose to rely on individuals’ personal and professional ethical codes, having some guidance around what is deemed ethical by the organisation and how the organisation expects employees to behave in ethically sensitive situations can help staff tackle them with a level of confidence. The larger the organisation, the more helpful it is to have in place clear policies and procedures around ethics and ethical behaviours. Otherwise, there is a risk that an organisation might develop ‘ethical sub-cultures’, which rely on the individual’s personal judgement to make fair and equitable decisions, and which may not always be aligned to company policies.

We found this is at RetailCo, where ethical outlook and ethical behaviour varies from store to store and significantly depends on the local store managers:

'Every store has their own individual view on it [ethics], on what they feel is ethical, what is not and what they will take on board and what they won't and I think you go into different stores and different staff members will have a different opinion of what is the ethics in that store.' (focus group participant)

Similarly, at GovDep, when asked whether employees feel that the lack of clarity over what is considered as unethical behaviour in the context of the organisation poses any challenges, some focus group participants said that since the code of conduct doesn't necessarily describe what is considered to be unethical, the interpretation is up to the individual and that most would probably use their own ethical values to determine when something is not ethical.

Making judgements across conflicting priorities

Although leaders might talk convincingly about their personal and organisational ethics, it is important to consider whether what leaders say about ethics matches their actions. We examined this by investigating whether what leaders say about their commitment towards various stakeholder groups (employees, senior managers, customers, wider society and shareholders, where appropriate) matches with their followers' perceptions of who their leaders see as the most important stakeholders. Some of the behaviours of leaders who act on their commitment to stakeholders can include, for example, supporting good causes,

taking care of employees, and being environmentally responsible.

As discussed previously, ethics are the cornerstone of the day-to-day work environment and a significant element of the culture of all the case study organisations. But our research shows that the extent to which this is put into practice in relation to the various stakeholder groups differs considerably and primarily depends on the organisation's operational context and its priorities.

For example, at BuildCo, although leaders said that all stakeholder groups matter equally, when issues of health and safety arise, employees are their priority. *'Customers first ... [but] if it was a safety aspect it would be employees first if you like, so we would never do anything to an employee to jeopardise them for the benefit of the customers,'* said one leader. This isn't unexpected given the nature of the firm's operations and the risk to the company's reputation if the health and safety of its employees is compromised.

At GovDep and PoliceOrg, both operating in the public sector, there is evidence that the interests of different stakeholder groups can in practice give rise to conflicting priorities. Again, this is to be expected given the complex nature of these organisations. For example, at GovDep, there is some tension between those who see the organisation's primary role as serving the Government and ministers versus those who believe it is serving the public. In the case of PoliceOrg, the need to keep the public safe can at times clash with the need to keep officers safe. It is important that when divergent views arise, organisations listen to their employees, address their concerns and manage any conflicts

of interest in a fair and transparent manner.

CareCharity is the only organisation where there seems to be some uniformity of views around the relative importance of stakeholder groups. Most leaders and followers agree that service users tend to matter most. This broad agreement can be attributed to the purpose of the charity's existence – to provide social care, its religious heritage, which guides many of its ethical principles, and its vision, which is firmly grounded in the principles of support and care towards people and society. But, despite the presence of a clear purpose, some participants feel that, at times, the interests of the various stakeholder groups can still overlap and this can result in potential conflicts of interest:

'The [religious] community is a very, very strong, tight-knit community, and we're a charity and the community help us ... A lot of those people may be involved in [buying or selling] from us themselves, but we are always ethical in the way that we deal with those people and we declare conflicts of interest and we act professionally.' (leader interview)

Despite the difficult balancing act, we found that leaders do their best to meet their obligations towards the various stakeholder groups. *'It's always a balance, isn't it? Shareholders, profit, business, colleagues...,'* said one leader at RetailCo, which was recently acquired by another firm. Some focus group members at the organisation have a shared concern that the company's commitment to its employees has declined recently, but the broad consensus is that regardless of some recent troubles, the firm has been making an effort to treat its employees well. Some

other participants went so far as to say that de-prioritising of immediate staff interests in favour of the financial bottom line might even be ethically the right thing to do. *'You never know the bigger picture, though, so you could say it was detrimental to colleagues at the time, but not doing that ... could that have been more detrimental? So that's the other side of the coin,'* said one interviewee. This validates the rationale that when leaders involve staff in critical conversations – especially those that have to do with the future direction of the firm – employees may accept even some of the more contentious decisions if they believe it will help secure its long-term future.

Challenging unethical behaviour

The strength of 'ethical actions' is put to a true test when individuals are faced with behaviours that are clearly unethical and contemplate how to respond. Challenging unethical behaviour is important in order to maintain the ethical climate of an organisation. When unethical behaviour goes unchallenged, it could have a serious negative impact on the culture and reputation of the organisation, and eventually on the talent pool it attracts and retains (Coldwell et al 2007).

The majority of those who participated in the interviews and focus groups feel that they are able to challenge unethical behaviour. However, the extent to which employees do so in practice seems to be contingent upon clarity of policies for tackling unethical behaviours, the individual's role within the organisation, and the quality of interpersonal relationships between employees, their peers and their managers.

Almost all the case study organisations have a confidential system in place for employees to raise concerns over unethical behaviour. For instance, at PoliceOrg, the confidential reporting system and the support networks that provide guidance and advice to colleagues play a key role in helping officers challenge the unethical behaviour of colleagues. Yet the actual use of these depends on officers' rank, confidence of employees in using the system, and the specifics of the situation. A leader at the force told us that when he was newly promoted to a more senior role, he could not challenge his supervisor's unethical behaviour, given the latter's rank:

'There was nothing they [the senior leadership team] could do about him [the supervisor] because he was going on to much bigger and better things. I think he's a very, very high-ranking officer now.'

RetailCo's whistleblowing policy – in principle – enables employees to raise concerns about unethical behaviour when they witness it. However, some followers feel that minor instances of unethical behaviour are less likely to be reported at shop-floor level, where employees may be more reluctant to challenge a colleague because of friendships among staff and an unwillingness to *'grass each other up'*. Further probing on the specifics of the company's whistleblowing policy revealed that not all interviewees are aware of its existence. A few participants feel that more junior colleagues would be sceptical about reporting unethical behaviour in fear of reprisals or sanctions.

At GovDep some respondents do not feel confident in challenging

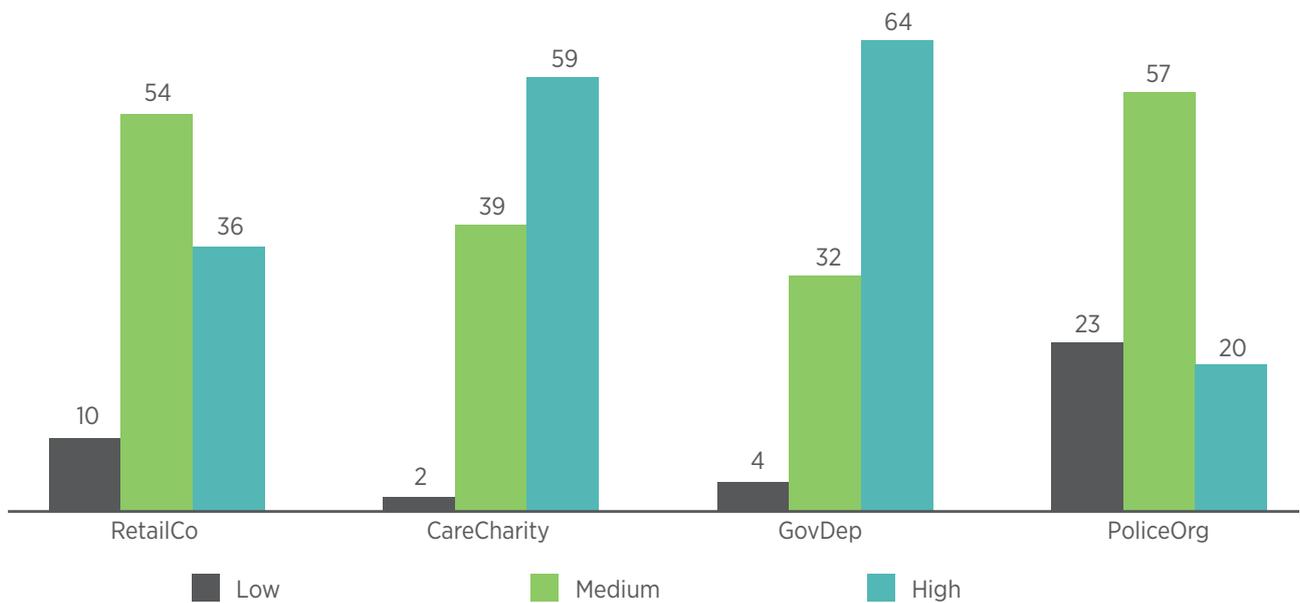
unethical behaviours. For some, this is because people are encouraged to take personal responsibility and self-correct their behaviour, but others say that the culture prevents individuals from challenging such behaviour. Although the department has whistleblowing procedures and fairness regulations in place, tackling unethical behaviour largely depends on the circumstances. Leaders feel that, as a norm, unethical behaviour is ignored rather than challenged. One member of staff told us how when she challenged what she perceived as unethical behaviour of a colleague, she felt that she was the one who had committed a mistake:

'There was a person who made quite a negative remark that was sort of racially driven and when I immediately challenged it in an open plan office, I almost felt as if I was in the wrong to do it, I felt really embarrassed about it.'

Ethical fit

Ethical alignment or ethical 'fit' represents the extent to which employees believe that their values are congruent with, or are complementary to, the values that the organisation stands for. Ethical fit is an important concept to explore as it is the people and their behaviours that make up the ethical climate of an organisation. We found that the highest levels of fit are felt at GovDep (64%), whereas the lowest proportion of those reporting a high level of fit are at PoliceOrg (20%) (Figure 1). At PoliceOrg, more leaders (46%) than followers (29.8%) said that the values of the force are similar to their own. One of the reasons for this could be that those officers who have a strong sense of alignment with the force's vision stay on and get promoted to lead teams of their own.

Figure 1: Percentage of employees who believe they have a good fit with their organisation's values (%)



The five-point scale was transformed so that low = 1.0–2.33; medium = 2.34–3.66 and high = 3.67–5.0

Furthermore, our research shows that the degree of ethical alignment combined with employees' perception of their leader's ethical behaviours is linked to employee outcomes such as job satisfaction, perceptions of meaningful work, the extent to which individuals engage in organisational citizenship behaviours, and desire to leave the organisation. We will explore this further in section 4.

Summary

Although not all the organisations that participated in the study explicitly refer to their purpose, invariably they all make some kind of public statement about their responsibilities to people and communities through their vision. Most also said that their organisation's vision has ethics as a critical component. However, the ways in which people espouse these ethical values points to a complex relationship between the

way organisations talk about ethics and the way people practise them in a workplace context.

Translating 'ethical talk into action' seems to be contingent upon the wider business context these organisations operate in and whether or not their decisions are primarily informed by immediate organisational priorities or by a broader long-term goal. This is expressed in the way organisational goals and ways of working are interpreted by representatives from the different case study organisations. In some, the respondents view their company's vision as explicitly ethical, with moral values running through all aspects of organisational life and informing their day-to-day actions. In contrast, staff in other organisations appear to be primarily led by what the business has to deliver in the shorter term, developing their own interpretations of ethical and

unethical actions depending on that objective.

These differences in approaches to ethics, primarily, could be reflective of the maturity of different organisations in articulating their purpose – if they have one – and the extent to which it is differentiated from their vision. Some will be closer to establishing their wider societal purpose, while others will be only defining their five-year vision. It could also be a sign of how the importance of organisational purpose is communicated to and perceived by staff: whether those communications are focused on the organisation's place in society, or highlight the short-term targets that prioritise the most important stakeholders at a given moment in time.

Such differences emphasise the role leaders can play in not only formulating and articulating the organisation's purpose to go beyond its vision, but also in

‘By clearly stating the organisation’s purpose, expressing an honest commitment to stakeholders and developing action plans to meet their needs, leaders can provide some clarity and focus to their teams.’

assessing the relative importance of different stakeholder groups in the context of a given department or division at a particular time. By clearly stating the organisation’s purpose, expressing an honest commitment to stakeholders and developing action plans to meet their needs, leaders can provide some clarity and focus to their teams. Indeed, for larger organisations, whose operations tend to be diversified and where employees have to deal with a variety of stakeholders as part of their job, it might be wise to pick a short-term target to focus efforts on while ensuring that it delivers equitable and fair outcomes to all those involved in the process.

Second – and perhaps unsurprisingly – case study organisations achieved mixed results in translating the overall purpose, vision, and values into consistent ethical behaviours across the workforce. Despite the existence of formal processes and procedures for identifying the correct course of action and reporting unethical behaviours, at the cultural level there are pockets of disagreement about the right way of interpreting ethical dilemmas in nearly all the case study organisations. This seems to depend on the task at hand and the quality of interpersonal relationships between those involved in the decision-making process.

While it is important that organisations provide safe channels for employees to report unethical behaviour when they witness it, it is also crucial that the existence of these channels is communicated to all employees, and that they are operated in a fair, timely and impartial manner. If employees feel that the organisation is insincere in its attempts to tackle unethical behaviour or that the senior leadership team is too busy to address concerns raised through the system, the relevant policies will be seen as punitive rather than constructive. The critical role of leaders here is to role-model behaviours and take a leading role in embedding these values within the organisation, so that the habit of considering decisions from an ethical viewpoint and taking appropriate action becomes the norm.

2 Purposeful leadership and its impact

We now turn our attention to the question of purposeful leadership. As discussed earlier, the current debate closely links the way purposeful organisations operate to the type of leaders they require. The implicit assumption is that there is an alignment of values between purposeful organisations and their leaders – with a common aim to improve people’s lives within their organisations and the wider society. However, these connections have not yet been substantiated with sufficient evidence.

An important question to explore is whether a leader’s beliefs and ethical character are important in delivering organisational purpose. Some have argued that individuals with high moral or ethical codes are no more likely to become

organisational leaders than others due to their apparent lack of pragmatism in face of the realities of the business world (Pfeiffer 2015). However, there is also an argument to support the value of leaders’ beliefs and intentions in making positive moral judgements, creating positive workplace environments, and contributing to greater organisational performance (Kiel 2015). So, should leaders be good, as well as do good?

To address these questions, evidence on the ways in which leaders practise purposeful leadership was gathered in the survey of the UK workforce and in case study organisations. We then explored the relationship between leaders’ beliefs and behaviours, and a range of employee outcomes.

‘An important question to explore is whether a leader’s beliefs and ethical character are important in delivering organisational purpose.’

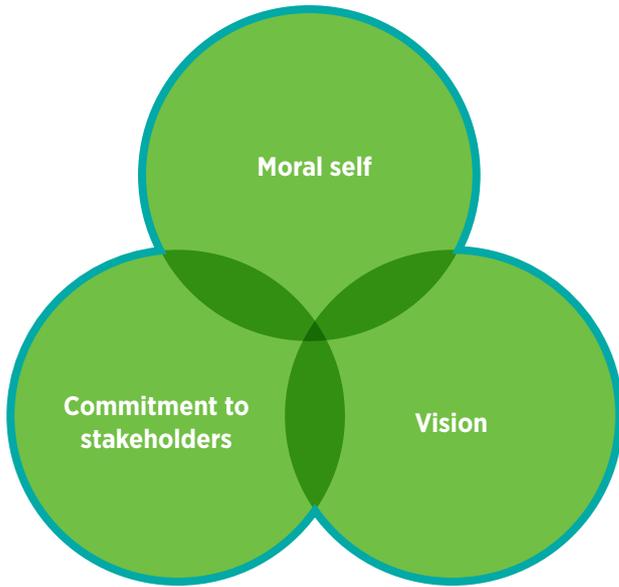
Box 1: Purposeful leadership

Following a review of the literature, we defined purposeful leadership as *‘the extent to which a leader has a strong moral self, a vision for his or her team, and takes an ethical approach to leadership marked by a commitment to stakeholders’* (Figure 2).

This definition is based on the way ‘purposeful leadership’ has been talked about by practitioners, and identifying relevant existing concepts in academic research. It comprises three important components: vision, moral self, and commitment to stakeholders.

- 1 Visionary leaders are those who set an inspiring vision for their team that brings out the best in them (Fry et al 2005). On its own, vision is morally neutral: it does not necessarily seek positive moral outcomes but provides a clear and compelling direction for the followers.
- 2 Leaders’ own moral compass (‘moral self’) is likely to be an important dimension of purposeful leadership that has not previously been considered. The way purposeful companies and, therefore, purposeful leaders, have been described by practitioners so far implies that these organisations and individuals are ‘good’ in their values and intentions. Leaders who have a strong ‘moral self’ regard it as important to see themselves as having positive qualities such as fairness, compassion, helpfulness, honesty and kindness (Aquino and Reed 2002).
- 3 Commitment to a wide range of stakeholders is an important feature of purposeful organisations, aiming to achieve positive outcomes for all. Leaders who have a commitment to stakeholders actively take part in activities such as supporting good causes, taking care of employees, and being environmentally responsible, indicating their ambition to make decisions that take everyone’s interests into account.

Figure 2: The construct of purposeful leadership



Prevalence of purposeful leadership

The survey of the UK working population showed that only 21% of managers from the general population believe they demonstrate high levels of purposeful leadership (Figure 3).

There are no differences between the responses of leaders working in different sectors or organisations of different sizes.

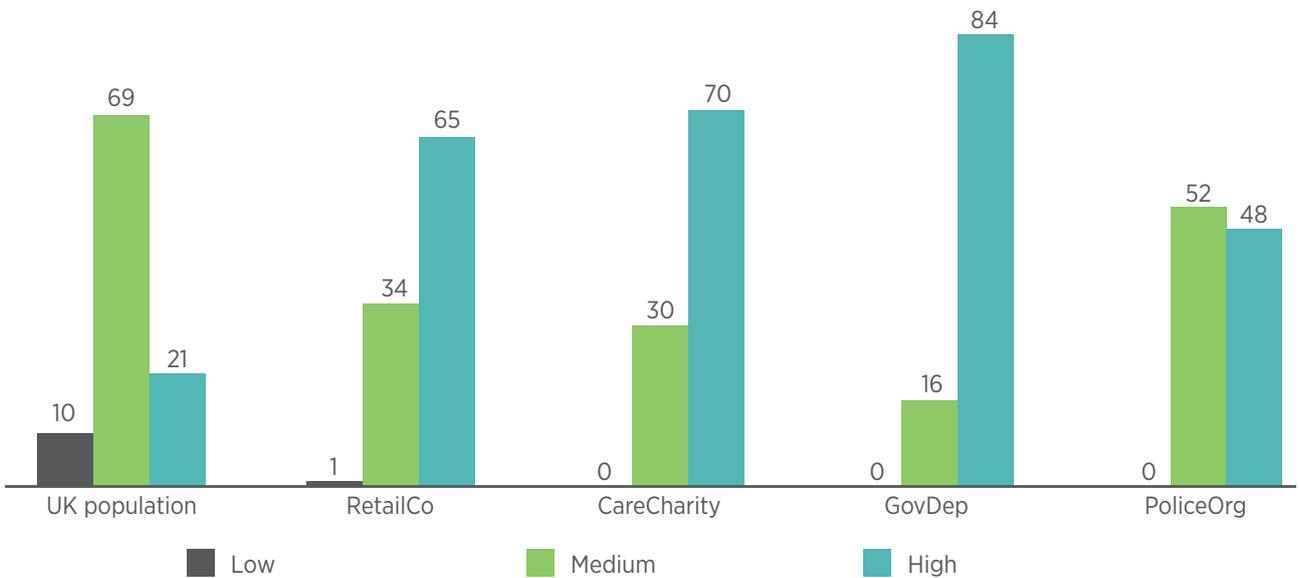
This is in stark contrast with the proportion of purposeful leaders in the case study organisations,

which ranges widely. Leaders at GovDep (84%) and then CareCharity (70%) rate themselves highest on purposeful leadership, while the lowest score is from PoliceOrg (48%).

One of the reasons for such a difference could relate to the interest of the participating organisations in the topic of purposeful leadership. It is also possible that the UK population sample covered a wider range of managers both in large and smaller-sized organisations, including less experienced respondents who are perhaps yet to clarify their individual purposes, while case study samples represent leaders from predominantly large organisations, where purpose and values are typically better articulated.

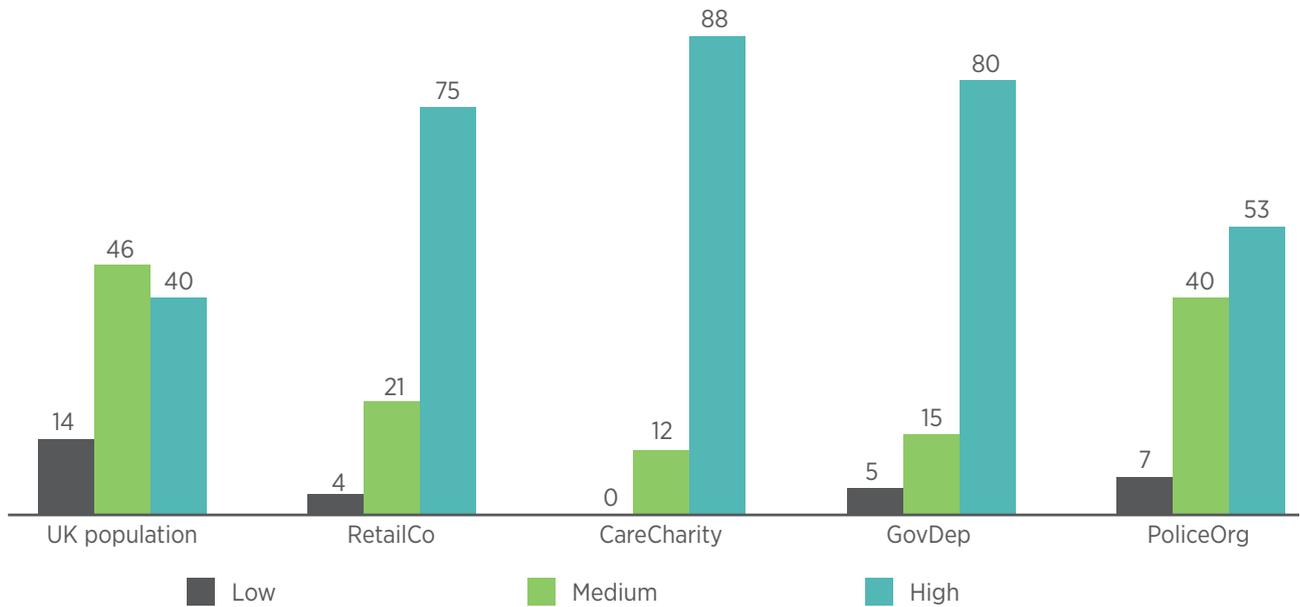
While leaders may often have an overly positive outlook on their own leadership ability, the data from followers is broadly in line with leaders' self-assessment. As it would be difficult for followers to comment on the leaders' sense of moral self, we asked them to rate how ethical their leaders' behaviours are instead.

Figure 3: The percentage of purposeful leaders (%)



The five-point scale was transformed so that low = 1.0-2.33; medium = 2.34-3.66 and high = 3.67-5.0

Figure 4: Percentage of employees who believe their leader behaves ethically at work (%)



The five-point scale was transformed so that low = 1.0–2.33; medium = 2.34–3.66 and high = 3.67–5.0

For the purposes of this research, we describe ethical behaviours as those that include listening to employees, being trustworthy, setting a good example, and discussing ethics and values with employees (Brown et al 2005). In the UK population four in ten workers (40%) score their leaders highly on ethical leadership, and the proportion of ethical leaders is once again higher in the case study organisations.

Analysis of case study survey data shows that leaders at GovDep, CareCharity and RetailCo report high levels of purposeful leadership behaviours (84%, 70% and 65%, respectively – Figure 3). In turn, their employees report that their leaders exhibit ethical leadership behaviours (80%, 88% and 75%, respectively – Figure 4). This suggests a general link between purposeful leadership and ethical behaviours of leaders.

Looking at the individual components of purposeful leadership, correlational analysis

shows that moral self of leaders is the only component positively related to employees’ ratings of leaders’ behaviours, while vision and commitment to stakeholders are not. This suggests that it is the ‘moral self’ of leaders that is primarily responsible for the association between purposeful leadership as reported by leaders, and followers’ observations of ethical leadership behaviours. Perhaps leaders who consider their moral values to be important are the ones who are able to credibly translate those into ethical behaviours within an organisational setting. It may also be the case that leaders with a strong sense of moral self are better able to make sound judgements in ethically sensitive situations and tackle them with a certain degree of confidence.

Yet, only 8% of leaders in the UK workforce survey rated themselves highly on the ‘moral self’ component, while the majority

(86%) gave themselves a medium score. This finding emphasises that while the salience of leaders’ personal values, and their ability to stand up for their beliefs are desirable qualities in selecting purposeful leaders, the general population has a low proportion of individuals who hold themselves to high ethical standards. For practitioners this signals a gap in the need and the availability of purposeful leaders.

However, on the flip side, 86% of leaders gave themselves a medium score on ‘moral self’. This suggests that organisational intervention into developing their moral character via bespoke leadership development programmes can be beneficial. Rather than just relying on finding candidates with a strong moral code, they may need to invest in helping current and future leaders understand the values of the organisations and address areas of misalignment through the right learning opportunities.

Practising purposeful leadership

The relationship between purposeful leadership and leaders' moral self was also evident in our interviews with leaders. In turn, followers observed the strength of their leaders' moral code via their ethical behaviours.

When discussing moral values, leaders working in the case study organisations express a broad consistency of their beliefs with the values of their organisations. They refer to a strong moral code that guides their decisions both at work and at home. As one leader at GovDep said, *'I don't see myself growing horns as I walk out of the door.'* Values such as fairness and integrity are broadly uniform across the case study organisations, and could be associated, for example, with individuals' personal ethics, religious values, as well as values emerging from the nature of work in the sector, such as a public service or policing ethos.

In comparison, there is less consistency in the ways leaders in case study organisations describe their approach to setting a vision and expressing a commitment to a range of organisational stakeholders.

At CareCharity there is a wide recognition of the organisational vision to nurture a society where people support and care for one another and provide them with an opportunity to participate fully in their community. Focus group participants are in agreement that leaders work actively together towards this vision, both internally and externally, and notably since the arrival of the new CEO. The senior leadership team is regarded as playing a key role in communicating the vision to staff as it develops. One focus group participant said:

'The chairman [of the charity] was there [at the session discussing the vision] with [front-line staff] and everybody. There was no hierarchy, which was lovely ... lovely to hear people describe [what the new vision meant to them]. So now we're on stage two ... where we're looking at how to articulate the vision in a more defined way to help people understand it a little bit more, a little bit deeper for themselves and that will be some sort of launch cascade.'

Discussions in other organisations, however, reveal that purposeful leaders formulate a vision for their teams in a more nuanced way. While broadly the respondents agree that their organisation has a vision, and many could explain what that vision is, in several case study organisations individual leaders also talked about developing their own visions for their unit or department:

'Every year we have conferences that talk about our vision ... I think I have a clear vision of what the business is aiming to do and then we interpret that ... obviously we know what we want to do in store and we've ... washed out some of the rubbish and sort of got our own in-store vision, I think. Whether we all talk proactively about the entire company vision? No.' (focus group participant, RetailCo)

Interestingly, leaders also explained that while the organisational vision is often 'ethical' – highlighting the societal responsibility of the company – the individual visions created for a department are more likely to focus on operational delivery and performance. One leader explained:

'We spent some time ... just looking at that – what is our team mission, what is our team vision?'

Effectively we want to be the best and to deliver the results that our company, our business requires. But we want to do it in a way that allows our people to develop and we want to do it in a way that allows us to enjoy ourselves when we do it.'

In the same way that leaders develop individual visions for their departments, they also identified groups of stakeholders most critical to the nature of work in their part of the organisation, either based on the impact that the department is having on them, or based on the potential risks of not servicing the needs of those stakeholders. Furthermore, several leaders acknowledge that different departments across the organisations are likely to prioritise different stakeholders depending on the nature of their work.

For example, in RetailCo, although the interviewees feel that the company demonstrates a strong commitment to all stakeholder groups, many agree that shareholders matter the most at the corporate level, while customers and employees matter most at store level. This isn't surprising as board members tend to be accountable to their shareholders, and store managers are instead evaluated on feedback from customers and their teams. Similarly, a leader from BuildCo explained:

'So HR and the Learning and Development Team will always put employees first if you like. Our Corporate Finance Team will put the shareholder first ... and the Sustainability Team will put [wider society].'

There was also a suggestion from managers that the overall stakeholder priorities are cyclical:

‘One of the big phrases which we used to have going around and which seems to have gone away in the last 18 months was “colleagues first, customers always” and I don’t recall seeing that in the last 18 months. Everything seems to go in cycles, different focuses.’

Purposeful leadership and employee outcomes

In three of the participating case studies – RetailCo, CareCharity and PoliceOrg – we considered the link between purposeful leadership and a range of potential positive outcomes for employees, such as job satisfaction, meaningfulness of work, organisational citizenship behaviour (OCB) directed towards the organisation (that is, going ‘beyond the call of duty’ for the organisation by, for example, volunteering for extra tasks, speaking highly of the organisation), and employees’

intention to quit the organisation (Table 1).

The results, summarised in Table 1, show that in RetailCo purposeful leadership is consistently and positively related to each of the outcomes. Employees who are led by purposeful leaders experience higher levels of job satisfaction and meaningfulness at work. They are also more likely than those not led by a purposeful leader to go beyond the call of duty and less likely to say they are planning to leave the organisation. However, at CareCharity, purposeful leadership is only linked to meaningfulness of work and at PoliceOrg to intention to stay, but not the other outcomes tested in the study.

Such a mixed picture suggests that in some organisations purposeful leadership can become a much more important factor contributing to employee outcomes than it is

in others. For instance, the public service ethos of working in a police force, and the values associated with working in a charity, could have already provided a solid foundation for positive employee experiences, therefore lessening the relative impact of purposeful leaders. It is also possible that purposeful leadership comes to the fore at particular moments in time, for example when the organisation is undergoing a significant change – such as in the case of RetailCo, which was recently acquired by another firm. While the results from a single case study organisation are not conclusive, data from RetailCo suggests that when operating in a commercial context, employees’ experiences at work heavily rely on the positive values and vision of their leaders. It is important that organisations nurture purposeful leaders irrespective of their operational context. This way, purposeful

Table 1: The impact of purposeful leadership: what are the outcomes for employees who have purposeful leaders?

	Job satisfaction	Meaningfulness of work	OCB-organisation	Intent to stay
RetailCo				
Vision	+	+	+	NR
Commitment Stakeholders	+	+	+	NR
Moral self	+	+	NR	NR
Purposeful leadership	+	+	+	NR
CareCharity				
Vision	NR	+	NR	NR
Commitment Stakeholders	NR	+	+	NR
Moral self	NR	+	NR	NR
Purposeful leadership	NR	+	NR	NR
PoliceOrg				
Vision	+	NR	NR	+
Commitment Stakeholders	NR	NR	NR	NR
Moral self	NR	NR	NR	NR
Purposeful leadership	NR	NR	NR	+

NR = no relationship; + = positive relationship; analyses were run with ethical leadership as a covariate
 Note: Analyses are based on multi-level modelling using matched leader-follower data

Box 2: Importance of purposeful leadership compared with ethical behaviours of leaders

In addition to the association between purposeful leadership and employee outcomes, there are several instances where leaders' accounts of their purposeful leadership has a significant association with employee outcomes, even after their ethical behaviours are taken into account:

- At PoliceOrg, leaders' vision for their team leads to higher job satisfaction and retention, above and beyond employees' perceptions that their leader is ethical. Similarly, a leader's commitment to stakeholders is important for meaningfulness of work and organisational citizenship behaviours at CareCharity, even after employees' perceptions of their leaders' ethical behaviour are taken into account.
- At RetailCo, purposeful leadership matters for several outcomes, beyond the impact of leaders' ethical behaviours. First, it is negatively related to cynicism towards organisational purpose and actions, even after taking into account employees' perceptions of their leaders' ethical behaviour. Second, purposeful leadership is significantly related to employee sales performance, even after taking into consideration individual perceptions of ethical leadership. Specifically, it appears that followers perform better in sales when their leaders report a strong, compelling vision for their team, and have higher performance ratings on cost containment when their leader reports that they are committed to stakeholders.

These findings shed some light on the debate around the significance of moral values and behaviours for leaders' effectiveness, by indicating that in certain contexts, purposeful leadership has an additive positive impact on employees' experiences at work, beyond the way leaders act.

Looking at the specific examples of the contribution of purposeful leadership to employee outcomes, it is possible that leaders' moral values, vision and commitment to stakeholders may be filling a gap in followers' needs, for example, by providing clarity of vision, where it is not available through other organisational channels.

leaders can remain salient within an organisation and come to the fore when the need arises – as in the case of RetailCo.

Purposeful leadership and perceptions of the organisational environment

Among other types of impact, purposeful leaders can also contribute to shaping the organisational environment. For that reason, the research also looked at whether purposeful leadership can influence the way employees perceive the workplace they operate in.

We examined whether purposeful leadership is related to employees' belief that they operate in a prosocial climate – a friendly environment in which people provide tangible and intangible support to one another. While the

construct of purposeful leadership overall and two of its components – commitment to stakeholders and vision – are positively related to prosocial climate, moral self of leaders doesn't emerge as being related to prosocial climate. Purposeful leadership, therefore, has potential for shaping a culture of mutual support in two ways: first, by providing clarity of vision that creates a sense of shared goals, and second, by describing that goal in terms of commitment to stakeholders, highlighting the impact that individual employees' contribution has for others.

In addition, our research shows that employees who have either purposeful or ethical leaders believe that their organisation treats them fairly. Specifically, at RetailCo, we found that all three components of purposeful

leadership – that is, moral self, commitment to stakeholders and vision – are associated with employees' perception that the organisation treats them fairly. This is an important finding, which suggests that at large organisations such as RetailCo – where an overarching organisational vision does not necessarily translate to departmental vision, where teams are required to deal with a variety of stakeholders, and where there can be a disconnect between employees on the shop floor and members of the boardroom – a clear vision set by the leader, their moral code and their commitment to various stakeholder groups can have an impact on followers' perception of organisational fairness.

Interestingly, the only component of purposeful leadership that is related to perceptions of fairness

at CareCharity is commitment to stakeholders. This isn't necessarily surprising as the ethos of the organisation is to provide social care, and employees identify themselves with this very strongly. CareCharity is also a small organisation in terms of employee numbers and geographical dispersion when compared with the other case study organisations; therefore communicating a consistent and clear vision may be easier to achieve.

At PoliceOrg, we undertook a slightly different approach, and focused on whether purposeful leadership leads employees to believe that their manager, rather than the organisation overall, treats employees fairly. The results show that those who work under purposeful leaders believe that they are treated fairly by them, irrespective of how they feel their organisation overall treats them. This shows that the moral self of managers, the vision they set for their team and the extent to which they are committed to the needs of their internal and external stakeholders has an impact on perceptions of managerial fairness.

Once again, it is likely that certain components of purposeful leadership have a greater or lesser part to play depending on the context in which purposeful leaders operate. As the purpose of CareCharity is to serve its users and employees, it is natural that perceptions of organisational fairness are strongly aligned to this value of commitment. In other contexts, all three aspects of purposeful leadership can have a defining impact on perceptions of fairness.

Summary

The findings on the nature and prevalence of purposeful leadership suggests that purposeful leaders

are indeed more likely to be seen by their followers to act ethically. Leaders who see themselves as having positive moral qualities such as fairness, compassion, helpfulness, honesty and kindness are able to translate these qualities into their behaviours, which are in turn observable by employees and perceived as being ethical.

At the same time, the evidence on the ways purposeful leadership is played out in practice suggests that, at least in some organisations, there is a gap between organisational ethics and the ways leaders interpret these ethics in day-to-day decisions. In relation to vision and commitment to stakeholders, leaders often develop individualised approaches for their teams, being led by the needs of a particular department or a priority in time, rather than solely by the organisational purpose.

On the one hand, the positive association between purposeful leadership, employee outcomes, and sales performance means that, at least in some organisational contexts, purposeful leaders are able to deliver on organisational purpose or vision in terms of its people and commercial commitments. Complexity of structures and roles can justify individual leaders focusing on a narrow, defined vision describing what their particular unit needs to achieve. From that point of view, individual leaders may in fact be 'stepping up' in terms of purpose where they feel the organisation as a whole does not provide enough clarity to employees, or sets out a high-level vision that is too broad or remote from people's day-to-day jobs. This can allow leaders to contribute to positive employee outcomes.

Purposeful leaders may also be validating organisational narrative,

having an additional positive impact for employee outcomes. For example, the association between purposeful leadership and low levels of employee cynicism suggests that leaders with positive moral values could be confirming organisational intentions, ultimately resulting in more optimistic employees' perceptions of the company.

However, in other circumstances, the layered nature of visions can be a cause for concern. At times, individual visions of leaders may reflect their personal interests and ambitions rather than connecting with the overall organisational purpose. In one organisation leaders explained that *'each time [the message] comes down the chain it's diluted through either lack of interest or lack of priority for that manager,'* with some attributing this to leaders' career ambitions. While such leadership can be directed to a purpose, it may not always be the one a purposeful organisation needs.

Evidence also suggests that purposeful leaders can influence organisational environments, helping people feel that they operate in a prosocial organisational climate and that their employer treats them fairly. Therefore, development of and support for purposeful leadership should be considered as one of the contributing factors in organisations wishing to create a climate of mutual support and fairness.

3 Leadership in the context of organisational ethics

‘There was a general sense at all the case study organisations that the values of the organisation tend to drive ethics and ethical behaviours.’

Our exploration of ethical talk and behaviours in a workplace context revealed the variation in how leaders at case study organisations approach the subject and practice of ethics. There was a general sense at all the case study organisations that the values of the organisation tend to drive ethics and ethical behaviours. In fact, when asked about ethics in the context of their organisation, most employees responded by describing their organisational values. Given this intersectionality between values and ethics, it is interesting to investigate how purposeful leadership can be used as an instrument for articulating and embedding organisational ethics across the organisation.

In this section, we consider whether leaders’ ethical behaviours make a difference to how employees see themselves in the ethical context of their organisations.

Leadership and organisational ethics

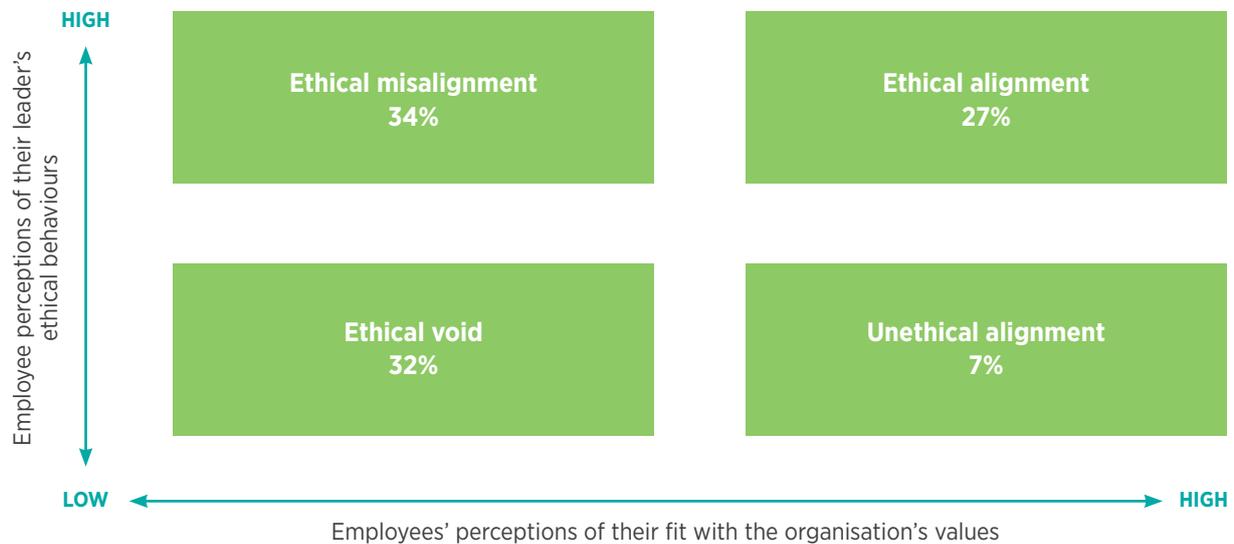
Across the case study organisations, participants reflected on the extent to which they feel aligned with their organisation’s values, as well as how ethical they feel their leader is. For example, at GovDep, a large number of interviewees feel that they are comfortable working for the organisation because they share the public service values of integrity, fairness and respect. Some also said that people who do not share these values would ‘stand out’. *‘I’ve never worked anywhere where I think the workforce generally actually shares in the values as much as it does here,’*

said one employee. Employees also reported that the organisation encourages an open debate and is accepting of valid alternative perspectives.

In contrast, at RetailCo, only 36% of employees believe that they have a good fit with the organisation’s values. Several participants feel less aligned with the company’s values because of frequent changes to the vision, which seems to cast doubt on the authenticity on these professed values. There is also a certain degree of disconnect between junior and senior staff priorities, which seems to have an impact on how different teams interpret the organisation’s vision. *‘When they say it’s a vision of what we’re going to do and achieve, by the time it comes down to the store, it’s not realistic because there are so many things that get in the way,’* said one interviewee. Generally, employees seem to be less concerned about the overall vision or values of the organisation as they feel that they are aligned to their leaders’ ‘sense of direction’ and that this is helping them in understanding where the company is heading and understand their roles better:

‘I’m not hot on visions and what have you but this company, we went to a [leadership] meeting a few years ago and they said that in the next seven years we’re going to be this, this, this and this, and actually most of that stuff has actually happened. ... That’s the important bit, as in, is there someone looking at the future rather than the present.’

Figure 5: Employee perceptions of their leaders' ethical behaviours versus their belief that their values match those of the organisation (%)



Values of each variable were split where 1-4=low and 4-5=high; we chose this split because 4-5 represents, on average, agree to strongly agree for each statement; figures here are averages from the case study organisations

Examples like this are particularly interesting to explore, as employees are likely to experience conflicts of priorities if their values match only those of their organisation or only their leader, but not both. To test this, we plotted employees' perceptions of their leader's ethical behaviour against their perceptions of values fit.

The results show that 27% of employees overall report 'ethical alignment' where they believe their leader behaves ethically and their values match those of the organisation (RetailCo: 19%; CareCharity: 41%; GovDep: 37%; PoliceOrg: 9%). On the other hand, 32% of employees report an 'ethical void', scoring low on perceptions of the leader's ethical behaviour and low on value match (RetailCo: 35%; CareCharity: 17%; GovDep: 17%; PoliceOrg: 57%). The percentage of employees in the 'ethical misalignment' and 'unethical alignment' is shown in Figure 5.

Given that there are more employees operating in an ethically misaligned (34%) and ethically void (32%) context than in an ethically aligned (27%) environment, the negative impact of these environments on employee outcomes should be worrying for organisational practitioners.

However, ethical misalignment and unethical alignment groups are even more interesting for understanding whether leaders' ethics matter for employees' experiences within the organisation. In these two groups, employees report different experiences of their organisation and their leader: either working in environments of little fit with company values but an ethical leader (ethical misalignment), or enjoying much congruence with what their organisation stands for but finding their leader to be unethical (unethical alignment):

- At RetailCo, employees in ethical alignment report higher levels of work meaningfulness and lower intentions to quit the organisation than those in all the other groups. Conversely, those in an ethical void report less job satisfaction and lower levels of work meaningfulness than those in the other three groups and are also less likely to exhibit organisational citizenship behaviours than the ethically aligned and ethically misaligned. Yet, they engage in no more or no less organisational citizenship behaviours compared with those in unethical alignment. Those in ethical misalignment report lower intentions to quit the organisation than those operating in an ethical void.
- At CareCharity, we found that employees who are ethically aligned report that their work is more meaningful than those in ethical misalignment. We found that those who are in ethical

‘Employees in an ethical void are also less likely to be helpful towards the organisation, compared with those in all other categories.’

alignment with the organisation report higher citizenship behaviours than those who are ethically misaligned or who are in an ethical void; no other significant differences with regards to citizenship were found among the four groups.

Those in an ethical void have significantly lower levels of job satisfaction and meaningfulness of work compared with those in the ethical misalignment category. They are also less likely to demonstrate citizenship behaviours and more likely to have intentions to leave.

- At GovDep, there are significant differences among the groups with regard to meaningfulness and citizenship behaviours. In particular, those who work in an ethical void have significantly lower levels of work meaningfulness compared with the other groups. Employees in an ethical void are also less likely to be helpful towards the organisation, compared with those in all other categories. No other significant differences were found among the other categories for work meaningfulness.
- At PoliceOrg, those in ethical alignment are more satisfied with their jobs and more likely to be in meaningful work than those in ethical misalignment and who operate in an ethical void; there is no significant difference in mean levels of job satisfaction between ethical alignment and unethical alignment. There is also no significant difference between those operating in an ethical void, compared with those in ethical misalignment, or unethical alignment. With regard to citizenship in PoliceOrg, those operating in an ethical

void are less likely to be a good citizen compared with those in ethical alignment and ethical misalignment, yet they are no different from those in unethical alignment. Employees in an ethical void are more likely to have intentions to quit the organisation than are those in the other three groups. Those in ethical alignment are also more likely to desire to stay with the organisation than those in ethical misalignment, yet there is no significant difference between ethical alignment and unethical alignment with regard to intention to quit.

One of the key takeaways from the interviews is that ethical fit is in a constant state of flux, due to changing leadership, organisational circumstances or resourcing pressures. Employees may develop ethical misalignment or ethical void over time, as disillusionment with leadership behaviours grows or when employers recruit individuals whose personal values do not necessarily match the values of the organisation. The reverse may also be true – that is, employees who once did not feel a sense of alignment between the organisation’s values and their own in the absence of an ethical leader might develop a different view under a new leader who behaves ethically. We found this at CareCharity – where many participants feel that they could identify themselves with the values of the organisation under the leadership and guidance of their new CEO:

‘His [CEO] openness for me is the key to me being able to operate ethically and ... to operate within the ethical standing that he’s making for the organisation. So if I feel something is unethical or not right, I can go to [him] and talk it through and he might say

“well ... let’s bring it back in the context of [the organisation] and how that works” ... and that openness is a massive benefit.’
(focus group participant)

Summary

Although there are some differences across the case studies, in general, the pattern of findings suggests that those who operate in an ethical void tend to report lower levels of job satisfaction, find their work less meaningful, do not act as good citizens within the organisation, and are more likely to want to quit their jobs. Those who operate in an ethically aligned environment, on the other hand, are satisfied at work, want to stay with the organisation, and display organisational citizenship behaviours.

The outcomes reported by the four groups of employees across the case study organisations suggest that ethical behaviours of leaders matter more in some contexts compared with others. For instance, those individuals with a high degree of fit with organisational values (ethical alignment and unethical alignment) report broadly similar experiences. This suggests that in these contexts, ethics of leaders make little difference to employees’ outcomes at work.

On the other hand, employees in situations of low alignment with organisational values (ethical misalignment and ethical void) generally report more positive outcomes if their leader is seen to be behaving ethically. This suggests that as long as an individual is managed by a leader they perceive to be ethical, they will be more likely to – for instance – engage in citizenship behaviours and less likely to leave the organisation. This shows the importance of leaders ‘walking the talk’ on ethics in the absence of ‘values fit’ with

the organisation for employees. In addition, even in organisational contexts where values are articulated explicitly, such as in the case of CareCharity, leaders’ ethical behaviours can make a difference to employees who do not identify with the predominant organisational values.

Ensuring values fit across large and diverse organisational settings is a challenge, but can be circumvented to a large extent by holistically embedding organisational values in all leadership recruitment and development processes, as well as by supporting work environments where leaders are able to be true to their personal moral values, translate these into their roles, and pursue broader organisational purpose regardless of the short-term change in business priorities.

To nurture the ethical climate of an organisation, it is important to have the right policies in place, and ensure a consistent narrative of ethics and ethical behaviour at an organisational level. We explore some of the enablers and constraints of purposeful leadership behaviours in the next section.

4 Enablers and constraints of purposeful leadership

‘While purposeful leadership can itself contribute to a more positive and ethical organisational environment, it is likely that the reverse relationship is also true.’

While purposeful leadership can itself contribute to a more positive and ethical organisational environment, it is likely that the reverse relationship is also true. The best moral intentions of purposeful leaders can be thwarted by negative cultures and situations that prevent leaders from inspiring with their vision, demonstrating commitment to their stakeholders, and being the best moral selves they aspire to be.

Here, we consider some of the organisational enablers and constraints of purposeful leadership and explore how some of the constraints can be overcome.

Enablers of purposeful leadership

We conducted in-depth interviews with leaders and focus groups with their followers (direct reports) to understand what factors in and around the organisation enable or inhibit purposeful leadership. In many cases, the answers coalesce around the importance of policies and processes that reinforce purposeful leadership behaviours and the context in which the organisations operate.

At CareCharity and GovDep, which score highly on the prevalence of purposeful leaders and ethical leadership behaviours, the respondents feel that clear **organisational policies** play a crucial role in enabling purposeful leadership. For instance at CareCharity, policies in the area of procurement were identified as being important in providing guidance on how to act in particular circumstances and in

the resolution of ethical disputes. One interviewee described a time when goods had been purchased for the charity from an overseas vendor, with the origins of the goods potentially clashing with the charity’s religious values and protocols. But having clear policies around procurement meant that the interviewee was able to explain to the colleague that the product was purchased ethically and everyone involved in the transaction adhered to the organisational principles.

Similarly, at GovDep, several leaders commented that the department’s code of conduct enabled them to act ethically and with transparency. It is felt that the code is valuable in empowering those who would not otherwise have the confidence to challenge unethical behaviour, and as a training tool highlighting the penalties for misconduct. As one leader explained: *‘A generic code of conduct with specifics to [the department] in the way that we need to respond to them [members of the public] ... giving them information and being transparent ... I think [that’s] really important.’* At RetailCo, HR policies and procedures, including those around disciplinary and misconduct, ensure that employees are being treated fairly and equally. One interviewee explained: *‘[Our] bullying and harassment policy is quite clear ... the grievance policy is clear now, I think it was maybe not as clear previously but we have had to revamp that policy and I think we’re seeing it being used more effectively by colleagues.’* However, as was pointed out by some other participants, the policies themselves

are not sufficient to ensure ethical behaviour, *'because in a large organisation, no one individual is ever going to remember all of our policies; I think what it boils down to for me is our values.'*

Instead, the organisational vision is usually much more actively and consistently communicated to employees, so employees tend to recognise this more than policies. At almost all the case study organisations, vision and values are promoted on posters across the floors and also posted in meeting rooms. Where the vision and values are ethical, their visibility seems to have a positive impact on the employees' sense of the ethical climate of the organisation, provide an understanding of what is deemed ethical or unethical and how the organisation expects them to behave in ethically sensitive situations.

PoliceOrg, GovDep and BuildCo reinforce the importance of ethics and ethical behaviour through their **training** programmes. Focusing on ethical issues at BuildCo is standard practice because the stakes in some cases could be very high. For instance, around safety there is the potential for injuries or even fatalities if things go wrong. In other areas, mistakes could lead to serious environmental damage. To reinforce the importance of following the company's ethical guidelines, the firm sends out monthly newsletters and video links which include cautionary tales from other companies where people have gone to prison for unethical behaviour: *'there are programmes in place to help people to understand why we need to behave, act, do things in a certain way and what are the consequences of not doing that as well.'* The company also holds an annual training programme for its senior management team *'to establish*

and maintain their understanding of the code'. A more general training on this is also provided to all employees. Additionally, the company has an online system in place where leaders are required to log details of compliance with their company's ethical policies – especially when dealing with external stakeholders on financial matters or tenders. One interviewee said, *'it is a code that I am reminded of on a monthly basis that enforces ethical processes [throughout] the company.'* At GovDep, mandatory training on unconscious bias is provided to all employees to help create a more ethical and fair organisational climate.

In a different example, PoliceOrg reinforces the 'Peelian Principles of policing with consent', not just through training programmes but also as part of the induction programme for new officers: *'I think [training on Peelian Principles] fits my ethics well ... and as an investigator within Professional Standards ... [I'm satisfied] that I have been given [adequate] training to undertake that role properly,'* said one officer.

While implementing training programmes to promote a more ethical climate within organisations is important, it is also crucial that the organisations carry out a post-training evaluation to see what benefit(s) the training programmes have delivered, identify any gaps and address these in conjunction with employees to strengthen the learning further. For organisations in the public sector that are faced with budget cuts, spending money on expensive training programmes might be a difficult undertaking. Under such circumstances, the best way to ensure that the ethical climate of an organisation is maintained is by enabling a culture where leaders can behave ethically and ensure that employees

understand the vision and values of the organisation. It is also crucial that employees are provided with safe and confidential channels to report unethical behaviours when they witness them, and that leaders tackle concerns raised through these systems in a mutually acceptable time frame and in a fair and transparent manner.

Overall, factors such as organisational policies, training, and consistent narrative of ethical talk at an organisational level are important ingredients to establish and nurture the ethical climate of an organisation. These elements operate in tandem and it would be difficult to dissociate one from the other. For instance, in the absence of clear organisational policies on ethics, employees would find it difficult to engage with and resolve ethically sensitive situations. They would naturally rely on their own ethical judgements to tackle such situations and the outcome would depend on the extent to which they feel aligned to the organisation's values and how empowered they feel to tackle them.

Organisational culture is another dominant factor in enabling purposeful leadership at the case study organisations. A culture which promotes positive interpersonal relationships and support for one another in upholding the values of the organisation seems to be crucial at PoliceOrg because *'the support from the public when you do get it [right] and the support from your colleagues ... or just the response you get from your colleagues when they do see [what you are doing], and appreciate what you're doing for them [is very important].'*

At CareCharity, there is a general set of shared values and community ethics stemming from its religious affiliation, which partly

‘It is not surprising that senior leadership plays a key role in shaping a culture that enables purposeful leadership.’

helps create a common culture where it is easier for staff to follow their own ethical principles and feel confident that others in the organisation feel the same way. As one leader at the charity explained, *‘I would say that the biggest thing is the culture of the organisation. It enables us ... it enables me to adhere to our values and our ethics.’* A large number of leaders described how the organisation’s values are similar to the ethical principles they adhere to in their personal life and that there is very little conflict – if any – between the two.

Similarly, at RetailCo, many senior managers cite their company’s ‘family atmosphere’ as being an enabler of purposeful leadership. There is a sense that this culture has been quite resilient to the changes the organisation has been through. As one interviewee explained, *‘you’ll find the same culture [family-oriented] underpins everything,’* unlike some of the specific policies or values which have changed significantly over the last few years.

It is not surprising that senior **leadership** plays a key role in shaping a culture that enables purposeful leadership – a factor mentioned very frequently during the interviews and focus groups. For instance, at CareCharity, the chief executive is important in establishing a culture where colleagues can safely and confidently address ethical concerns together as a team and as an organisation as a whole. This openness of **communication** is something staff at CareCharity cherish and for which considerable credit is given to the chief executive:

‘I think the key thing here is ... that the chief exec is so accessible and open to discussion and that is a massive, massive help. If you have

a challenge you can go and talk to [him], sit down and chat to him about that issue, talk it through and that is a real enabler. ... His openness for me is the key to me being able to operate ethically and ... to operate within the ethical standing that he’s making for the organisation.’

Similar views were shared at GovDep, where interviewees spoke about the permanent secretary and how he not only *‘talks the talk but walks the walk’* when it comes to ethics and ethical behaviour.

At RetailCo, it was pointed out that the **autonomy** managers have in how they carry out their work is an important enabler of purposeful leadership: *‘I think freedom is a key one for me,’* said one manager. This is a freedom both to *‘share and express my views’*, and to bring in personal ethical and moral beliefs to the workplace. The interviewee described how this helps managers to make their own decisions and implement policies and achieve targets in a way that fits with an individual manager’s conscience.

Even where procedures are in place, but the culture is one of non-compliance, employees might feel that their leaders do not necessarily ‘walk the talk’ on ethics. A better way to ensure that the ethical climate of an organisation is maintained is by enabling a work environment where leaders can behave ethically, and ensure that employees understand the vision and values of the organisation.

Constraints of purposeful leadership

We also asked participants about their perception of the various factors that serve as constraints to the enactment of purposeful leadership. The issue mentioned most frequently is lack of time and resources. Where people feel

that they are under constant time pressure, business interests tend to become prioritised over ethical issues.

For instance, at RetailCo, which operates in a very competitive sector and is faced with increased **cost pressures**, some interviewees feel that ‘commercial realities’ sometimes take over, which makes it harder to behave ethically. Key performance indicators (KPIs) were cited among other focus group participants as factors that could either boost or inhibit ethical behaviour depending on the issue: *‘I think at a store level KPIs are a hugely influential factor ... because returns isn’t a KPI and the customer experience is we’ll do whatever the customer wants for a return and a replacement and refund,’* in this case improving treatment of customers. However, if KPIs mean that stores are under pressure to meet their financial targets, some followers feel that there would have to be a trade-off between behaving ethically and achieving the target, and that the senior leadership team does not always appreciate that such a conflict exists. But there are some exceptions. Some followers told us how some members of the leadership team would stand up for staff and their interests despite organisational pressures, but that they would be out-voted by the directors who are more concerned with shareholder value and profitability. Complaining about one unpopular decision which had adversely affected the staff, one employee explained:

‘The exec director who looks after the stores was completely against it [the unpopular idea] but was basically argued down by the ... other members of the executive team so he wasn’t given a choice. So he will look after his team, he will look after the stores ... and he’s walked out

of meetings defending the stores on occasion so he has a strong moral compass about what’s right to do for the colleagues in stores.’

At GovDep, leaders cite **time pressures** as one of the constraints of purposeful leadership. At such times, as one leader explained, there is a *‘focus on the task rather than on the individual’*. Another interviewee mentioned how, because of its political nature and competing priorities of various stakeholder groups, the organisation fosters a short-term vision rather than a long-term view of what is best for the department and the general public. This also seems to impact people’s ability to behave ethically. As one leader summarised:

‘Some of the work that I do is very high paced, high pressured and you often don’t get the chance to sit back and really think about the impact of some of the actions you’re taking.’

Similar views were expressed at BuildCo, where some leaders and followers think that time constraints and a work culture ‘that is always on’ might sometimes lead to people cutting corners. As one interviewee explained:

‘Sometimes it has become the norm to work long hours and meetings to start at 8 am and then other meetings to start at 5 or 6 at night, and I think when you’ve got a family ... sometimes it might be difficult ... we’ve got into this culture of constantly having your phone on and constantly working long hours, and I’m part of that.’

At PoliceOrg, leaders report time pressures and **lack of resources** as the major constraints. However, officers feel that these constraints are not always under their control,

as some of them are exacerbated because of budget cuts imposed by the Government. As one officer explained:

‘We’ve got fewer and fewer resources, we’ve got fewer and fewer people, probably fewer police officers than we’ve ever had out there, which puts a strain on officers to do the job to the ability that they would like to do it ... that causes a huge amount of strain and stress to officers because they can’t do the job they’re trained to do, they can’t do the job that they’re paid to do, they can’t do the job that they think they want to do and the reason why they joined in the first place, and I think that the organisation is almost disempowering them in that way, while giving a message that they need to behave ethically but not give them the space and time to do it.’

At CareCharity, many respondents generally say that there are no inhibiting factors. However, one of the constraints some respondents mentioned concerns the potential **conflict of interest** caused by the *‘closeness of the religious community’* and pressures to provide preferential treatment for wealthier donors or trustees that may not be aligned with the charity’s ethical values. Another issue concerns tensions over whether to accept donations from certain sources. *‘We have refused money from someone because we weren’t sure where it came from,’* said one interviewee.

Some of these constraints might be easier to manage than others. While having an organisational culture that enables leaders to be purposeful would be key, nurturing such a culture is often very difficult, although not impossible. This would primarily require great

‘Organisations should carry out a “culture check” to ensure that they are nurturing the right type of environment where purposeful leadership can be enabled.’

commitment and role-modelling from the senior leadership team and re-evaluating the company vision to ensure that it matches with where the organisation wants to be. Once the narrative around the vision changes, organisations must ensure that those in middle management have the tools in place to track their own behaviours and those of their teams. Culture change initiatives can only be effective if employees are given a say in the whole process.

Another way for organisations to overcome some of the constraints is by having a values-based approach to HR and organisational development (OD) policies that focus on the values of employees and whether those are aligned with the organisation’s values. For instance, applying a values-based approach to an organisation’s recruitment and performance appraisal systems can ensure that those who are aligned to its values are recruited and retained. Also, this would help to bring ethical talk to the forefront rather than being in the background – as is the case in most of the case study organisations.

Summary

Factors that enable or constrain purposeful leadership coalesce around policies and processes that reinforce purposeful leadership behaviours and the context the organisations operate in. To nurture the ethical climate of an organisation, it is important to have the right policies in place, and ensure a consistent narrative of ethics and ethical behaviour at an organisational level. Our research shows examples of leaders who, despite various organisational pressures, have the best interests of their people in mind and this seems to mitigate some of the negatives outcomes for employees – especially during large-scale organisational change programmes.

Organisations should carry out a ‘culture check’ to ensure that they are nurturing the right type of environment where purposeful leadership can be enabled. Specifically, the senior leadership team should act as role models and ‘walk the talk’ on ethics. Finally, employers should adhere to a values-based approach to organisational policies – specifically HR policies and procedures – to truly embed ethical values and principles into the DNA of an organisation.

Implications and conclusion

The current research has highlighted how organisational context contributes to the interplay between organisational values and ethics and the intersectionality between an organisation's purpose, its vision and the personal ethics of its leaders. This section encapsulates the key findings and outlines organisational implications for selecting and developing leaders.

A dynamic model of organisational ethics and the role of leaders

While we found examples of purposeful leadership at all case study organisations, it is clear that in each of them leaders play a different role. At CareCharity, we observed relatively higher clarity and agreement around the espoused values amongst both leaders and followers. Moreover, many leaders suggested that their personal ethics are completely aligned with the organisational values. Respondents from other organisations are clear on their vision, but question how ethical individual behaviours are. Finally, at organisations such as RetailCo, visions and approaches to stakeholders are generally more

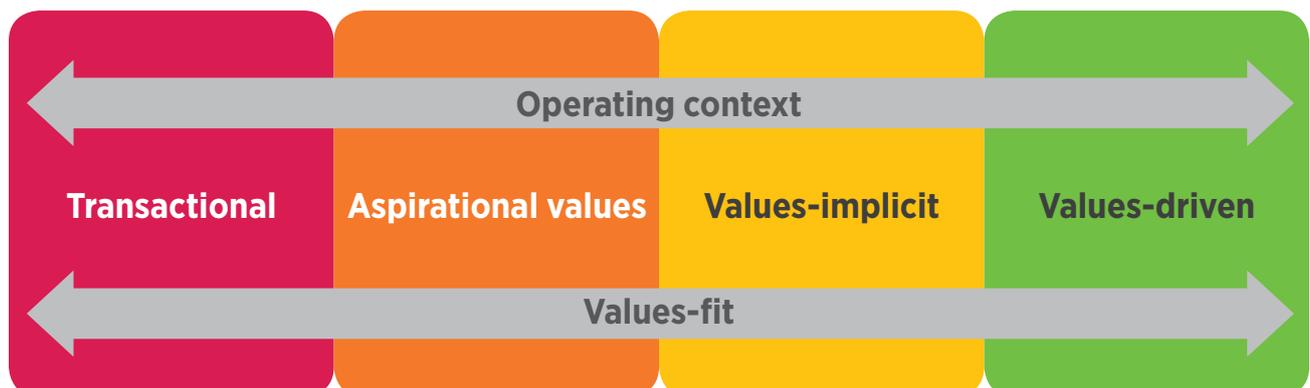
diverse across stores and individual leaders. This is mostly due to the size and geographical dispersion of the company and the pressure to meet immediate business needs.

Our research shows that organisations are more likely to move across a spectrum representing the prominence of values and ethics, and this seems to be contingent upon their **operating context** – whether the organisation is in a stable environment or undergoing a period of significant change – and **values fit** – the degree of alignment between the values of the employees and those of their organisation. For instance, at RetailCo, which was being acquired by another company at the time of this study, leaders' immediate objective was to secure the long-term future of the company, which meant that talk of ethics and ethical behaviour seemingly took a back seat. On the other hand, at PoliceOrg, where only 20% of employees feel that their values fit well with those of their organisation, there seems to be a shared concern amongst employees that this is having a

negative impact on the ethical climate of the organisation. The combination of embeddedness of values and the operating context of the organisation is a key factor in influencing the ethical context of organisations (Figure 6). Based on where organisations find themselves on the spectrum, they can:

- **be values-driven**, with ethics forming a critical component of the organisation's vision, which is then clearly articulated and embedded within the organisation
- **be implicit in their values**, where there is a widely accepted culture of ethical behaviour, but is unsupported by organisational narrative on ethics
- **have aspirational values**, where the narrative around ethics and ethical behaviours is limited to the organisation's vision, or is part of the policies and guidelines, but is absent in the behaviours of their people
- **be transactional**, where ethics is absent from the organisation's purpose and vision and is not reflected in employees' behaviours.

Figure 6: Spectrum representing the ethical context of organisations



If organisations understand where they are on the spectrum, they can recruit and develop their leaders to play different roles to reflect their ethical context and address any gaps. The role of leaders in each of the contexts is summarised in Table 2.

Table 2: Characteristics of organisations and the role of leaders in four scenarios

	Organisational characteristics	Role of leaders
Values-driven	<p>Clearly articulated and embedded vision with ethics as a critical component.</p> <p>Clear policies and guidelines around what is considered as ethical and unethical behaviour.</p> <p>Leaders are able to translate their personal moral beliefs into their roles and enable their employees to do the same.</p> <p>Ethics and ethical behaviour are openly discussed at an organisational level and employees are encouraged to raise concerns of unethical behaviour when they witness it.</p> <p>Any concerns of unethical behaviour are then dealt with in a fair, transparent and timely manner.</p>	<p>Leaders as guardians</p> <p>Although leaders do not have the need to develop the organisation's vision or values, they have an important role to play in terms of articulating their importance to employees on a regular basis in order to sustain the organisation's culture.</p> <p>Leaders must work closely with the HR team (if one is in place) to recruit and promote individuals who understand the vision of the organisation and embody its values.</p> <p>Leaders also have a role to play in challenging the organisation when it becomes complacent about its values.</p>
Values-implicit	<p>Widely accepted culture of ethical behaviour but unsupported by organisational narrative on ethics.</p> <p>Ambiguous policies around what is deemed as ethical and unethical behaviour – therefore, employees rely on their personal moral judgement to tackle ethically sensitive situations.</p> <p>This may lead to the formation of 'ethical sub-cultures' within an organisation with diverging views on what is considered as ethical and unethical behaviour.</p> <p>But, this type of context provides organisations with an opportunity to embrace and translate the moral values of their people to the overall vision or purpose of the organisation. Leaders who champion this process should be supported by the organisation, so that they are not seen as trying to 'rock the boat'.</p>	<p>Leaders as architects</p> <p>Leaders have a critical role to play in terms of proactively and consistently communicating the values of the organisation to their teams and embedding these into how individuals are trained and appraised.</p> <p>Leaders would need to be skilled communicators and influencers to gather momentum and translate employee behaviours into a meaningful purpose.</p> <p>On the other hand, if the organisation fails to tap into the moral code of their people and fails to reflect this in their overall purpose, employees might start to believe that what they perceive as ethics and ethical behaviour is not reinforced by their organisation – raising the possibility that over time, they would develop a degree of ethical or values misalignment with the organisation. Leaders must be careful to take employees through this period of transition by listening to their people and involving them into formulation of values.</p>
Aspirational values	<p>Organisation has in place a clear vision and set of values but these are absent in the behaviours of their people.</p> <p>This may be because employees feel that their organisation's vision or values are too aspirational or abstract and might be struggling to understand how it can be translated into their roles.</p> <p>This could also be linked to poor communication cascade, where the vision and values are misinterpreted as they reach various areas of the organisation. The risk is that teams start moving into different, and potentially opposing directions, and employees lose a sense of their moral compass when making decisions at work.</p>	<p>Leaders as role models</p> <p>Leaders need to rearticulate the vision and values of the organisation by clarifying what types of behaviours are expected at different levels of the organisation.</p> <p>Leaders have a critical role to play in terms of proactively and consistently communicating the values of the organisation to their teams and embedding these into how individuals are trained and appraised.</p> <p>They should also champion the desired behaviours by acting as role models, reward individuals who abide by the values of the organisation in ethically sensitive situations, and must challenge individuals who do not espouse them.</p> <p>It is essential that leaders' own values match those of the organisation as closely as possible, so that they are able to articulate these to their teams and enact them in their behaviours.</p>
Transactional	<p>Ethics is absent from the organisation's purpose and vision.</p> <p>Employees embody a range of varying ethical values in their actions.</p> <p>This arrangement is potentially the least sustainable for any organisation as ethics are not talked about nor put into practice.</p> <p>Employees do not raise concerns of unethical behaviour either formally or informally because confidential reporting systems are absent or they do not have a strong interpersonal relationship with their manager to raise issues informally.</p> <p>Employees might also be put off from raising concerns because of fear of reprisals or attitude of their leaders in tackling such issues.</p>	<p>Leaders as pioneers</p> <p>Leaders would need to develop and articulate the purpose of the organisation and the values that define it.</p> <p>This might mean revitalising the senior leadership team to include members with 'fresh thinking and new ideas' to completely change the direction of the organisation.</p> <p>These changes should also be reflected in the organisational policies and procedures, which can help to guide employees when dealing with ethically sensitive situations.</p> <p>Leaders would then need to clearly and consistently communicate the vision and values within the organisation and explain why it is important that employees adhere to these.</p> <p>One way of doing this is by identifying 'organisational champions' who understand and embody these values and are effective communicators.</p> <p>Leaders should also establish anonymous channels for employees to raise concerns of unethical behaviour and need to be seen as tackling these in a fair, transparent and timely manner.</p>

Implications for organisations

As organisations make sense of their purposes and ways of living those out in practice, practitioners may wish to consider the role of leaders in this process.

1 Accepting leaders as individuals

Given the diversity and the pace of change in the world, it is perhaps unrealistic to expect leaders to fully adopt the values of their employing organisation as their own. Certainly, in an ideal scenario, leaders' and organisations' values would be aligned. However, practitioners should expect that some working individuals will treat their responsibilities in an organisation simply as a job, and would not be prepared to bring their own beliefs and values closer to the ones espoused by the organisation. For organisations, this means a need to clarify the selection criteria for leadership to include leaders' personal values:

- More research is required to understand how the personal ethics of leaders interact and are expressed in the ethical context of the wider organisation.
- Regardless of their own personal values, leaders may get disillusioned by frequent changes of vision, inconsistencies in how it is applied in practice and how this needs to be communicated to their teams.
- Some leaders are able to create narrower visions for their own units, so organisational development practitioners should make sure there is a broad alignment between those and the organisational purpose, as well as understand and address the factors contributing to the confusion.

- Alignment of moral and ethical views across personal and work lives is important to leaders, but in the UK population not all adhere to strong ethical codes – a developmental need that should be noted by HR and organisational development practitioners.

2 Choose leaders who can shift the organisation's ethical context

With the potential mismatch between personal ethics and those of the wider organisation, practitioners should consider which values and behaviours of leaders are most critical for the organisation at a particular moment in time. In organisations where ethics is not put into practice, leaders in this context would be most impactful by 'walking the talk' on ethics. In organisations where employees espouse ethical behaviours in the absence of a narrative around ethics, the role of leaders would centre around proactively and consistently communicating the values of the organisation to their teams and embedding these into how individuals are trained and appraised:

- For employees to have positive outcomes in terms of job satisfaction, meaningfulness of work, organisational commitment and lower intentions to quit, it is important that they are ethically aligned – that is, see that their leader behaves ethically and also feel that their own values fit with that of their organisation. This represents the ideal circumstance, but these may not always be possible given the internal and external change factors such as redundancies or mergers and acquisitions, respectively.

'Alignment of moral and ethical views across personal and work lives is important to leaders, but in the UK population not all adhere to strong ethical codes – a developmental need that should be noted by HR and organisational development practitioners.'

- Even where organisational purpose is not articulated in ethical language, leaders must take concerns of unethical behaviours relayed through confidential reporting systems seriously and should act on these in a fair and transparent manner. If employees feel that leaders are too busy to deal with issues of unethical behaviour, this can be harmful for the overall culture of the organisation and might also put off employees from reporting such instances all together.
- In terms of recruiting individuals with the required values and behaviours, organisations could implement values-based interviewing techniques with role-play or scenario-based questions. For instance, the NHS implements a values-based recruitment model to *'help attract and select students, trainees and employees, whose personal values and behaviours align with the NHS values outlined in the NHS Constitution'*. It is also important that the values-based approach is not limited to the recruitment strategy but that it is embedded in all other areas of HR practice – such as performance appraisals, training and organisational development.

3 Enabling organisational context

Even where leaders have strong ethical codes, they need to be able to apply the values that are important to them in the workplace. Although many respondents in the case study organisations talked about leaving an organisation because of the conflict of values, some leaders may not be prepared to sacrifice the security of their employment just in order to question the values of someone more powerful. The challenge for organisations is to create the conditions in which leaders feel encouraged to adhere to their ethical code without having to compromise those for fear of losing their jobs:

- Organisations need to actively promote ethical talk and actions within organisations. It should also inform an organisation's HR policies such as recruitment, performance appraisals and training.
- Organisations can benefit from having an ethical component to their vision or values. While having clear policies in place to guide employees on what is deemed ethical or unethical in the context of the organisation can be helpful, including an ethical component to the vision can help reinforce this thinking.
- Once such a vision is in place, organisations must ensure that this is consistently and clearly shared with all employees.
- Organisations should carry out a 'culture check' to ensure that they are nurturing the right type of environment where purposeful leadership can be enabled. Specifically, the senior leadership team should act as role models and 'walk the talk' on ethics.

Final thoughts

To date, leadership development has largely focused on how leaders act in the contexts they operate in. There is a great emphasis on agility and adaptability, intended to apply leadership capability across the diversity of business circumstances. Some have even argued that leaders' personal virtues are unimportant, as long as they are effective in meeting business priorities. Recent political events on the global arena, for example, suggest that humility and authenticity can take a backstage where leaders are able to gain the trust of people by demonstrating (or at least suggesting) their ability to act quickly and decisively.

The risk of only focusing on what leaders say may not provide the clarity their followers require to understand the true self, beliefs or values of their leader. Given the reality of the business world, leaders tend to become susceptible to the pressures of short-term demands, deprioritising less immediate causes, such as societal responsibility, people or environmental concerns. Our previous research on how business leaders apply their principles at work indicates that only a third feel able to always hold true to their beliefs, while others compromise their principles in order to serve current business needs, or to succeed in their careers (CIPD 2015). While compromising on principles may appear necessary and useful in the short term, it can also create irreparable damage of trust between leaders and employees, as well as between organisations and society in the long term.

Considering the pressures experienced by business leaders, the benefits of purposeful leadership are clear: it can provide far greater stability and

permanence of values to navigate the business through an uncertain future. But, this kind of leadership is less contingent on the nature and values of the business, and is far more grounded in leaders' personal values and ethics.

If organisations are serious about acting on the rhetoric of business purpose, and are to invest in achievement of their purpose, they have to reconsider the ways they select, develop and assess leaders. The traditional focus on what leaders do only goes so far as to develop their ability to perform in a role. Instead, what is required is a development of the whole person, while accepting that it is impossible to mould all individuals into a uniform model of morals and ethics. The real challenge is not in trying to achieve perfect match between leaders' and organisational values, but in ensuring that they complement each other in ways that best suit organisational circumstances at a given time. This includes supporting leaders to successfully recognise and negotiate the differences between what they stand for and what the business intends to achieve, without detriment to the individual leader or the organisation's operations.

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