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Cultivating Integrity Through Transformational, Servant, and Ethical Leadership



By Daniel Manjarrez

Abstract

Today's business world is facing challenges in ethics and moral practice. Though these issues are found among employers and employees of all levels, the leaders of an organization can work to address such issues through leadership styles that emphasize a meaningful employer-employee relationship and honest workplace behavior. The present article discusses the transformational, servant, and ethical leadership styles within the workplace and their effects on employees. Implementing such styles will not only lead to a decrease in unethical workplace behavior, but will also enable individuals to gain a stronger sense of self-identity and integrity. This results in stronger performance for the betterment of their teams, their leaders, and their companies. The potentially harmful effects found in organizational citizenship behavior are also discussed.

Keywords: leadership, integrity, organizational citizenship behavior

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The business world struggles to maintain its luster in the face of continued corruption. In 2012, the median loss to corporations due to fraud committed by owners and executives was \$573,000, by managers \$180,000, and by other employees \$600,000 (Association of Fraud Examiners, 2012). These losses suggest a widespread lack of integrity at all levels of business and signals the pressing need for leadership that will restore integrity throughout the corporation.

Leadership refers to heading a group and guiding it to the accomplishment of collective goals. In the workplace, effective leaders seek to establish an efficient work environment that encourages such accomplishment. When highly visible in the workplace, a business leader can substantially affect the quality of employee performance and overall success.

Organizational psychologists, management theorists, and business strategists have evaluated leadership styles since the early 20th century (Kieu, 2011; Suber, 2013). As a result, many styles have been defined and implemented in the workplace. Examples include the *transactional* style, which primarily focuses on a reward system, and the *authoritarian* style in which leaders ultimately determine company policy and procedures. These styles, and

variations on them, continue to be practiced today. Most styles, however, do not emphasize integrity.

The implementation of the *transformational*, *servant*, or *ethical* leadership style can encourage workers to adopt a self-identity founded on morals and thereby facilitate the reduction and prevention of unethical workplace behavior. A lack of emphasis on integrity may be a contributing factor to corrupt behavior in the workplace. This type of behavior may result from a lack of strong self-identity in the workplace and beyond it.

Leadership styles can promote integrity in the workplace. Transformational leadership appeals to higher ideals and moral values (Ng & Sears, 2012). Similar in approach is servant leadership (Dion, 2012), which primarily focuses on creating more personal relationships with employees. Perhaps the style most directly connected to integrity is ethical leadership, which encourages the leader to demonstrate appropriate conduct through personal action and interpersonal relationships (Brown, Treviño, & Harrison, 2005).

Character Traits and Leadership Styles

I define integrity as a set of moral values that require honesty regardless of one's social situation. Petrick and Quinn (2000) explained that the construct of integrity

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consists of process, judgment, development, and system dimensions. From working on menial tasks with co-workers to completing major assignments on one's own, an employee's integrity affects how she or he performs. Wherever ethical, servant, or transformational leadership is applied, employees are encouraged to cultivate integrity and to practice ethical work behavior. To maintain such behavior, employees must develop a self-identity in which they see themselves as belonging to a collective entity that seeks to achieve its vision with integrity.

Self-Identity

Self-identity refers to how people define themselves as individuals, relationship partners, and group or organizational members (Brewer & Roccas, 2001; Sedikides & Brewer, 2001). Zhang and Chen (2013) explored self-identity on three levels. On the individual level, people view themselves as unique. On the relational level, self-identity is extended to social identification with small groups that value interdependence among group members. On the collective level, people adopt group-defining characteristics as their own and see themselves as members of a larger group. An effective corporate moral code operates at the collective level of self-identity and establishes a mentality in which employees focus on the company as a whole. This

collective mindset embraces leadership styles (namely, the transformational, servant, or ethical style) that focus on establishing group integrity and relating to employees on an interpersonal level. As a result, employees are less inclined to participate in unethical acts in the workplace.

Transformational Leadership

By applying a transformational leadership style, mutual goals and trust emerge between a leader and her or his followers. A *transformational leader* establishes mutually beneficial goals, an emotional bond with employees, and a vision that is assimilated throughout the organization (Bass & Riggio, 2006; Dvir, Kass, & Shamir, 2004; Kieu, 2011). Employees looking to realize their own agenda before achieving company goals experience cognitive dissonance and resolve it by establishing trust and respect for their leaders. Additionally, the acknowledgement of employees' needs and abilities strengthens the leader's position as a respected mentor in the workplace (Schriesheim, Wu, & Scandura, 2009). Implementing this leadership style results in employee respect and personal commitment to behave in an honest manner, thereby promoting the organization's integrity.

Servant Leadership

The qualities a *servant leader* possesses prevent disunity within the workplace and promote mutually beneficial relationships and ethical behavior among employees. According to Greenleaf (1973), servant leadership emphasizes both the leader's responsibility for the organization's success, as well as her or his moral responsibility to the relevant stakeholders. Servant leaders place employees and the company before anything or anyone else; they motivate and guide employees to practice ethical behavior and to practice moral reasoning (Peterson, Galvin, & Lange, 2012). Furthermore, servant leadership promotes organizational performance (Choudhary, Akhtar, & Zaheer, 2013). Its focus on interpersonal cohesion effectively improves not just the workplace environment but also employees' efforts and results.

Ethical Leadership

Through the practice of ethical leadership, serious acts of dishonest behavior can be avoided by addressing less-serious acts of dishonesty. For Brown, Treviño, and Harrison (2005), the leader's actions and interpersonal relationships demonstrate normatively appropriate conduct and thereby enhance communication and decision making within the organization. Ethical leaders further aim to represent the best interests of their organization in a morally

accepted manner (Resick, Hargis, Shao, & Dust, 2013). Yidong and Xinxin (2012) explained that ethical leaders consciously act as moral people who practice honesty, collective motivation, and integrity. They are highly influential and visible in the workplace. Their display of leadership also allows employees to trust them and to reciprocate with similar behavior (Brown & Mitchell, 2010; Mayer, Keunzi, Greenbaum, Bardes, & Salvador, 2009). As a result, unethical organizational behavior is avoided and serious violations are prevented.

These three leadership styles share a common approach in that they seek to establish and strengthen the employer-employee relationship. More specifically, employers adopting such styles demonstrate the desire to collaborate, interact, and involve employees in the overall being of their company and its objectives in an honest and appropriate manner. As such, a sense of teamwork is fostered: Employers are seen more as wanting to work with employees as opposed to merely the people for whom employees work. The workplace thus begins to sustain a collective mindset that abandons the image of a strictly rank-and-file organization. Furthermore, employees' self-identity resonates with their leader's approach to working with them.

The potential for workplace integrity increases and the result is unified progress.

Organizational Citizenship Behavior

Along with applying leadership styles that encourage a unified work environment, it is also important to recognize and eliminate negative aspects of organizational structures. Bolino, Klotz, Turnley, and Harvey (2013) argued that researchers' evaluation of positive organizational behavior has neglected the negative effects of organizational citizenship behavior (OCB), which Organ (1988) defined as discretionary behavior that is not formally identified within the organizations reward system but nevertheless promotes the organization's effective functioning. Later, Organ (1997) revised the definition to include employee acts that support the overall social environment in which organizational tasks are carried out. According to Bolino et al. (2013), OCB also includes employees' selfless behavior as part of a collective mentality.

The lack of information about OCB's potentially negative effects has led researchers to question the current consensus that, because of its proven benefits, OCB is primarily carried out through selfless motives (Bergeron, 2007; Bolino, Turnley, & Niehoff, 2004). For example, Bolino (1999) pointed out that employees' selfless behavior

may not necessarily be intended for the company's benefit but for enhanced self-presentation. Thus, employees might volunteer to complete co-workers' unfinished reports or other assignments because such unsolicited services will enhance their image and further advance their own standing in the company. Ultimately, such behavior may undermine the company's overall performance.

Another potentially negative aspect of OCB involves excessive employee overtime. Bolino and Turnley (2005) claimed that engaging in such activity could possibly bring unnecessary stress, work overload, and work-family conflict. Although this claim has been empirically supported, Bolino et al. (2013) pointed out that their method of detecting a correlation between personal gain and the resulting corporate-level consequences did not take into consideration the more traditional factor of employee conscientiousness and, for that reason, their conclusions may have limited generalizability.

Discussion

By adopting a collective, moral self-identity throughout the workplace, employees may perform according to a selfless attitude and thereby enhance the achievement of company goals. Practicing transformational, servant, or ethical leadership creates a work environment

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characterized by the integrity needed for a company to not only succeed but to avoid corrupt practices that may lead to the deterioration of a company's brand and relative standing. Though it may not be possible to fully implement all three styles concurrently, each of them independently promotes ethical employee behavior and encourages workplace integrity.

The mutually beneficial relationships that transformational leaders seek to implement enhance the alignment of individuals' visions for the company and promote overall satisfaction among both employers and employees. The servant-leadership style looks to achieve goals within a team vision and works best when workplace relationships embrace mutual trust. The moral code and behavior an ethical leader demonstrates can motivate employees to adhere to the same.

No matter how skilled the leader is in any of these three styles, their effect will be constrained if employees do not recognize the connection between the styles and the company's collective self-identity. It is further important that OCB be in place. If such an environment exists, the leadership styles will resonate with employees' self-identity and therefore, be more readily accepted. Indeed, the integrity

of a company relies not only on its leader but also on a resonant work environment.

Suggestions for Additional Research

Future research should examine the potentially negative motives for OCB in order to increase understanding of the relation between OCB and the three leadership styles described earlier. Such research may utilize existing tests designed to measure employee motivation in terms of personal goals, company goals, or both.

Employee motivation has also been measured using the constructs of *intrinsic* motivation, which involves personal characteristics, such as goal-setting, one's willingness to work, the energy spent on tasks, etc., as well as *extrinsic* motivation, which includes external factors such as the work environment, work incentives, one's employer, etc. (Benabou & Tirole, 2003; Tremblay, Blanchard, Taylor, Pelletier, & Villeneuve, 2009). One such scale, the *Work Extrinsic and Intrinsic Motivation Scale* (WEIMS), seeks to understand which of the two motivations is more influential in an employee's performance (Tremblay et al., 2009). Similarly, the *Global Motivation Scale* (GMS) is designed to detect intrinsic and extrinsic drives (Guay, Mageau, & Vallerand, 2003).

These potential avenues of research within contexts of the practice of transformation, servant, and ethical leadership could extend organizational leaders' understanding of their employees' motives. If those motives do not promote workplace integrity, leaders can implement modifications of the workplace environment that encourage different motives. By doing so, both leaders and employees may work more effectively, and honestly, with each other.

Conclusion

A mutually professional relationship between leaders and their employees allows for a collective effort resulting in unified and successful organizational performance. It is not necessarily harmful for employees (or leaders, for that matter) to have personal ambitions that motivate them to excel in their positions. What is arguably more essential, however, is the ability to prioritize company personal goals amid personal goals, and doing so may contribute to a collective, moral mentality and the quality of unity that leads to corporate thriving.

Ideally, all employees practice integrity in the workplace, but the leader has a strong influence on whether or not the ideal is realized. How they view, treat, and communicate with their employees influences OCB and, consequently, company performance. If ethical behavior is

encouraged and practiced in the workplace by both leaders and followers, integrity will increase, catalyzing honest interaction and corporate success.

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