

Six Ethical Leadership Strategies for Project Management Success ^{1, 2}

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Abstract

The success of any project is a team oriented, goal focused activity under the direction/guidance of a highly competent, ethical leader. Project management success is enhanced by the positive guidance, influence, and integrity of a team leader who sets high personal standards in their actions and in making ethical decisions that are followed by all others. These standards lead to trust and stronger decision making in the best interest of all stakeholder groups. This will enhance the chance of project success and reduces the risk of project failure.

Adhering to the Project Management Institute's (PMI) Code of Ethics and Professional Conduct will enhance the strength of the process and lead to successful project outcomes.

Six ethical strategies are articulated to assist leaders in project success. These include strategies in respect, responsibility, fairness, honesty, courage, and kindness.

Key words: project management, ethical leadership

JEL code: L14, L29, M14

Introduction

A project manager today lives in interesting times. A leader in project management must face a variety of situations and challenges on an ongoing basis. The success of any project is based on a team oriented, goal focused activities under the direction/guidance of a highly competent, ethical leader. Project management success is enhanced by the positive guidance, influence, and integrity of a team leader who sets high personal standards in their actions and in making ethical

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decisions that are followed by all others. These standards lead to trust and stronger decision making in the best interest of all stakeholder groups. This will enhance the chance of project success and reduces the risk of project failure.

Adhering to the Project Management Institute's (PMI) Code of Ethics and Professional Conduct will enhance the strength of the process and lead to successful outcomes. A second valuable tool in creating and supporting ethical leadership practices is the PMI Ethical Decision-Making Framework which can guide the project management professional through a 5 step decision making process when faced with an ethical problem.

In supporting the ideas of Reusch and Reusch (2016), gaps must be taken into account when looking at the challenges project managers face in the completion of their tasks. Ethics and leadership are part of those tasks and a gap that the project manager must fill.

Business Ethics

Ferrell, Fraedrich, Ferrell (2017) defined business ethics as comprising organizational principles, values, and norms that may originate from individuals, organizations or from the legal system that primarily guide individual and group behavior in business. Business ethics is a concept that guides the individual and the organization to make the best choices for all.

According to the PMI (2017),

“responsibility, respect, fairness, and honesty are the values that drive ethical behavior for the project management profession as reflected in the PMI Code of Ethics and Professional Conduct. Project managers face decisions and ethical dilemmas every day. While project managers often know what to do, how to do it can become a challenge, and when stakeholder interests conflict, ethics enters the picture. Ethics is the discipline of how to do it best.”

Ethics can be a valuable tool in the decision making process providing structure and guidance in project methods. Godbold cited in Turner (2016) stated that ethics in project and business need not be a threat but an opportunity to differentiate yourself from the competition and exploit some form of competitive advantage. The idea of competitive advantage is valuable in the business environment faced by organizations today.

Leadership

Dubrin (2016) defined leadership as the ability to inspire support and confidence among the people who are needed to achieve organizational goals. Daft (2015) clarified leadership as an influence relationship among leaders and followers who intent real changes and outcomes that reflect their shared purpose.

Leadership involves the 4 I's; intentions (goals of the project), influence (on other people, organization, society) impact (outcome of the project), and integrity (honest dealings in the project). These are the ideals that leaders should model.

As Bandura (1986) noted, employees learn the behaviors expected, rewarded, and punished via role models. In this case, the role model is the leader, the leader directs the project team through goal setting and actions to a successful project conclusion.

Ethical Leadership

Brown et al (2006) stated that ethical leadership is the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communications, reinforcement, and decision making. Thus, a leader is a role model of ethical behavior.

Clarifying ethical leadership is important. Ethical leadership is the continuous practice of having a positive influence on decisions that will be the right and appropriate decision that supports the proper actions in any situation that impacts the greatest good. This practice must be supported by a strong leader's moral character and communication skills.

Schaubroeck et al (2012) found limited support for trickle-down mechanisms of ethical leadership but broader support for a multilevel model that takes into account how leaders imbed shared understanding through their influence on ethical units, which will in turn influence follower's ethical cognition and behavior. This research supports a positive influence of an ethical leader on project member's actions.

According to Bello (2012), leaders must create an ethically friendly work environment for all employees, communicate ethical issues, serve as role models, and put mechanisms in place for the development of responsible employees. It is expected that leaders who exhibit ethical behavior would be more likely to consider needs and rights of their employees and treat them fairly.

The Importance of ethical leadership: Ethical leadership is vital to any organization, all people, and project success. Some of the key areas that ethical leadership supports as to 1) attract and retain high quality employees (human resources); 2) attract and retain high quality projects (financial resources); and 3) earn good will from the community, competitors, and the government.

Ethical leadership is a critical form of leadership action. These actions lead to higher levels of productivity, stronger service quality, better quality decision-making, more trusting environment, better communications, and increased flexibility from stakeholders. The leader's actions and the methods in which they are communicated are the stepping stones on the project path to success. Without these actions, any project is more likely to have problems and issues on the path to completion.

Ethical Leadership: Internal Factors

A leader's personal beliefs and values are the clear determination of their character leading to their actions. The key values most important to an ethical leader are honesty, fairness, responsibility, respect, courage, and kindness. The first four are ethical values from the PMI Code

of Conduct and Professional Conduct (2013). The last two are important considerations that an ethical leader should follow. (Littman, 2013)

Responsibility is our duty to take ownership of the decisions and actions we make or fail to make and their resulting consequences. This concept highlights the accountability and decision making authority of leaders over the resources necessary to complete a project. Without taking ownership, the task will not be carried out to its successful conclusion.

Respect is our duty to show a high regard for ourselves, others, and the resources entrusted to us that include people, money, reputation, the safety of others and natural or environmental resources. This concept highlights the support we provide and the credit we give as leaders over the resources necessary to complete a project. It allows leaders to place a value and importance on the tasks and responsibility of project members. It allows project members to feel valued and appreciated in their contributions to a project's success.

Fairness is our duty to make decision transparently and act objectively without any partiality, bias, self-interest, or prejudice. This concept highlights the importance of valuing each group members input in any decision. This would be done to reduce conflicts and resolve issues in an impartial manner. It allows project members to know their contributions are considered equally with others when completing the project task.

Honesty is our duty to understand the truth and act in a truthful manner. This concept highlights the using and sharing of information as well as how that information is shared and communicated with relevant groups. Providing timely and accurate information is critical to project success. Honesty is the key driver of any action and decision as without honesty, nothing else matters.

Courage is the ability to stand up for what is right. This concept highlights the ability and follow thought of having strength of convictions and passion for doing the right thing. Courage is an important factor in making the right decision given a variety of sometime difficult situations. It allows the ethical leader to complete their responsibilities consistently.

Kindness is the way we treat others, our concern for others, and the belief in the goodness of all. This concept highlights the best strategy to get people together and feel as a contributor to the process necessary to complete the project. A leader's belief in the competency of their team member and their concern for the team member's well-being is critical for strong team performance.

Ethical Leadership: External Factors

A leader and members of an organization are strongly influenced by the corporate culture. The corporate culture is clearly defined by a detailed Code of Conduct or Code of Ethics. These Codes specify actions that are considered acceptable or unacceptable in practice. A thorough knowledge of these Codes and then disseminating them to all team members is a requirement of the US Government as well as the human resource leadership of an organization. All team members must be well versed and follow all components of corporate ethics.

A second external force impacting ethical leaders are government mandates or policies that guide decision within the confines of societal norms and legal regulations. These policies specify the actions which are considered as standard business behavior. This is another knowledge area that all team members must have as part of a successful project team. Ethical leaders clearly follow these guidelines in their daily personal and project actions. They serve as the role model of ethical actions.

The Importance of Ethical Leadership Decision Making on Project Management Success

It is critical that ethical leaders follow universally accepted four principle values of the PMI Ethics Framework. These values guide appropriate decisions from the start to the finish of a project.

In addition to the four principles of respect, responsibility, fairness, and honesty, an ethical leader must exhibit courage, and kindness. Leaders are accountable for making appropriate decisions that move the profession and project forward. Their use of strong two-way communication skills is vital in sharing the message and providing the support for project success.

According to Demirtas (2015), ethical leadership has both a direct and indirect influence on work engagement as well as organizational misbehavior. This reinforces the key role that the leader plays in sending the message of the importance of honesty and fairness in dealing with employees and in dealing with work-related situations.

Six Ethical Leadership Strategies

There are six leadership strategies that will lead to a successful project. The following information includes these six strategies with some action items to consider.

- 1) Exhibit Honesty: Speak and act in a truthful manner in all situations
 Follow through with commitments
 Build trust within the organization
 Build trust in the community
 Be clear in the direction of the project
 Share important information

- 2) Demonstrate Fairness: Treat all people equally
 Be objective in decision making
 Do not show favoritism
 Give credit for positive contributions
 Value varied points of view

- 3) Model Respect: Respect the viewpoints of others
 Empower others

Foster collaboration
Respect the property rights of others
Respect the privacy of information
Listen and respond in a tactful manner.
Act as a professional

- 4) Take Responsibility: Be accountable for decisions
Be accountable for human resources
Be accountable for financial resources
Make decisions that benefit all stakeholders
Follow the PMI Code of Ethics and Professional Conduct
Follow all laws and regulations
Take ownership of the process and the outcome
- 5) Exhibit Courage: Lead the ethical charge
Follow ideals
Take risks
Have passion
Encourage discussion
Deal with low performers
- 6) Display Kindness: Display compassion
Show appreciation
Be empathetic
Be considerate of other's feelings

Finally, two way-communication is vital to project and leader success. Open channels between leaders and project managers is mandatory to develop project goals and accomplish the task. The ability to share the project vision and ideas, listen, and provide feedback is necessary in the achievement of project team goals success.

Conclusions

As O'Brochta (2016) stated,

“project ethics matter and this year's 10th anniversary of the PMI Code of ethics and Professional Conduct is a time to reflect on that. Not only do ethics allow us to act in a way consistent with our beliefs, they are the key to executing projects successfully. This is because ethics lead to trust, which leads to leadership, which, in turn, leads to project success.”

The actions of project managers need to be consistently professional and ethical in behavior and actions. O'Brochta's points are well taken as the process and practice of leadership ethics while modeling appropriate behavior leads to trust in relationships. The trust factor is the key leadership trait which has the desired outcome of project success.

Project management success is enhanced by the positive guidance, influence, and integrity of a team leader who sets high personal standards in their actions and in their decisions that are followed by all others. These standards leads to trust and stronger decision making in the best interest of all stakeholder groups. This will enhance the chance of project success and reduces the risk of project failure.

It is clear and professionally appropriate that a successful leader in project management must exhibit ethics in decision making and actions. In dealing with people, ethics is critical to success. In dealing with projects, ethics is critical to success. There also is a necessity for organizations to have an ethical culture. This corporate culture contributes to project success.

Ethical leadership is a necessary requirement to meet professional and project goals. When a leader follows the above mentioned six strategies routinely, the project outcome will be guided to success. This is a win-win strategy for all shareholders.

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Michael Littman has served as the Business Department Chair at SUNY: Buffalo State since 2012. He previously was chair between 1998 and 2001. Dr. Littman earned his Ph.D. and taught marketing at The Ohio State University before coming to SUNY: Buffalo State. His teaching areas include leadership ethics, international business, and marketing. In 2015, he received the SUNY Chancellor's Award for Excellence in Teaching.

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