

946 views | Jul 2, 2020, 08:00am EDT

Are Ethical Leaders Good For Business?



Imperial Business Insights Contributor ©
Leadership Strategy



New Zealand Prime Minister Jacinda Ardern speaks during a post cabinet press conference. Ardern has ... [+] GETTY IMAGES

Via the COVID-19 crisis, we have seen the value of ethical leadership – most notably in New Zealand which, under the courageous, compassionate and ultimately ethical leadership of Prime Minister Jacinda Ardern, has reduced cases to near-zero, while the deadly virus continues to run rampant through much of Europe, as well as North and South America.

Like many of those who have worked, and continue to work, on the frontline in the fight against the virus, Ardern exemplifies ethical leadership by having the highest regard for others, and by

making decisions that result in the greatest good for the largest number of people who are affected by those choices.

Human beings are natural-born followers, so it's crucial that those of us who are willing to step up and lead demonstrate strong ethical behavior. Business leaders are no exception to this.

Most Popular In: [Leadership Strategy](#)



Nick Cannon Unmasked? Star Spreads Anti-Jewish Theories, Criticizes "Rothschilds" On His YouTube Show

'How Could I Be So Stupid?': Making Decisions In A Pandemic

Ann Coulter Endorsed A Democrat Over Mitch McConnell — Has The GOP Meltdown Begun?

This style of leadership is desperately needed in business in order to counter those who pursue growth and profitability at the detriment of ethical decision-making. We need leaders to be able to stand their ground and refuse easy gains that can only be achieved by violating broader moral standards. But, unfortunately, acts of courage in the corporate world are rare.

Yet when business leaders do choose to put the benefit of those around them above personal gain or stakeholder profits, the rewards can be huge. This was the case in 1982, when Johnson & Johnson put consumers before profits and recalled millions of bottles of its bestselling painkiller, Tylenol, after some had been sabotaged with cyanide. It was an immensely costly move in the short term, but through putting the consumer first, the company secured decades of shareholder trust, and Chairman James Burke [earned a legacy as an exemplary leader](#).

Profits and shareholder trust aside, through ethical leadership, companies can also reorient the morale compasses of colleagues who have deviated from responsible decision-making. Having undertaken research into the role of ethical leaders in shaping the behavior of their employees, I found that simply removing an unethical leader will not simply remedy issues of company behavior. Businesses must actively seek out ethical

leaders in order to successfully recalibrate their morals and amend what they believe is appropriate.

There are countless benefits for businesses whose leaders make ethical choices: from securing long-term consumer and shareholder loyalty through creating reputation of putting people above profits, to actively countering and reorienting negative behavior within the wider workforce.

Businesses must now play a greater role in society than ever before, requiring leaders who are able and willing to make difficult choices in order to create the greatest good for as many people as possible, not just the shareholders.

I'm optimistic that after this crisis subsides we'll see a surge in ethical leadership. Not simply because it's the right thing to do, but because people will realize that even in the darkest times, when the odds are stacked against us, ethical choices and responsible leadership can do great things.

*This article was written by **Celia Moore**, Professor of Organisational Behaviour, at [Imperial College Business School](#).*

Climb the Career Ladder with Forbes

Land the job, get a raise and learn to lead with advice from Careers editor Vicky Valet

Sign up

You may opt out any time. [Terms and Conditions](#) and [Privacy Policy](#).

Follow me on [Twitter](#).



Imperial Business Insights

Follow

Imperial College Business School is rated among Europe's top research-led business schools; we combine innovative thinking with new technology to develop practical...

Read More