

# Moral leadership in business

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Never in the modern business world has the concept of moral leadership been as prolific as it is now.



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Immoral decisions and practices have infested the business world, and it seems there is no end to it. Corporate governance has become more stringent and standards in regulation have increased tremendously, all as means of mitigating risk and reducing immoral acts. Little has been done to understand the psychological component linked to immoral behaviour. Companies mainly focus on mechanisms to protect systems and processes.

In comes moral leadership. Research has shown that there is a significant relationship between the moral behaviour of a leader and that of the people he leads. A manager who exhibits moral behaviour is likely to instil such conduct in others, even though a moral act remains a personal choice.

Moral leadership in the corporate world has, therefore, become a sought-after skill. While it is possible to enhance a person's moral competence, it is not an easy task. Selecting and promoting the right leaders to drive a moral business is, therefore, a crucial decision.

## Promoting moral leadership

What can companies do to promote moral leadership?

- **Leadership charter:** Incorporating moral leadership in the company's leadership charter and framework will increase focus and drive the right behaviour.

- **Recruiting and selecting individuals with a sound moral platform:** Organisations will have to invest more time and



resources in attracting and selecting the right leaders. This is not only done via rigorous recruitment practices, but through the echoing of company values, and what the organisation is willing to tolerate.

- **Moral competence training:** The process of making a moral decision is similar for each individual; however the decisions are not. Moral competence training could enhance the process of making moral decisions through awareness, understanding universal principles, making a moral judgement, and acting consistently.
- **Including moral outcomes in performance management systems:** One way of driving moral behaviour is through an organisation's performance management system. This will only be effective if applied consistently and if the organisation is clear on the moral behaviour it seeks, and is willing to accept.
- **Include moral competence in the organisation's competency framework:** Including moral behaviour in an organisation's competency framework creates emphasis on the skills and behaviour required. Most companies, however, steer away from this as it remains an ill-defined area and a competency difficult to measure. This only allows for more of the same immoral acts if not addressed. Many companies are underpinned by the value of integrity, but this is only one component of moral behaviour.

By refraining from action organisations lend themselves to immoral practices. Corporate governance alone is not enough to combat one of the most serious illnesses of the modern business world. Moral leadership must be cultivated from a talent management perspective and the onus is on human capital consultants to assist in the endeavour.

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