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ETHICS IN LEADERSHIP PROJECT REPORT

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by

Oswaldo Santos

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CHAPTER I

INTRODUCTION

Ethics is a branch of philosophy that deals with right conduct (Hughes, Ginnett, & Curphy, 2012). Driscoll (1996) declares that many people believe that if you are not breaking the law, then you are behaving in an ethical manner, but ethics often goes far beyond the law. In the following report, we will review some of the literature related to ethics, and a variety of practical steps that help leaders to deal with ethics. The report introduces ethics and discusses how ethical are managers, and how ethical is leadership. It suggests ways to understand how leaders make ethical decision, and discusses ethical conflict, dilemma and its effectiveness. Finally, it reports the ethics in action, suggestions, guidelines for ethical action, and conclusions based on a project related to Christ for the Nations Music School & Arts Center's experience with ethics.

Ethics

Daft (2011) and Williams, Kondra, and Vibert (2008) claim that ethics is the code of principles and values that governs the behavior of a person or group with respect to what is right or wrong. The principles affect how people lead and conduct their lives as well as how they make decisions.

Constructing and analyzing arguments about what actions are morally right, what goals are morally good and what aspects of character are morally virtuous, people that are

engaged in ethical inquiry ultimately seek to determine how we ought to respond to morally relevant features of the world.

Ethics covers the following dilemmas: (a) how to live a good life, (b) our rights and responsibilities, (c) the language of right and wrong, and (d) moral decisions: what is good and bad ("Ethics: A general introduction," 2014). The concepts of ethics have been derived from religions, philosophies and cultures; infusing debates on a variety of topics such as abortion, human rights, and personal and professional conduct in general.

How Ethical Are Managers?

Managerial work gives managers significant power to influence others (Williams et al., 2008). Managers are often responsible for addressing behaviors or potential behaviors that are ethical or unethical. In other words, managers are called to be the model to be followed. Several results were published by Harvard Business Review (HBR) from surveys that asked the question "How ethical are businessmen?" In one of them, conducted by Baumhart, respondents believed that they were much more ethical in their actions than "average" managers. In other set of surveys, 1800 businessmen indicated that a vast majority are more honest than their public image. Since those surveys were conducted, one would be hard-pressed to give wholehearted support to the statement that executive attitudes toward business ethics have improved across the board; on the contrary, the wave of ethical problems involving Enron, WorldCom, Adelphia, and several others in the U.S. corporate world in the early 2000s appears to signal a continuing trend in immoral behavior (Burns, Goethals, & Sorenson, 2004).

In an attempt to answer the question on How ethical are managers? Williams et al. (2008) answer the question based on four areas that deal with manager's ethical behaviors. The first area is in regarding when the manager acts unethically. Unethical management behavior occurs when managers personally violate accepted principles of right and wrong (Williams et al., 2008). Unfortunately, the authority and power inherent in some management positions can tempt managers to engage in unethical practices. The second area is about how the manager handles different types of information. As information is a key part of management work, handling it is another area in which managers must be careful to behave ethically. Managers collect it, analyze, act, and disseminate it, so they are expected to deal in truthful information and, when necessary, to keep confidential information confidential (Williams et al., 2008).

The third area is the way managers influence the behavior of others, especially those they supervise. If managers tell employees to perform unethical acts (or face punishment), such as "faking the numbers to get results," they are abusing their managerial power. The fourth and last area that managers influence the behavior discusses on setting goals. If managers set unrealistic goals, the pressure to perform and to achieve these goals can influence employees to engage in unethical business behaviors (Williams et al., 2008).

How Ethical Is Leadership?

According to Olivier (2012) the topic on leadership ethics is relatively new and an unexplored field of study. In order to answer the question, Olivier proposes some reflection on questions about leader, leadership, and ethics such as does leadership need

ethics? Leaders need ethics, but do ethics necessarily call for leadership? How ethical is the concept of leadership? He concludes saying that leaders need ethics thus far most people would agree...people disagree about the kind of ethics leaders need, but not about the fact that leadership requires ethics.

Most organizations that remain successful over the long term have leaders who include ethical values as part of the formal policies and informal cultures of their companies. Leaders realize that what they do in their personal lives carries over to professional arena. Moreover, leaders are a model for the organization 24 hours a day, seven days a week. In general, people agree more readily on ethics than on underlying morality. Accordingly, much of leadership ethics is preoccupied with the interplay between the leader's self-interest on the one hand and the group's interests on the other hand. Because of the risks that power creates for leaders, ethicists who study leadership take the determination of power's proper limits to be one of their fundamental tasks. Whatever the reason, people are far more amenable to adopting ethical frameworks than moral ones.

The reasons that seek the leaders to perform ethically are the flip-side of the problems that occur when they ignore ethical issues: (a) undercut principles you espouse, which hurts the organization, (b) undermine goals, also hurting the organization, (c) spend time and energy justifying actions, wasting resources, (d) loss of trust from those whose help you need, making goals harder to reach, and (e) what goes around comes around. The truth is that if you are trying to be a real leader, the ethical path is the only one that can actually bring you where you need to be. Daft (2011) concludes that a

“visible leadership position entails the responsibility for conducting both one’s personal and professional life in an ethical manner” (p.171).

Ethical versus Unethical Leadership

Stepping forward and discussing ethical and unethical leadership, ethics are the standards of right and wrong that influence behavior where right behavior is considered ethical, and wrong behavior is considered unethical (Lussier & Achua, 2013). However, leaders signal what matters through their behavior, and when “leaders operate from principles of selfishness and greed, many employees come to see that type of behavior as okay” (Daft, 2011, p. 167). Ethical behavior follows accepted principles of right and wrong (Williams et al., 2008). On the other hand, unethical behavior occurs when leaders personally violate accepted principles of right or wrong. Unfortunately, the power and authority given to some leaders in their leadership position, can tempt managers to engage in unethical practices. Top leaders in particular are facing closer scrutiny because what goes on at the top sets the standard for the rest of the organization. In a study of *Fortune* 100 companies, Clement (2006) reported that fully 40% were found to have recently been engaged in activities that could be considered unethical.

According to Daft (2011), unethical and illegal behavior can lead to serious consequences for organizations such as: (a) when employees lose trust in leaders, morale, commitment, and performance suffer, (b) customers who lose trust in the organization will bolt, and (c) investors may also withdraw their support from the company, or even file a suit if they believe they have been lied to and cheated.

Comparing unethical and ethical leadership, unethical leadership contribute to an organizational climate ripe for ethical and legal abuses. On the other side, ethical leadership contribute to a climate of trust, fairness, and doing the right thing. Zauderer (1992) proposes 10 things that unethical and ethical leaders can do in order to make things go wrong or right for the organization. The unethical leader (a) is arrogant and self-serving, (b) excessively promotes self-interest, (c) practices deception, (d) breaches agreements, (e) deals unfairly, (f) shifts blame to others, (g) diminishes others' dignity, (h) neglects follower development, (i) withholds help and support, and (j) lacks courage to confront unjust acts. On the other hand, the ethical leader (a) possesses humility, (b) maintains concern for the greater good, (c) is honest and straightforward, (d) fulfills commitment, (e) strives for fairness, (f) takes responsibility, (g) shows respect for each individual, (h) encourages and develops others, (i) serves others, and (j) shows courage to stand up for what is right.

Trevino and Nelson (2004) states that unethical leader falls short as both a moral person and a moral influence agent...the unethical leader clearly communicates that ethics do not matter; only results do. On the other side, ethical leaders make ethical considerations a top organizational priority...they create positive ethical climates that promote moral behavior by leaders and followers alike (C.E. Johnson, 2012).

Research studies have reported a positive relationship between ethical behavior and leadership effectiveness (Mishina, Dykes, Block, & Pollock, 2010). In a broad survey of 2300 workers, 75 percent indicated that they had seen unethical behavior at work, such as deceptive sales practice, unsafe working conditions, environmental breaches, and

mishandling of confidential or proprietary information within the last year (Losciale, 2000). A similar survey of 2293 workers found that less than half (47 percent) felt that the senior leaders in their companies were ethical (Smith, 2000). Furthermore, 60 percent of workers felt substantially pressured to commit unethical or illegal acts at work. Only 6 percent reported feeling little pressure to commit such acts (Petry, Mujica, & Vickery, 1998). However, these studies also contained good news. When people are convinced that they work in an ethical work environment, they are six times more likely to stay with that company than if they believe that they work in an unethical environment (Losciale, 2000).

Critical Elements

Prince, Tumlin, and Connaughton (2009) have developed an impressive and comprehensive proposal for ethical leadership development that present six critical elements that leaders have to be aware about: (a) knowledge of leadership and ethics to provide a conceptual framework for understanding the practice of ethical leadership, (b) opportunities to practice leadership roles requiring collective action where the learner has some responsibility for outcomes that matter to others, (c) opportunities to study, observe, and interact with leaders, especially those who have demonstrated moral courage, (d) formal and informal assessment of the efforts of those learning to lead ethically, (e) feedback to the learner, and opportunities for the learner to reflect on that feedback, and (f) strengthening the learner's personal ethics and core values.

CHAPTER II

HOW DOES LEADER MAKE ETHICAL DECISIONS?

Ethical Conflicts

Ethics sets standards as to what is good or bad in conduct and decision making (Trevino, 1986). As discussed by Whetten and Cameron (2011), making decisions present major values conflict faced over and over again by leaders. Most ethical conflicts in making decisions are related to two situations: (a) economic such as revenues, costs, and profits, and (b) social performance such as obligations to customers, employees, and suppliers. Making these kind of decisions effectively is not merely a matter of selecting between right and wrong alternatives or between good and bad choices. Usually, most of these choices are between right and right or between one good and another.

Make decisions is a day-to-day duties that the leaders face. The right decision versus the ethical answers that the leaders can choose depend on three specific and related situations: (a) the ethical intensity of the decision, (b) the moral development of the leader, and (c) the ethical principles used to solve the problem.

Ethical Intensity of the Decision

Leaders do not treat all ethical decisions the same. Ethical intensity deals in how concerned people are about an ethical issue. When addressing issues of high ethical

intensity, leaders are more aware of the impact their decisions have on others. They are more likely to view the decision as an ethical or moral decision rather than an economic decision. Ethical intensity, according to Jones (1991) depends on six factors such as (a) magnitude of consequences-the total harm or benefit derived from an ethical decision, (b) social consensus-the agreement on whether behavior is bad or good, (c) probability of effect-the chance that something will happen and then result in harm to others, (d) temporal immediacy-the time between an act and the consequences the act produces, (e) proximity of effect-the social, psychological, cultural, or physical distance of a decision maker to those affected by his or her decisions, and (f) concentration of effect-how much an act affects the average person. At end, Williams et al. (2008) declare that they are also “more likely to worry about doing the “right thing””(p.65).

Moral Development

Investigators have been particularly interested in cognitive moral development, the process by which people develop their moral reasoning abilities over time (Johnson, 2012). According to Kohlberg (1969), when facing wrong or right decisions, the decision will be based on your level of moral development. Kohlberg has identified three phases of moral development, with two stages in each phase. In the first phase, the pre-conventional level of moral development, people decide based on selfish reasons. Its two stages are: stage 1-punishment and obedience (do not get yourself in trouble), and stage 2-instrumental exchange (you help me, and I will help you). In the second phase, the conventional level of moral development, people make decisions that conform to social expectations. Its two stages are: stage 3-good boy-nice girl, you do what other are

doing, and stage 4-law and order, you do whatever the law permits. In the third and last phase, the postconventional level of moral development, people always use internalized ethical principles to solve ethical dilemmas. Its two stages are: Stage 5 people are guided by utilitarian principles (C.E. Johnson, 2012). Legal contract, society is better off when the rights of others; and stage 6 people operate according to internalized, universal principle such as justice, equality, and human dignity. You might or might not decide depending on your principles of right and wrong. Kohlberg originally predicted that people would progress sequentially from earlier stages to the latter ones. We know that one's level of moral maturity can change, depending on situational and individual factors and as people age; they are more likely to make ethical decisions using a higher level of moral maturity.

Ethical Principles

As reported by Lussier and Achua (2013), the easy way to act on ethics is through the Golden Rule, that declares: "Do unto others as you want them to do unto you." In other words, "Don't do anything to other people that you would not want them to do to you" (p.59). Managers will also be affected by the ethical principles in order to solve ethical dilemmas. Bill George, retired CEO of Medtronic, once said: "I am appalled at the extent to which business leaders are caught up in the game of greed. We have idolized the wrong leaders, associating image with leadership and confusing stock price with corporate value" (Feldman, 2007).

According to Professor Larue Hosmer (1995), a number of different ethical principles can be used to make business decisions: long-term self-interest, personal

virtue, religious injunctions, government requirements, utilitarian benefits, individual rights, and distributive justice. They are important because what these ethical principals have in common is that they encourage managers and employees to take others' interests into account when making ethical decision. At the same time, however, these principles can lead to very different ethical actions.

The principle of long-term self-interest holds that you should never take any action that is not in your or your organization's long-term self-interest. The principle of personal virtue holds that you should never do anything that is not honest, open, and truthful, and which you would not be glad to see reported in the newspaper or on TV. The principle of religious injunction holds that you should never take any action that is not kind and that does not build a sense of community; a sense of everyone working together for a commonly accepted goal. The principle of government requirements holds that you should never take any action that violates the law, for the law represents the minimal moral standards. The principle of utilitarian benefits holds that you should never take any action that does not result in greater good for society. Instead, do whatever creates the greatest good for the greatest number. The principle of individual rights holds that you should never take any action that infringes on others' agreed-on rights; and the principle of distributive justice holds that you should never take any action that harms the least among us: the poor, the uneducated, the unemployed.

Ethical Dilemmas

According to Hughes et al. (2012) ethical decision making is not typically a matter of choosing the right action over the wrong one. The most challenging and common situation involves choosing between two “rights.” This is called the ethical dilemmas. Kidder (1995) has identified four ethical dilemmas that are common to the a person’s experience that they serve as models or paradigms. The first ethical dilemma is truth versus loyalty, such as honestly answering a question when doing so could compromise a real or implied promise of confidentiality to others. The second is individual versus community, such as whether you should protect the confidentiality of someone’s medical condition when the condition itself may pose threat to the larger community. The third ethical dilemma is short-term versus long-term, such as how a parent chooses to balance spending time with children now as compared with investments in career that may provide greater benefits for the family in the long run, and the fourth ethical dilemma is justice versus mercy, such as deciding whether to excuse a person’s misbehavior because of extenuating circumstances or a conviction that he or she has “learned a lesson.”

The Kidder (1995)’s three principles for resolving ethical dilemmas are: (a) ends-based thinking or “do what’s best for the greatest number of people” that is also known as utilitarianism in philosophy, (b) rule-based thinking or “following the highest principle or duty” that is also consistent with Kantian philosophy, and (c) care-based thinking or “do what you want others to do to you” that describes the essence of the Golden Rule of conduct. This approach applies the criterion of reversibility in determining the rightness of actions. Kidder (1995) does not suggest that any one of these principles is better than

other. He proposes that it would be a wise practice when considering the rightness of an action to involve them all and reach a decision only after applying each to the specific circumstances one is facing and weighing the collective analyses. C.E. Johnson (2012) suggests that the initial reaction to an ethical dilemma, based on emotions, cultural influences, past experiences, and intuitions, can inform the conclusion you reach using a decision-making format (p.263).

Ethical Decision-Making Format

According to C.E. Johnson (2012), decision-making guidelines or formats can help us make better ethical choices. Without using a format and without being conscious of the fact, we quickly invoke decision making rules we have learned through experience, such as “it is always good to obey authority” or “always be as fair as possible”. Or we intuitively come to a rapid decision based on our emotions and cultural background.

Kidder (1995) suggests that nine steps can help bring order to otherwise confusing ethical issues.

1. Recognize that there is a problem.
2. Determine the actor.
3. Gather the relevant facts.
4. Test for right-versus-wrong issues.
5. Test for right-versus-right values.
6. Apply the ethical standards and perspectives.
7. Look for a third way.
8. Make the decision, and
9. Revisit and reflect on the decision.

CHAPTER III

ETHICS PRACTICAL STEPS

Ethical Climate

To build or create ethical organizational, C.E. Johnson (2012) claims that leaders should rely on three tools: core values, code of ethics, and ethical learning. It is a fact that leaders can create and sustain a climate that emphasizes ethical behavior for all employees (Daft, 2011). Ethical climate determines what members believe is right or wrong and shapes their ethical decision making and behavior (C.E. Johnson, 2012). According to Weaver, Linda Klebe, and Agle (2005) leaders at all levels carry a tremendous responsibility for setting the ethical climate, and can act as role models for others. Sometimes, however, leaders may face many pressures that challenge their ability to do the right thing where the most dangerous obstacles are their self-interest and personal weakness. Also, there are pressures to cut costs, meet the demands of business partners or vendors, the pressure to increase profits, and look successful. Leaders want their organizations to appear successful, and they can sometimes do the wrong thing just they will look good to others.

As reported by Williams et al. (2008), there are three steps that leaders can work in establishing an ethical climate: (a) to act ethically themselves, (b) to be active in the

company ethics program, and (c) to put in place a reporting system that encourages leaders and employees to report potential ethics violation.

C.E. Johnson (2006) present five leadership action that are needed in order to establish an ethical organization climate: (a) formal ethics policies and procedures that include formal statements of ethical standards and policies, along with reporting mechanisms, disciplinary procedures, and penalties for suspected ethical violations, (b) core ideology. It represents the organization's purpose, guiding principles, basic identity, and most important values, (c) integrity that describes an organization whose pronouncements are congruent with its public and private actions at every level and in every office, (d) structural reinforcement that encourage higher ethical performance and discourage unethical performance, and (e) process focus that present the explicit concerns on the process on "how" the individual, team and organizational goals are achieved.

Code of Ethics

As reported by Murphy (1995), today, nine out of ten large corporations have an ethics code in place. Many organizations have a written code of ethics or code of conduct that displays the values and principles governing employee behavior. C.E. Johnson (2012) states that codes can focus attention on important ethical standards, outline expectations, and help people act more appropriately. According to Lussier and Achua (2013) the written statements have the advantage of explicitly stating the company's position on ethical and moral issues, and they serve as benchmarks for judging both company's decisions and actions and individual conduct. According to C.E. Johnson (2012) defenders of ethical codes point to four potential benefits. First, a code describes

and organization's ethical stance both to members and to the outside world. Second, a formal ethics statement can improve the group's image while protecting it from lawsuits and further regulation. Third, referring to a code can encourage followers and leaders to resist unethical group and organizational pressure; and fourth, a written document can have a direct, positive influence on ethical behavior.

A code of ethics can be inspired by morals or simply be the invention of some group. Whatever the case, it is a set of required and proscribed behaviors. In general, people within an organization, industry, or field of endeavor have more uniform codes of ethics than they do moral codes (Yaverbaum & Sherman, 2008, p. 293). Erwin (2011) claims that a growing number of organizations have added a code of ethics to their list of formal statements and public pronouncements. Hopen (2002) suggests that most codes of ethics should address (a) conflicts of interest, (b) records, funds, and assets, (c) information, (d) outside relationships, (e) employment practices, and (f) other practices related to a variety of other topics such as health and safety, the use of technology, the environment, political activities, and the use of organizational assets for personal benefit.

Ethics is so important that large organizations have ethics officers who are responsible for developing and implementing ethics codes to help guide employees to ethical behavior (Lussier & Achua, 2013, p. 55). However, an ethics code alone is not sufficient. Messikomer and Cirka (2010) declare that a code of ethics is of no consequence if an ethical corporate culture and top management support are lacking. Most importantly, leaders articulate and uphold high ethical standards, and they behave morally even if they think no one is looking. Daft (2011) states that if leaders cut corners

or bend the rules thinking that they will not get caught, they and their organizations will ultimately suffer the consequences.

Ethics Training

Changing how future leaders are trained could be one key to solving the ethics deficit pervading our organizations (Daft, 2011, p. 446) because training and education provide the opportunity for everyone in the organization to be informed and educated on the company's code of ethics and social responsibility obligations (Lussier & Achua, 2013). Training helps to align member behaviors with the organization's values. In order to develop ethics training into the organization, Harrington (1991) reported three objectives. The first objective is to develop employee awareness about ethics where can help employees to recognize what issues are ethical issues, and then avoid the rationalization of unethical behavior. The second objective is to achieve credibility with employees, and the third objective is to teach employees a practical model of ethical decision-making. Berger (1995) developed a basic model of ethical decision-making (see Appendix A).

Self-Assessment

Most leaders think they are ethical, particularly when the right thing to do is seemingly obvious. However, many companies have witnessed unethical behavior at work or actually committed an unethical or illegal act. Furthermore, with so many ways to approach ethical decision-making, ethical choices are not always obvious. In order to evaluate an individual as leaders, Lussier and Achua (2013) developed the self-

assessment: How ethical is your behavior? (see Appendix B). The self-assessment will provide some baseline information as a foundation for ethical development.

Standards for Making Moral or Ethical Choices

Making moral or ethical choices is not a simple matter. Whetten and Cameron (2011) suggest nine standards that can serve as a reference against which to test the principles that can be included in your personal values statement.

1. Front page test: Would I be embarrassed if my decision became a headline in the local newspaper? Would I feel comfortable describing my actions or decision to a customer or stockholder?
2. Golden Rule test: Would I be willing to be treated in the same manner?
3. Dignity and liberty test: Are the dignity and liberty of others preserved by this decision? Is the basic humanity of the affected parties enhanced? Are there opportunities expanded or curtailed?
4. Equal treatment test: Are the rights, welfare, and betterment of minorities and lower status people given full consideration? Does this decision benefit those with privilege but without merit?
5. Personal gain test: Is an opportunity for personal gain clouding my judgment? Would I make the same decision if the outcome did not benefit me in any way?
6. Congruence test: Is the decision or action consistent with my espoused personal principles? Does it violate the spirit of any organizational policies or laws?

7. Procedural justice test: Can the procedures used to make this decision stand up to scrutiny by those affected?
8. Cost-benefit test: Does a benefit for some cause unacceptable harm to others? How critical is the benefit? Can the harmful effects be mitigated?
9. Good night's sleep test: Whether or not anyone else knows about my action, will it produce a good night's sleep?

CHAPTER IV

THE CFN MUSIC SCHOOL & ARTS CENTER ETHICAL PLAN

Background

I am the director of Christ for the Nations Music School & Arts Center located in Toronto, Ontario, Canada. The music school was founded in October 2012, and is one of the departments that actively function under the Brazilian Assembly of God church. Its main goal is to teach the church members extending the benefit to their families and friends. The school offers classes on classic piano, keyboard by chords, vocal technique, acoustic/electric guitar, record, drums, bass guitar, saxophone alto and tenor, and music theory, in Portuguese and English languages. As of December 31, 2014, the school had a number of 23 registered students, and four music teachers.

On December 29, 2014, I proposed a meeting including the teachers, the church senior pastor, and some members of the church Board to analyze the school's ethical practices, as well as to discuss eventual changes in order to improve the school's policy, and to elevate the school's image in the marketplace. During the meeting, I described the music school's current challenges which included the need for attention in the quality of our services, finances, its image, and the focus to meet the student's needs.

During the meeting, I explained that the school's expectation to maintain a high ethical behavior is the minimum acceptable attitude we can work in this business, and that we had to approach it positively, with the right attitude, from the right angle, and with the appropriate actionable steps to keep it and/or to make it happen.

The main goals for this project were (a) implement a basic model of ethical decision-making, (b) review how ethical is our behavior, a self-assessment, (c) implement the guidelines for ethical action, (d) promote the school's climate, and (e) implement a code of ethics. On January 5, 2015 in a new meeting, the school's ethical plan was approved, and the CFN Music School & Arts Center's implementation was completed on January 31, 2015.

Ethics in action

In my experience, I have had the opportunity to work in a variety and diverse areas such as entrepreneur in Brazil, musician and assistant pastor for a Brazilian church in New York, US, and as music school director and teacher in US and Canada as well. Throughout these years, I have faced situations where, at a specific moment, using my leadership status and according to the appropriate behavior, I had/have to take actions to maintain the high ethical standards and avoid questionable moral behaviors. Working as business man, ethics, values and integrity were principles that I had to command, apply and demand in order to maintain the business credibility not only to the company's internal clients, but to the external clients. As assistant pastor, I faced situations where people came to the church for many reasons. Sometimes they came only to get some food where they did not want any type of compromise neither with the institution nor with

people belonging to it. Other people came to church looking for some type of comfort and seeking for prayers, and others came only to get some spiritual needs. In anyone of those circumstances, in my position as assistant pastor I was able to help them.

Working as music school director and teacher, ethics keeps a valued ethical climate in the school. Added to ethics, are values and integrity that combined, are principles that have been tested in a day-to-day school work in many aspects. For example, the school has a variety of competitors coming from other private music schools and public schools in the neighborhood. So we have the obligation to work ethically, pursue the goals and attract new students. As a director and teacher, I have to apply my leadership position consciously about the consequences for not work ethically. I know that unethical behavior brings consequences and many are immensurable. I also have to follow-up the other teachers' actions and professionalism to make sure they are working accordingly. I resonate that "executing the plan of action takes character" (C.E. Johnson, 2012). So as leaders we have to overcome opposition, cope with fatigue, resist distractions, and develop tactics and strategies for reaching the goals.

During this last January 2015, the Christ For the Nations Music School & Arts Center applied and/or implemented (a) the suggested model of ethical decision (see Appendix A), (b) the self-assessment-how ethical is your behavior? (see Appendix B), (c) the guidelines for ethical action (see Appendix C), (d) the code of ethics (see Appendix D), and (e) the self-assessment: ethical climate questionnaire (see Appendix E).

Guidelines for ethical action

There are many situations in organizations that are not so clear-cut, and leaders may sometimes have difficulty differentiating ethical from unethical actions. Suggested by Daft (2011, p. 384) and based on Cavanagh, Moberg, and Velasquez (1981) and Robbins (1998), it summarizes some criteria that can guide ethical actions (Appendix C). This guideline for ethical action was successfully implemented in our school.

Codes of ethics

A CFN Music School & Arts Center's codes of ethics was proposed (Appendix D)

Self-Assessment Ethical Climate Questionnaire

Cullen, Victor, and Bronson (1993) proposes a self-assessment ethical climate questionnaire that was completed by all participants in this project (see Appendix E).

Reflection on the Results

The implementation of the ethics plan at CFN Music School & Arts Center was concluded on January 31, 2015 with a closing meeting with all the participants to analyze and evaluate the feedbacks, and to reflect on the results. Among the 15 people that initiated the plan on December 29, 2014, 12 of them came to our final meeting. Throughout the implementation, motivation was the force that fueled the transformation. So as music school director, it was crucial to employ techniques that kept the participants motivated and willing to fulfill the school's expectation in regarding to the plan. During the one and half hour meeting we could sympathize, hear, discuss, analyze, proof and

reinforce each one's point of view, assessments and results in regarding the main goals. It was very interesting to hear that for many of the participants, ethics was not seen as an important practice to be discussed and implemented. Camargo, one of the teachers said that "I thought ethics was only demonstrated through my right behavior or doing the right things and avoiding the wrong ones." I replied saying that he was right; however, ethics was much more important than that, and asked him to pay attention to the results at end.

We discussed and shared the results about all five goals. The first, the basic model of ethical decision-making through its six simple and understandable steps was a fantastic tool that, since the moment it was implemented, brought a rational way of thinking that has guided the school through many decisions. For example: one student came to me and asked to talk to his parents about how good he was in the last piano class. I looked up his attendance and he had missed the last two classes. I said to him that I would go and talk to his parents about his progress in the classes in general; however, I would tell that he did not come to the last two classes. Also I would reinforce that he needed more efforts in the practices. The ethical point in this example was that he was promised to get a new Apple iPad from his parents if he had done well in the last class, justly the one he had missed. He was a good student but he was not practicing enough. He had missed the last two classes and indirectly, he was asking me to lie to his parents. I followed the model steps, made my decision, and I spoke to the parents telling them the true about their son.

In the second, the self-assessment: how ethical is your behavior? as it was very personal, I perceived that this tool made the participants to reflect on their own behaviors as well as on the behavior of who they were observing or reporting. However, I asked about the final score and they were at an average of 90 in the scale from 25(unethical) to

100 (ethical) on ethical behavior. It served as a guide to influence their future behaviors and to observe other's behavior as well.

The third, the guidelines for ethical action was also a simple, easy and important tool that made the participants to reflect on their actions in order to consider the best ethical choice at end. One example lifted up by one teacher was about the gifts he had received from two students by the time of the Christmas. He received an inexpensive box of chocolate and a gift card in the amount of \$100.00. I said to him, let's analyze all together using the "Guidelines for Ethical Action". So first of all, the school should be informed about them. Second, the box of chocolate shares some gratitude in regarding your continuous work with him throughout the year. Now, about the \$100.00 gift card, you should tell her that you could not accept it by many reasons including that it would go against the school's policy and ethics. So you were unable to accept it. Done. I advised him to communicate the director about any other gift in the future. The guideline showed that he had made an unethical choice.

The fourth, the CFN Music School & Arts Center Code of Ethics was approved and implemented right way. The fifth and last part was the Self-Assessment: Ethical Climate Questionnaire. I received 12 questionnaires in regarding to the participants that were present plus one that was absent, in a total of 13. I had a big expectation about the results because it would show our school climate. It is one of the most important achievements about our work in the school. How do we promote and keep a good climate? The assessment asked to each participant to number from one to five all the 26 questions where 0(zero) was completely false going up to 5(five) that was completely true, passing for mostly false-1, somewhat false-2, somewhat true-3, and mostly true-4.

The final scoring shows if the climate is caring, law and code, rules, instrumental and/or independence climate score. The total average on those 13 questionnaires were: Caring Climate Score: 29; Law and Code Climate Score: 17; Rules Climate Score: 15; Instrumental Climate Score: 7 and Independence Climate Score: 10. The highest scoring showed one of our principles that is to care about the school and students.

To conclude the meeting, I cited C.E. Johnson (2012) where he recommends that is also important to not confuse compliance with integrity through this process.

Compliance protects an organization from regulation and public criticism but often has little impact on day-to-day operations, and integrity is at the center of an organization's activities, influencing every type of decision and activity.

At end, teacher Camargo, the one I cited above was very impressed with the results and he said "Congratulations to you because through these steps I could analyze the right and wrong behaviors about myself, see the climate school results and acquire the knowledge to make ethical decisions and choices". The senior pastor also gave his words to the participants saying that "I am very satisfied about the project, congratulations to all, and based on the good results, I will make plans to work with the church leaders through these steps too, as you did in the school".

CHAPTER V

CONCLUSION

The implementation of the ethics plan at CFN Music School & Arts Center was a success. The implementation was well directed and instructed, and the results were very important to determine the right and wrong behaviors, as well as to analyze the guidelines and models to be followed in order to reach the right and best ethical choices and decision. In every business, in every position, everyone understands one common concept: the importance of acting in a professional manner and ethically. Moreover, C.E. Johnson (2012) states that ethics is at the heart of leadership, because when we become leaders, we assume the ethical responsibilities that come with the role (p.318). Closely, leaders are largely responsible for creating the organizations that are admired for their ethical behavior.

At the beginning, was crucial that all participants clearly understood how this plan would impact the school, provoke reflection in each participant, and promote the school . However, most importantly was how they would engage the plan and educate our students working ethically accordingly to the right ethical decision. The standards for making moral or ethical choices combined to the self-assessments were fundamental to detect any school and staff behavior deviance as well as to measure the school ethical climate. None deviance was recorded and the school climate was considered very good with the high score for caring climate.

APPENDIX A

A BASIC MODEL OF ETHICAL DECISION-MAKING

1. Identify the problem.
What makes it an ethical problem? Think about rights, obligations, fairness, relationships, and integrity. How would you define the problem if you stood on the other side of the fence?
2. Identify the constituents.
Who has been hurt? Who could be hurt? Who could be helped? Are they willing players, or are they victims? Can you negotiate with them?
3. Diagnose the situation.
How did it happen in the first place? What could have prevented it? Is it going to get worse or better? Can the damage now be undone?
4. Analyze your options.
Imagine the range of possibilities. Limit yourself to the two or three most manageable. What are the likely outcomes of each? What are the likely costs? Look to the company mission statement or code of ethics for guidance.
5. Make your choice.
What is your intention in making this decision? How does it compare with the probable results? Can you discuss the problem with the affected parties before you act? Could you disclose without qualm your decision to your boss, the CEO, the board of directors, your family, or society as a whole?
6. Act.
Do what you have to do. Don't be afraid to admit errors. Be as bold in confronting a problem as you were in causing it.

Source: Berger, L. A. (1995). Train all employees to solve ethical dilemmas. *Best's Review-Life-Health Insurance Edition*, 95(11), 70-80.

SELF-ASSESSMENT: HOW ETHICAL IS YOUR BEHAVIOR-Continued

(Self-Assessment 6 continued)

- _____ 6. _____ Socializing, goofing off, or doing personal work rather than doing the work that should be done and getting paid for it.
- _____ 7. _____ Calling in sick to get a day off, when not sick.
- _____ 8. _____ Using the organization's phone, computer, Internet, copier, mail, car, and so on for personal use.
- _____ 9. _____ Taking home company tools/equipment for personal use without permission and then returning them/it.
- _____ 10. _____ Taking home organizational supplies or merchandise and keeping it.
- _____ 11. _____ Giving company supplies or merchandise to friends or allowing them to take them without saying anything.
- _____ 12. _____ Putting in for reimbursement for meals and travel or other expenses that weren't actually eaten or taken.
- _____ 13. _____ Taking spouse/friends out to eat or on business trips and charging it to the organizational expense account.
- _____ 14. _____ Accepting gifts from customers/suppliers in exchange for giving them business.
- _____ 15. _____ Cheating on your taxes.
- _____ 16. _____ Misleading customers to make a sale, such as short delivery dates.
- _____ 17. _____ Misleading competitors to get information to use to compete against them, such as saying/pretending to be a customer/supplier.
- _____ 18. _____ Manipulating data to make you look good, or others bad.
- _____ 19. _____ Selling more of the product than the customer needs, to get the commission.
- _____ 20. _____ Spreading false rumors about coworkers or competitors to make yourself look better for advancement or to make more sales.
- _____ 21. _____ Lying for your boss when asked/told to do so.
- _____ 22. _____ Deleting information that makes you look bad or changing information to look better than actual results—false information.
- _____ 23. _____ Being pressured, or pressuring others, to sign off on documents with false information.
- _____ 24. _____ Being pressured, or pressuring others, to sign off on documents you haven't read, knowing they may contain information or decisions that might be considered inappropriate.
- _____ 25. _____ If you were to give this assessment to a person you work with and with whom you do not get along very well, would she agree with your answers? Use a scale of yes 4–1 on the line before the number 25 and skip O or R.

Other Unethical Behavior:

Add other unethical behaviors you observed. Identify if you reported the behavior by using R.

26. _____
27. _____
28. _____

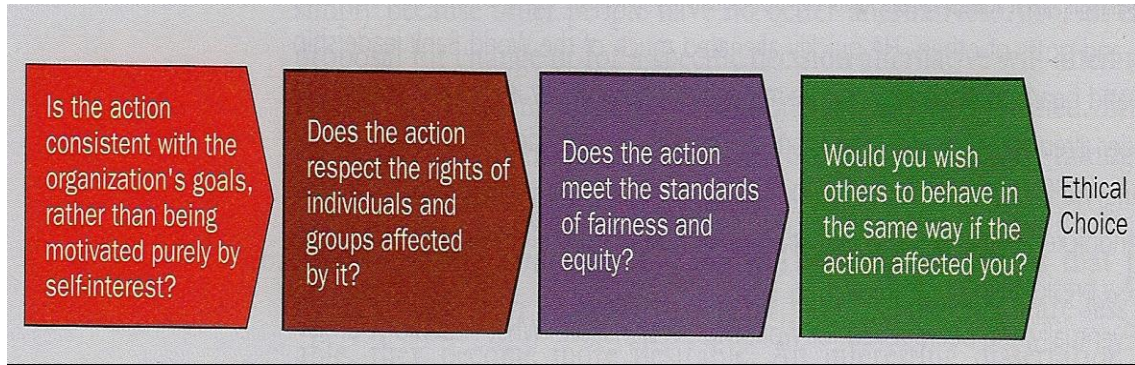
Note: This self-assessment is not meant to be a precise measure of your ethical behavior. It is designed to get you thinking about ethics and your behavior and that of others from an ethical perspective. There is no right or wrong score; however, each of these actions is considered unethical behavior in most organizations. Another ethical issue of this exercise is your honesty when rating the frequencies of your behavior. How honest were you?

Scoring: To determine your ethics score, add the numbers 1–4. Your total will be between 25 and 100. Place the number here and on the continuum below that represents your score. The higher your score, the more ethical is your behavior, and vice versa for lower scores.

25—30—40—50—60—70—80—90—100
Unethical *Ethical*

APPENDIX C

GUIDELINES FOR ETHICAL ACTION



Source: Based on Cavanagh, G. F., Moberg, D. J., & Velasquez, M. (1981). The ethics of organizational politics. *Academy of Management. The Academy of Management Review* (pre-1986), 6(000003), 363-374; and Robbins, S. P. (1998). *Organizational behavior* (8 ed.). Upper Saddle River, NJ: Prentice Hall.

APPENDIX D

CFN MUSIC SCHOOL & ARTS CENTER CODE OF ETHICS

The CFN Music School & Arts Center's Statement of General Principles sets out the school's objectives and its responsibilities to directors, employees, customers, and with those individuals or organizations with whom it does business and society in general. The CFN Music School & Arts Center will address the following:

1. Business integrity (including conflict of interest, gifts, and entertainment).
2. Health, safety, and the environment.
3. Competition law.

The conduct required by this code means that all employees will:

1. Act with honesty and integrity.
2. Treat others with fairness, dignity, and respect to create and protect a trusting environment free from any type of discrimination. Harassment of any type in the workplace will not be tolerated, and
3. Strive for excellence and professionalism, taking pride in what they do individually and as a part of a team.

APPENDIX E

SELF-ASSESSMENT: ETHICAL CLIMATE QUESTIONNAIRE

SELF-ASSESSMENT
ETHICAL CLIMATE QUESTIONNAIRE

Instructions

Indicate whether you agree with each of the following statements about your company or organization. Use the scale below and write the number that best represents your answer in the space next to the item.

Completely false 0	Mostly false 1	Somewhat false 2	Somewhat true 3	Mostly true 4	Completely true 5
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1. In this company (organization), people are mostly out for themselves. _____
2. The major responsibility for people in this company (organization) is to control costs. _____
3. In this company (organization), people are expected to follow their own personal and moral beliefs. _____
4. People are expected to do anything to further the company's (organization's) interests, regardless of the consequences. _____
5. In this company (organization), people look out for each other's good. _____
6. There is no room for one's personal morals or ethics in this company (organization). _____
7. It is very important to follow strictly the company's (organization's) rules and procedures here. _____
8. Work is considered substandard only when it hurts the company's (organization's) interests. _____
9. Each person in this company (organization) decides for him- or herself what is right and wrong. _____
10. In this company (organization), people protect their own interest above other considerations. _____
11. The most important consideration in this company (organization) is each person's sense of right and wrong. _____
12. The most important concern is the good of all the people in the company (organization). _____
13. The first consideration is whether a decision violates any law. _____
14. People are expected to comply with the law and professional standards over and above other considerations. _____
15. Everyone is expected to stick by company (organization) rules and procedures. _____

SELF-ASSESSMENT: ETHICAL CLIMATE QUESTIONNAIRE - Continued

16. In the company (organization), our major concern is always what is best for the other person. _____
17. People are concerned with the company's (organization's) interests—to the exclusion of all else. _____
18. Successful people in this company (organization) go by the book. _____
19. The most efficient way is always the right way in this company (organization). _____
20. In this company (organization), people are expected to strictly follow legal or professional standards. _____
21. Our major consideration is what is best for everyone in the company (organization). _____
22. In this company (organization), people are guided by their own personal ethics. _____
23. Successful people in this company (organization) strictly obey the company (organization) policies. _____
24. In this company (organization), the law or ethical code of one's profession is the major consideration. _____
25. In this company (organization), each person is expected, above all, to work efficiently. _____
26. It is expected that you will always do what is right for the customer and public. _____

Scoring

Caring Climate Score

Add up scores on items 5, 12, 16, 19, 21, 25, 26 = (Range 0–35) _____

Law and Code Climate Score

Add up scores on items 13, 14, 20, 24 = (Range 0–20) _____

Rules Climate Score

Add up scores on items 7, 15, 18, 23 = (Range 0–20) _____

Instrumental Climate Score

Add up scores on items 1, 2, 4, 6, 8, 10, 17 = (Range 0–35) _____

Independence Climate Score

Add up scores on items 3, 9, 11, 22 = (Range 0–20) _____

Source: Cullen, J. B., Victor, B., & Bronson, J. W. (1993). The ethical climate questionnaire: An assessment of its development and validity. *Psychological Reports*, 73(2), 667-674. doi: <http://dx.doi.org/10.2466/pr0.1993.73.2.667>. (C.E. Johnson, 2012, pp. 321-322)

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