



Ethical leadership, corporate citizenship and conflict management

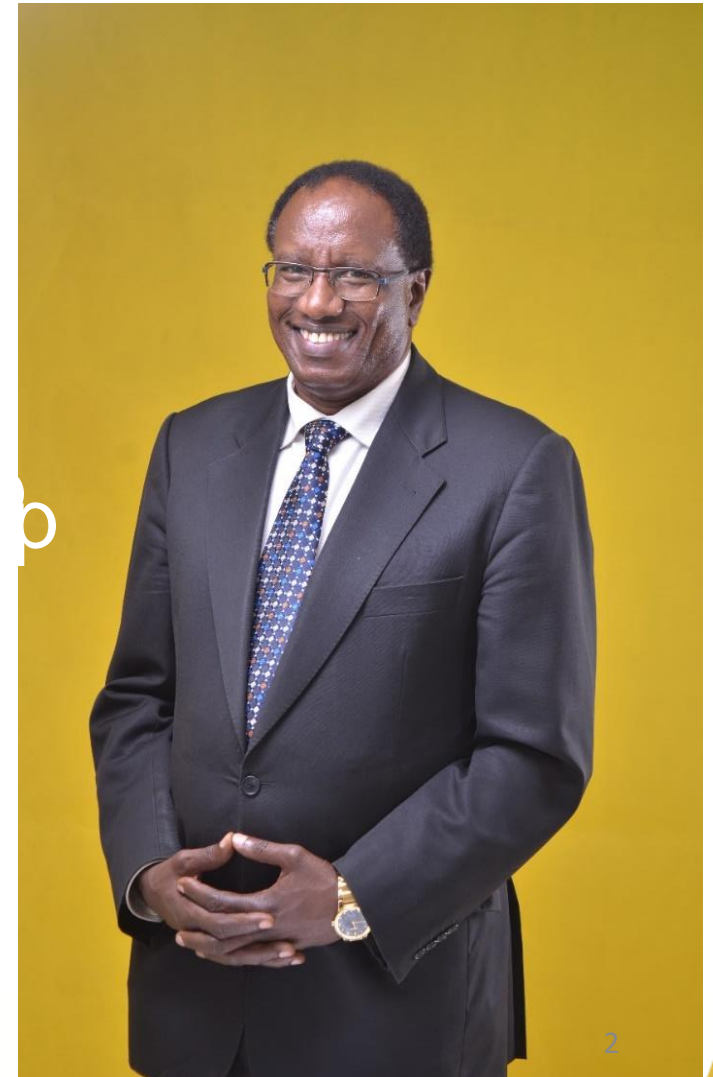
Facilitator



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Objective



This Session is aimed at enhancing the participants' understanding of the board's role and responsibility in providing ethical leadership, enhancing wholesome corporate citizenship and developing the culture of amicable dispute resolution in the organization.

Why ethical leadership?



"Everything rises and falls on leadership"

John Maxwell



Define Ethical Leadership...

Define...



Define Ethical Leadership:

Ethical Leadership is the way in which a **leader behaves** to empower people to build upright **society**.

- Institute for Ethical Leadership - September, 2009

to cover



Fundamentals of Ethics:

- Promoting Integrity
- Engendering trust
- Corporate Values

What does it mean?



- Ethics and morality almost indistinguishable
- Similarly unethical and immoral behaviour frequently used interchangeably.
- Concerns itself with what is good or right in human interaction.
- Revolves around three central concepts: self, good and other.
- Universal agreement on 2 basic principles: (1) Do no harm, (2) treat each other appropriately and with respect, dignity; an understanding of how we should operate in the society and the workplace.
- The ethical character of an action (right, wrong, bad, good) describes whether that action fosters or prevents the satisfaction of basic human needs.

Ethical Corporate citizenship



The Board to ensure that the organization is guided by ethical practices that seek to promote ethical corporate citizenship.

- Ethics and Integrity
- Code of Conduct and Ethics
- Conflict of Interest
- Corporate Reputation and Image
- Corporate Social Responsibility and Investment
- Whistle Blowing

Treat others...



- **Fairness.**
- **Respect.**
- **Keep promises.**
- **Freedom of choice, equality, privacy, etc.**

Treat other... ..



- **Treat others appropriately and always.**
- **Create simple clear rules of behavior.**
- **Vision, vision and key values of the company understood and practiced by all.**

- **Do your duty, act responsibly.**
- **Be fair or just in your actions,**
- **Be honest with others**
- **Duty to yourself, family, friends, coworker subordinates, boss, organization**

Integrity the cornerstone



- Closely aligned to ethics. High ethical standards and integrity
- Refers to the moral character of a person or organization.
- Associated with concepts like fairness, consistency and uprightness
- Person of integrity is reliable and trustworthy.
- Person or organization of integrity adheres to values.

Organization and ethical culture



- **Promotion of an Ethical Culture**
- **Respect for human dignity**
- **Survival and growth of the organization.**
- **Improve, maintain and sustain positive image.**
- **Staff motivation**
- **Avoid Scandals**
- **Compliance**

Values



Corporate values or core values:

- The fundamental beliefs upon which an organization's business and its behavior are based.
- The guiding principles that an organization uses to manage its internal affairs as well as its relationship with customers

Critical personal values



- **Belief in God or lack thereof. Spiritual bearing/affiliation will impact personal behavior.**
- **Commitment to stewardship. Who is a steward?**
- **Commitment to family is of fundamental importance.**
- **Belief that honesty is always the best policy and that trust has to be earned.**
- **Belief in maintaining a healthy work/life balance.**

Corporate values



- **Business sustainability and environment friendly.**
- **Commitment to innovation and excellence.**
- **Commitment to the greater good.**
- **Commitment to the less fortunate**
- **A commitment to building strong communities**

Making values more explicit ...



How can an Organization make its core values explicit?

- Communications
- Employee and volunteer orientation
- Policies
- Management training
- Hiring
- Performance management
- Behaviors of Leaders and Followers

What else? Where do we begin?



Core Ethical Values that Unite Humanity

- **Honesty**
- **Integrity**
- **Promise keeping**
- **Loyalty/fidelity**
- **Fairness**
- **Respect for others**
- **Concern for others**
- **Law abidingness**
- **Pursuit of excellence**
- **Personal accountability**

What are your corporate values?



Class discussion

**Share your true corporate values.
Do you think there are values to aim to
improve?**

Remember.....



Remember and share...

- An unethical situation you experienced...
 - What happened?
 - What did you do?
 - What worked?
 - What did not work?
 - What would you do differently?
 - What did you learn?



What must we do to enhance ethical leadership in all sectors of our country?

How would you act?



Susan approaches you (her manager) and tells you she is being sexually harassed by John.

John is your top Regional Sales Director who will close a \$250,000 deal within the next 30 days.

What would you do about the problem?

How would you act?.....



**Your company is struggling financially and you are facing the terrible fact that you may have to close your doors (within a year) if things don't change financially.
Your company has been offered a major gift from a tobacco manufacturing company.
Do you accept the major gift?**

How would you act?....



Your organization is getting ready for an accrediting agency site visit. Your boss asks you to sign an attendance sheet (that states you conducted a class) that you did not conduct. The sheet is filled with employee names and false signatures...

Do you sign the attendance sheet?

**What influences your decision
(to speak up) when faced with an ethical dilemma?**

What is conflict?



- ❖ Any situation in which people have apparently incompatible opinions, goals, interests, principles or feeling.
- ❖ Inevitable. Not “if” but “when”...
- ❖ Good/effective leadership defined by ability to manage conflicts.

Factors causing conflict



- Conflict of interest.
- Fear of risk.
- Emotional attachment to certain matters/people “me/my” syndrome.
- Lack of competence.
- Lack of transparency or no information.
- No clear rules on decision-making.
- No clear understanding of rules.

Destructive



- Disputes can cause great damage.
- However disputes not always negative. Most inventions were the result of disputes.
- The company must develop conflict resolution skills.

Various ways to resolve conflict



- The rule of the jungle. Survival of the fittest not necessarily the best.
- The litigation process etc.
- Mediation.



What is mediation?



- **ADR and dispute management.**
- **Mediation: a process where those in dispute are helped by a neutral third party to negotiate mutually beneficial solutions to their dispute.**
- **Mediation leads to sustainable peace because it is a win/win outcome .**
- **Mediation works**

Workplace mediation



- Though there are many types of mediation, workplace mediation will ensure peace in your company.
- Workplace mediation is a critical tool for peace at work place.

Mediation and the law

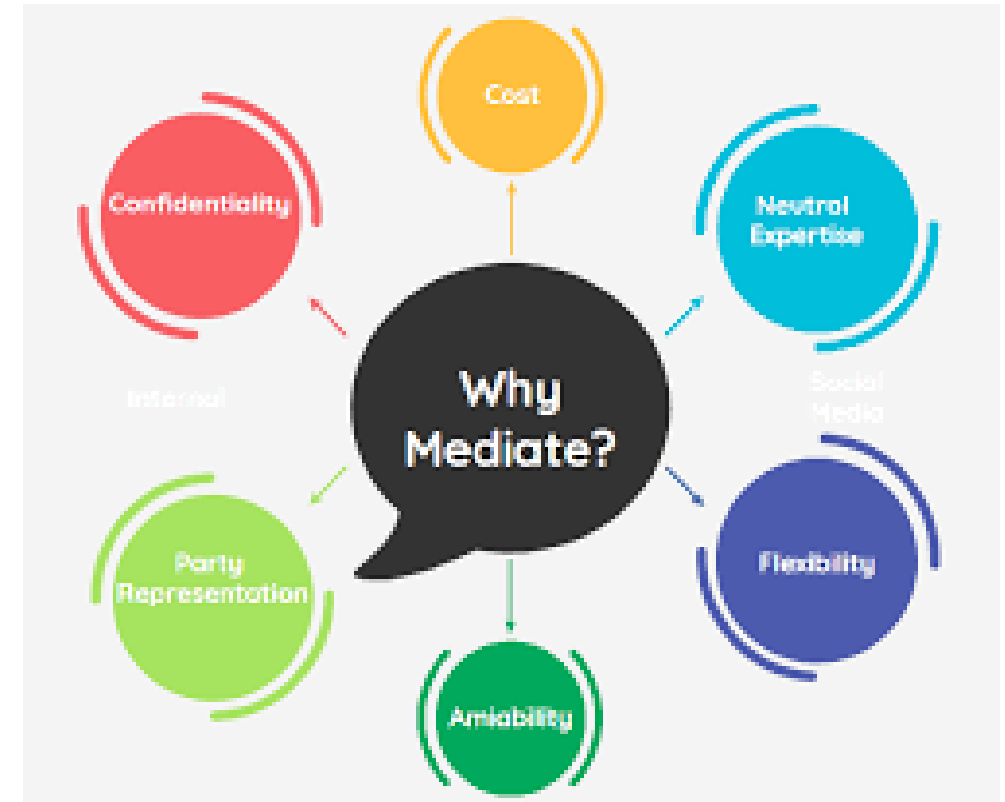


- Anchored in the New Kenyan Constitution 2010. Article 159 (2).
- Court Annexed/mandated mediation.
- Accreditation by Mediation Accreditation Committee (MAC).

Advantages



- Self-determination – power to disputants.
- Efficient.
- Voluntary.
- Deals with “interests” and not “rights”.
- Emotions and issues. Venting is therapeutic.
- Informal.
- Repairs relationships.



The process



- **Commitment to resolve dispute. Decision to mediate.**
- **Commitment to talk. Face to face talking about the problem.**
- **Ground rules. No walk away – commitment to stay in the process.**
No power play – not to impose decision on the other.
- **Natural process: Forces towards harmony: fatigue, catharsis, desire for peace, inhibitory reflex.**
- **The breakthrough – change in attitude.**
- **Develop options.**
- **Written agreement.**
- **Follow-up.**

Cost of conflict



- Wasted time.
- Lost performance due to conflict.
- Opportunity cost.
- Degraded quality of decisions.
- Health costs.



Benefits



- Restored dignity.
- Maintain confidentiality.
- Win/win outcome protects personal pride.
- Efficient – quick dispute resolution.
- Enhanced teamwork.
- Relatively less expensive – saves time and money
- Repairs relationships and sustained peace.

More benefits....



- Maintaining public image.
- Avoid public scrutiny – hence protecting the institution’s image and reputation.
- Promotes good and effective leadership.
- Disputes will chase business away and destroy the company.
- You are probably aware of nasty conflicts in the Kenyan corporates.

What can you do?



- **Actively recommend/promote mediation for dispute resolution in your board.**
- **Take personal responsibility to understand how mediation works. Training.**
- **HR practitioners to adopt mediation as the default method in dispute resolution.**
- **Establish mediation rooms at the workplace.**

Peace



- Peace is a vital factor for increased productivity.
- Healthy and nice workplace for all.
- Contributes to healthy lifestyle.

Peace is not the absence of conflict; it is the ability to handle conflict by peaceful means.

-Ronald Reagan.



