

BUSINESS ETHICS AND VALUES BASED LEADERSHIP: A NEW PARADIGM IN 21ST CENTURY

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Abstract: The world economic order is changing rapidly due to advancement of science and technology. The world has been transformed into a global village. The recent financial crisis has highlighted the challenge of establishing stability and growth in the face of global recession. It has also brought into focus the critical importance of the “*Business Ethics & Values based leadership*” a new dimension in leadership styles and strategies Manpower/People Management in 21st century.

In this turbulent and globalized corporate environment of increased complexity and global competition, what is required most is ‘*Business Ethics & Values based leadership*’ for sustainable future and for surviving, growth stability and managing 3Ps - profit, people & planet in 21st century.

The paper is an effort to explore the importance of Business Ethics and need for *Values based leadership* in the age of globalization in 21st century. The paper also tries to explain what are the Business Ethics and Values? And why values are important in the modern business management in present age of globalization?

The paper also tries to explore how values & ethics can best contribute to holistic human development and developing an organizational sustainability. What are the principles are required for Values based leadership to achieve the objective of Triple Bottom Line- ‘Managing People, Planet & Profit’ in 21st century?

Keywords: Globalization, Business Ethics & Values Based Leadership And ‘Managing 3Ps People, Planet & Profit’ In 21st Century?

Introduction: Globalization & Mega Challenges in 21st Century

"The most important single ingredient in the formula of success knows how to get along with people."

– Theodore Roosevelt

The world has witnessed dramatic changes in the 20th Century. At present, we are living in an age of globalization. Globalization is having a major impact not only on the business world but also on the religions, society as well as the whole humanity. The world economic order is changing rapidly due to advancement of science and technology.

Society is changing more rapidly than ever before, generating unprecedented opportunities and challenges in the age of globalization. At present, *we are living in age of Corruption, greed & materialism which is known as age of globalization*. The recent financial crisis has highlighted the challenge of establishing stability and growth in the face of global recession. It has also brought into focus the critical importance of the ethical dimension in leadership styles and strategies, since the financial crisis emanated at least in part from a breakdown in responsible and ethical behavior.

Understanding Globalization?: The world has been transformed into a global village. The term “globalization” summarizes processes of integration which increases the scale, speed, and effectiveness of social interactions and reduces the borders & boundaries. . Globalization is the process of worldwide integration of people, society, culture, environment, business & technology in 21st century .Globalization is the networking and expansion of once local products, beliefs, and practices into universal products, beliefs and practices often through technology.

Globalization & Corruption The word corrupt means “utterly broken”. Corruption is described as the illegitimate use of public power to benefit a private interest. Corruption is a form of dishonest or unethical conduct by a person entrusted with a position of authority; often to acquire personal benefit. Corruption may include many activities including bribery.

According to Transparency International Corruption is defined as

“Corruption as the abuse of entrusted power for private gain which eventually hurts everyone who depends on the integrity of people in a position of authority”.[1]

Corruption in India is an issue that adversely affects its economy.[2] According to study conducted by the Transparency International in 2005 more than 62% of Indians had a firsthand experience of paying bribes or influence peddling to get jobs done in public offices successfully.[3]

Government or Political, Corruption occurs when an office-holder or other governmental employee acts in an official capacity for personal gain. Government, or 'political', corruption is the use of powers by government officials for illegitimate private gain

What Are The Major Causes of Corruption:

1. **The Nature of The Human Being: Greedy Nature:** The most important factor is the nature of the human being. People in general are greedy in nature, have a great thirst for luxuries and comforts and as a result of which they get themselves involved in all unscrupulous activities that result in monetary or material benefits.
2. **Moral and spiritual values** are not given utmost importance in educational system, which is highly responsible for the deterioration of the society.
3. **Less salary:** The salary paid to employees is very less and as a result of which they are forced to earn money by illegal ways.
4. **Inadequate Punishments:** The punishments imposed on the criminals are inadequate
5. **Political leaders:** The political leaders have spoiled the society completely. They lead a luxurious life and do not even care about the society.
6. **Lack of awareness & enlightenment.** People of India are not awakened and enlightened. They fear to raise their voice against anti-social elements prevailing in the society.

Effect of Corruption on Business: Corruption is one of the worst enemies of business because it can result in far-reaching consequences, including total closure of the company. Corruption in business involves misappropriation of funds, bribery, misuse of office by company officials and dishonesty in financial matters. Corruption can hurt the image of the business and jeopardize its profitability

According to Transparency International's Corruption Perceptions Index (Report in 2015) India was ranked 76th out of 168 countries in, compared to its neighbors' Bhutan (27th), Bangladesh (139th), Myanmar (156th), China (83rd), Nepal (130th), Pakistan (117th) and Sri Lanka (83rd).[5]

Business Ethics and Values Based Leadership:

Why Business Ethics? In the 21st century with the increasing global competitive pressures, breakthroughs in information communication technology, increasing customers expectation and the changing organizational architecture have resulted in the growing needs of Business Ethics and inspirational leadership & governance not only in the context of organization but also to individuals and society. In this turbulent and globalized corporate environment of increased corruption, greed and global competition, what is required most is '**Business Ethics and Values based leadership**' to achieve personal excellence and business excellence. HR managers & leaders are the key drivers to face the challenges of survival, stability & growth and also for achieving personal excellence and business excellence. The HR Leader in an organization needs to make various decisions concerning the operation, finance, human resources - People Management and so on. These decisions need to be taken within the boundaries of both the internal and external environment that are unpredictable especially in this 21st century

Values Based Leadership:**A New Paradigm for Leadership in 21st Century:**

What is Leadership: "The word 'leader' comes from the word lead meaning a path, a journey, the course of a ship across the water" Peter Danby, Institute of Leadership-USA.

"Leadership is A Personal Expression and no two leaders have ever expressed it the same way..... Training can explain concepts at an intellectual level and can develop certain skills but in developing leadership much more is required. Developing self-awareness, recognizing behavioural issues, using creativity, imagination and your whole self is needed." **'Unleashing Leaders', Hilarie Owen**

What is Values Based Leadership?:

Values Based Leadership for Achieving Excellence in a Globalized World: Leadership is a complex process involving the interactions of leaders, followers and situations. Twenty first century leaders need Values Based Leadership and cultural intelligence (CQ) to navigate the unique complexity of a global environment

- Values Based Leadership is a relationship and encouraging the heart.
- Values Based Leadership is Inspiring and sharing vision & enabling others to Act

Values Based Leadership is A Way of Being, Not Doing: *"Leadership is behaviour that creates constancy and unity of purpose together with an environment where people and the organization can excel."* **Alan Jones, Managing Director, TNT Express**

As we live in turbulent times, times which demand leaders who can bounce back with their values and their ethical integrity intact. People want more meaning from their working lives; people want more responsibility from the organizations to which they relate, whether as customers, suppliers, or as employees; people want accountability, sustainability, transparency and fairness; people can more easily hear the voices of the exploited, and the calls of their own consciences; people want change.

- Values Based Leadership is a process of leading through the values and wisdom & enlightening the others. Values Based Leadership is self development: Leadership development is self-development

Values Based Leadership - Leading through Values & Wisdom A New Paradigm for Leadership in 21st century

Leading + Encouraging the heart + Action + Direction + (Intuition & Inspiration) = Values Based Leadership

Our world is at a point of change. There is the need for a new type of leadership, especially in business as it has such a big influence in today's world. At the dawn of the new millennium, what is required most is 'Values Based Leadership' for personal transformation& organizational transformation.

1. **Values Based Leadership** is a process of self Transformation. **"Values Based Leadership"** is having a developed sense of who you are, what you can do, is a process of self Transformation to manage your values, emotions and behaviours to achieve stability & growth in 21st century.
2. **Values Based Leadership** is a process of organizational Transformation to achieve performance and managing Triple Bottom Line- 'Managing People, Planet & Profit'

As we enter the 21st century, companies need to develop more sustainable business models, and the HR function has a key role to play. Triple Bottom Line- Triple P concept (Planet, People and Profit) fills us with hope that the corporate world is moving in the right direction and is symbolic of holistic corporate growth in the future.

'Values Based Leadership' in the 21st Century:**Time for a Paradigm Shift****Values Based Leadership' Is The Keystone For Maximizing The Triple Bottom Line.**

The main objectives of the HR- Values Based Leadership' are as follows: *Developing & establishing a culture of sustainability in the organization; and maximizing the Triple Bottom Line - Planet People & Profit to achieve business excellence & sustainability.*

Triple Bottom Line centric business models and strategies enable achievement of profitability, environmental integrity and social equity.

Vision Model of Values Based Leadership for Service to Humanity:

“Values based Leadership through Vision, Inspiration and Motivation for service to humanity”

Nine Key Values of Values Based Leadership? Values Based Leadership embraced in a business context includes: 1. Integrity, 2. honesty, 3.accountability, 4.cooperation, 5. inspiration, 6.trustworthiness, 7. Respect, 8. Justice, and 9. service to humanity

V: The first essential element for **Values based leadership** is Clear Vision.

For Organizational **development** organization is to have a Clear Vision.

I: The second element is **Inspiration** for organizational performance through team building.

S: The third element is **Service to humanity**

I : The fourth element is **Intuition**

O: The fifth element is **Organizational transformation**

N: The sixth element is No Negative values - Blame, Power, status, manipulation, greed, Criticism internal competition, hierarchy, bureaucracy

It takes into account the impact a business has in terms of social and environmental aspects along with financial returns

It is the time to think together, act together i.e. working together to achieve the goal of creating sustainable peaceful future for next generation through Values Based Leadership' in 21st century.

Conclusion: Values based leadership for service to Humanity

“Values based Leadership through Values, Vision, and Motivation & Inspiration for service to humanity”

Seven Social Sins For The Organization & Society: Gandhiji advocates Values & Ethics for achieving personal excellence and holistic Sustainable development described as the seven social sins for the organization & society:

1. “Wealth without work,
2. Pleasure without conscience;
3. Knowledge without character,
4. Business without Ethics;
5. Science without Humanity,
6. Religion without Sacrifice and
7. Politics without Principles are deadly Sins.” Gandhi Ji said

To conclude: Ethics, Values & Integrity are the three main pillars of organizational Business sustainability. Ethics & cultural values play an important role in developing organizations, the society and the nations in this 21st century.

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