For leaders, ethics trumps fairness in employee opinions

Principled and moral leaders are perceived to treat employees better when dispensing justice — even when they don't. A study of ethical leadership suggests it can lead to a more collaborative workforce, thanks to perceptions of fairness.

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"Ethical leaders" are perceived as better at dispensing justice — say, taking disciplinary action or dealing with internal spats — than leaders who don't convey a sense of virtue and integrity.

That's according to a study by Joel Koopman, Brent A. Scott, Fadel K. Matta, Donald E. Conlon and IESE professor **Tobias Dennerlein**, published in the *Journal of Applied Psychology* in 2019. It explores why employees perceive that they have been treated fairly and how this impacts their attitudes and behaviors.

This is important as a collaborative workforce is a more productive one. Justice enactment by supervisors contributes to strengthening relationships with employees, and in return workers should behave in ways that benefit their boss and their team. There may also be implications for staff retention.

Most studies of workplace justice have assumed that employees believe they are treated fairly based on scrutiny of their supervisors' actions. Employees will pick up on whether or not they are able to express their views, or whether they are treated with dignity and respect. However, this fails to explain those employees who report being treated fairly, even when their boss acknowledges flouting the rules.

Enter the ethical leader

Ethical leaders use principled and moral approaches to influence their employees, and in general, show moral qualities both as a person — living in an ethical manner, keeping employees' best interests at heart — and as a manager — i.e., discussing business ethics with employees and role-modeling appropriate work conduct.

The authors found that employees are more likely to endorse their supervisor as being just when they perceive him/her as displaying higher levels of ethical leadership. That is, leaders seen to behave ethically are considered stable and consistent, and their actual actions in administering justice are not examined overly critically.

In contrast, employees are more likely to focus on their supervisor's discrete justice acts when that person displays lower levels of ethical leadership (i.e., a leader for whom ethics is not a priority, not necessarily an *un*ethical leader). When that leader's standards and workplace actions do not place ethics at the center, employees are more apt to focus on the actions (or inactions) of their supervisor and behave accordingly.

It may seem self-evident that ethically driven leaders will enact justice, but the authors highlight that this is not always the case. Dispensing justice can require time and money (both scarce in modern workplaces) that might be better spent elsewhere. Likewise, leaders may have several balls in the air, with a priority goal being in conflict with justice enactment on a second- or third-tier goal. Ethical leaders are, after all, more aware of the consequences of their actions than non-ethical leaders.

What is clear is that adhering to traditional "rules" of justice is not the only way to ensure that employees feel fairly treated. Instead, promoting ethical leaders in a company can have positive spillover effects in creating a sense of workplace harmony, and free up leaders from having employees dissect their every move.

Methodology, very briefly

The study is based on surveys of about 350 employees working for organizations in various industries in the United States. These individuals provided information for 894 co-workers and 350 supervisors.

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