

M6 Project Leadership and Ethics

Project Leadership

□ Management

- Focuses on policies and procedures that bring order and predictability to complex organizational situations
- Is traditionally defined with such activities as planning, organizing, controlling, staffing, evaluating, and monitoring

□ Leadership

- Is different from management, although they tend to overlap
- Centers on vision, change, and getting results that involve setting direction, aligning people, and motivating them

Leadership Is Different From Management

Leadership is different from management, but not for the reasons most people think. Leadership isn't mystical and mysterious. It has nothing to do with having "charisma" or other exotic personality traits. It is not the province of a chosen few. Nor is leadership necessarily better than management or a replacement for it. Rather, **leadership and management are two distinctive and complementary systems of action. Each has its own function and characteristic activities.** Both are necessary for success in an increasingly complex and volatile business environment. (Kotter, 2001: p.3)

Leadership Centers on Vision, Change, and Getting Results

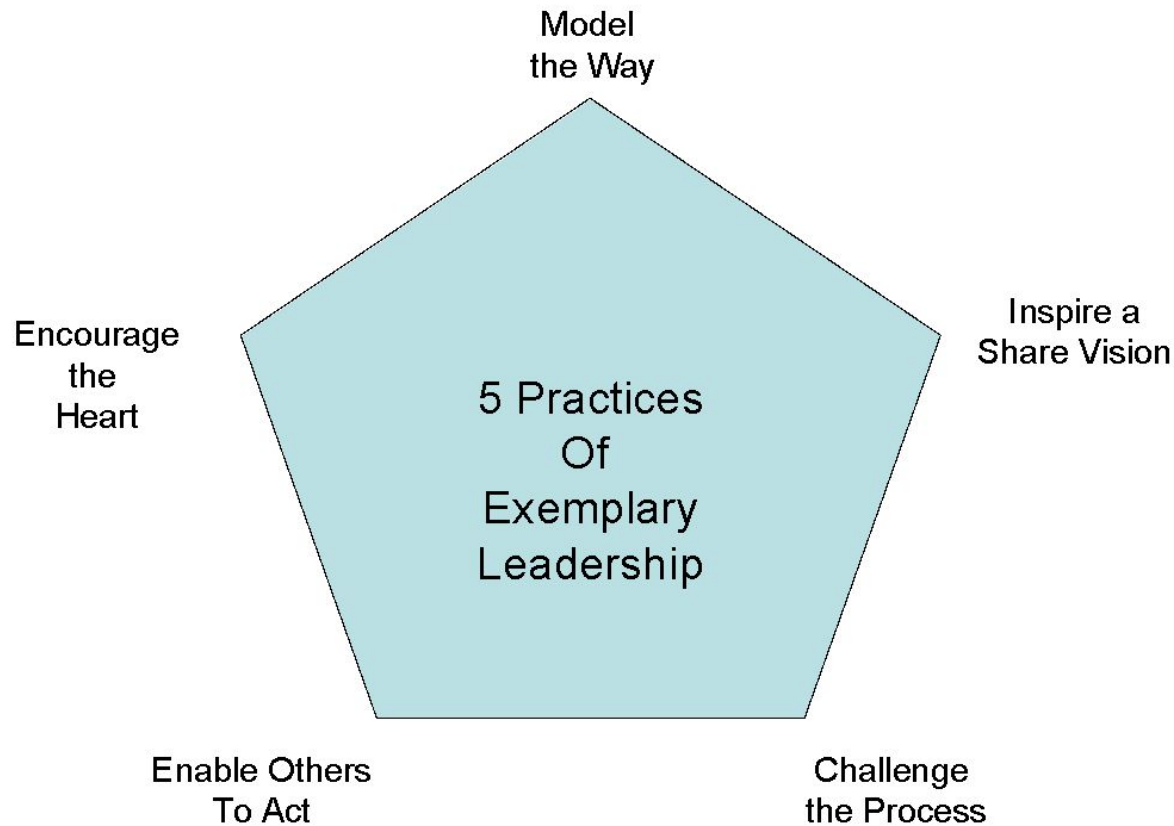
Leaders inspire a shared vision. They gaze across the horizon of time, imagining the attractive opportunities that are in store when they and their constituents arrive at a distant destination.

Leaders have a desire to make something happen, to change the way things are, to create something that no one else has ever created before. In some ways, leaders live their lives backward. They see pictures in their mind's eye of what the results will look like even before they've started their project, much as an architect draws a blueprint or an engineer builds a model. Their clear image of the future pulls them forward. Yet visions seen only by leaders are insufficient to create an organized movement or a significant change in a company. A person with no constituents is not a leader, and people will not follow until they accept a vision of their own. Leaders cannot command commitment, only inspire it. (Kouzes & Posner, 2002; p. 15)

Some Modern Approaches to Leadership

- Kouzes & Posner (2002) conducted research for over 20 years on effective leadership
 - Found leaders are often ordinary people who help guide others
 - Defined Five Practices of Exemplary Leadership to help others become more successful leaders

Five Practices of Exemplary Leadership



Five Practices of Exemplary Leadership

1. Model The Way

- Most effective leaders lead by example
- A leader's behavior wins respect, not title or position
- Find your own voice based on your personal values and beliefs, but what you do is often more important than what you say
- Modeling the way sets an example of what the leader expects from others and gives the leader the right to lead others

Five Practices of Exemplary Leadership

2. Inspire a Vision

- Exemplary leaders have an exciting vision or dream that acts as a force to ignite a passion for what the future could be (i.e., inventing the future)
- This vision should inspire people so that they become committed to a purpose by
 - Understanding their needs, interest, and language
 - Engaging in dialogue, not monologue

Five Practices of Exemplary Leadership

3. Challenge the Process

- Exemplary leaders venture out and accept challenges not the status quo
 - They look for new opportunities to innovate, grow and improve
- But most leaders do not create, develop, or come up with new products, services, or processes
 - They are often good listeners who recognize good ideas, support those ideas, and then challenge the process to make those ideas happen
 - They minimize the risk of failure for others while making people feel safe and comfortable in taking risks

Five Practices of Exemplary Leadership

4. Enable Others to Act

- Leaders must get others to act by encouraging collaboration and building trust among the project stakeholders
- Leaders provide an environment that makes it possible for others to do good work
- People should feel empowered and motivated to do their best, feel a sense of ownership, and take pride in what they do
- Leaders should give power away, not hang on to it
- In short, a leader must turn his or her followers into leaders themselves

Five Practices of Exemplary Leadership

5. Encourage the Heart

- Exemplary leaders rally others to carry on by encouraging the heart
 - Can be simple gestures such as a thank-you note or more dramatic such as a marching band
- The leaders should show appreciation for people's contributions and create a culture to recognize accomplishments
 - Recognition and celebration should not be phony or lame
 - Must visibly link rewards with performance
- Authentic rituals and celebration that align with a team's values can build a strong collective identity and spirit that can carry the team throughout the project journey

Leadership Styles

- Many effective leaders have a collection of distinct leadership styles
- A study of 3,871 executives worldwide by Daniel Goleman in 2000 suggests that the best leaders do not rely only on one leadership style, but may use several different styles depending on the situation
- The following six styles can be used in influence performance and results
 - The Coercive Style
 - The Authoritative Style
 - The Affiliative Style
 - The Democratic Style
 - The Pace Setting Style
 - The Coaching Style

Leadership Styles:

The Coercive Style

- Attitude: “Do as I say.”
- Can be effective in a crisis situation, kick start a turnaround situation, dealing with a problem employee, or when trying to achieve immediate compliance
- Can be ineffective in many other situations and can have a negative impact on the climate of the organization or project
 - Can obstruct new ideas and limit communication
 - People can become resentful or disillusioned thus leading to a loss of initiative, motivation, commitment, and sense of ownership

Leadership Styles:

The Authoritative Style

- Attitude: “Come with me!”
- The leader outlines a clearly defined goal but empowers people to choose their own means for achieving it
- Authoritative leaders provide vision and enthusiasm
 - Shows how peoples’ work fits into the large picture
 - People believe their work has meaning and purpose
 - Standards for success and performance are clear to everyone
- The authoritative style works best when the organization or project is adrift
- Not a good style for inexperienced leaders who work with experts or a more experienced team
 - The leader can undermine an effective team if he or she appears pompous, out of touch, or overbearing

Leadership Styles:

The Affiliative Style

- Attitude: “People come first!”
- Affiliative leaders try to build strong emotional bonds that translate into strong loyalty by attempting to keep people happy and creating harmony among them
 - The idea is that people who like each other tend to communicate more, share ideas & inspirations, and take risks
 - The leader does not impose unnecessary rules and structures to define the work – that’s up to those who must do it
- Works well in situations where the leader must build team harmony, morale, trust, or communication
- Does not work well where people need some structure or direction
 - An over-caring and over-nurturing approach can create a perception that mediocrity is tolerated

Leadership Styles:

The Democratic Style

- Attitude: “What do you think?”
- The leaders try to get other’s ideas, while building trust, respect, and commitment
- People have a greater say in the decisions that affect their work
 - Morale tends to be higher
 - More realistic idea of what can or cannot be done
- Works best when the leader needs buy-in, consensus or to gain valuable input from others
- But can lead to seemingly endless meetings or the perception that the group is leaderless
 - Not appropriate in a crisis or when the team does not have competence or experience to offer sound advice

Leadership Styles:

The Pacesetting Style

- Attitude: “Do as I do, now!”
- Leader sets high performance standards and has an obsession for doing things better and faster
 - Poor performers are quickly identified and replaced
 - Morale can deteriorate if people feel overwhelmed by the pace or demands for excellence or performance
 - Goals may be clear to the leader, but not to everyone else
 - The leader may try to micromanage by taking over the work of others
 - People may lose energy and enthusiasm if the work becomes task-focused, routine, and boring
 - If the leader leaves, people may feel adrift since the pacesetter sets all direction
- May be appropriate in situations that require quick results from a highly motivated, self-directed, and competent team

Leadership Styles:

The Coaching Style

- Attitude: “Try this!”
- The leader helps people identify their unique strengths and weaknesses so that they can reach their personal & career goals
- The leader is good at delegating and giving people challenging, but attainable, assignments
 - Short or minor failures are acceptable and viewed as positive learning experiences
- This style may be the least often used, but can be a valuable and powerful tool for improving performance and the climate of the organization or project
 - Works well in many situations, but is most effective when people are willing to be coached
 - Least effective when people are resistant to change or when the leader does not have the knowledge, capability, or desire to be a coach

Ethics in Projects

- Ethics can be defined as a set of moral principles and values
- Ethical dilemmas arise when our personal values come into conflict
- Employers should establish guidelines for ethical conduct just as they do for other work-related behaviors such as what time to arrive and leave the workplace, whether smoking is allowed, and how customers are to be treated, etc.
- Leaders should identify appropriate and inappropriate conduct and then communicate their expectations

Ethics in Business

- Ethics has become an increasingly popular topic in business and in business schools as a result of number of ethical meltdowns in organizations
- Unethical business behaviors
 - Cost money
 - May be illegal and result in jail time
 - Are just bad for business!
 - People want to work for and do business with organizations and people they can trust
- Unfortunately, ethical decisions are not always clear cut
 - To a large degree legality and ethics are governed by society and culture – i.e., the shared beliefs, assumptions, and values that we learn and that guide or influences our behavior

Ethics Versus Legality

Unethical	Not Always Clear	Usually Clear
Ethical	Usually Clear	Not Always Clear
	Legal	Illegal

Ethical Leadership

□ Socialization

- A process where people who are brought into an organization learn its culture
- Can be through formal means (e.g., training) or through less formal means (e.g., interactions with supervisors and coworkers)
- New people learn not only how to dress appropriately, but what behaviors are acceptable and unacceptable
- Subsequently, socialization can encourage or discourage ethical behavior

Ethical Leadership

- People look to their leaders for ethical guidance
 - If the leader does not provide this guidance, people may seek others who may intentionally or unintentionally lead them toward unethical behaviors
- A project manager must therefore act as a moral individual and a moral manager/leader who defines the right set of values and sends the right message to shape an ethical culture
- Leaders can be fall into 4 categories
 1. Unethical Leaderships
 2. Hypocritical Leadership
 3. Ethically Neutral Leadership
 4. Ethical Leadership

Ethical Leadership

□ Unethical Leadership

- Usually weak moral individuals and weak moral managers
- Example: Al “Chainsaw Al” Dunlap
 - A successful business leader, but was known for emotionally abusing employees
 - Subordinates were expected to “make the numbers at all costs”
 - As a result, people used questionable accounting practices and sales techniques
 - He was caught lying and trying to cover up these practices
 - Was fired as Sunbeam’s CEO when the company was near ruin
 - Paid a \$500,000 settlement with the SEC and can never serve as an officer of a publicly traded company again

Ethical Leadership

□ Hypocritical Leadership

- Possibly the worst type of leader because he or she extols the virtues or integrity and ethical conduct, but then engages in unethical behavior, encourages others to do so, rewards bottom-line results by any means, or fails to discipline any wrongdoing
- Example: Jim Bakker
 - Developed the PTL Ministries in the 1970s and 1980s into the largest religious broadcasting empires
 - Bakker took in millions of dollars by convincing people to purchase a limited number of life memberships for hotels that were part of a theme park
 - Only 25,000 memberships were to be sold that would allow a family to stay free each year for 4 days/3 nights
 - However, 66,000 memberships were sold (an impossible number for the hotel to support) and Jim and his wife, Tammy Faye, used this money for large salaries and bonuses
 - In 1987 the PTL filed for bankruptcy and in 1989 Jim Bakker was convicted of fraud and spent the next 8 years in prison

Ethical Leadership

□ Ethically Neutral Leadership

- A leader who is not a strong or weak ethical leader, but does not provide clear ethical guidance. People may not know the leader's ethical beliefs or whether the leader cares.
- Example: Sandy Weill
 - Was chairman of the board at Citigroup
 - An article in Fortune magazine in 2002 described Citigroup as a moneymaking machine that engaged in a number of questionable business practices that allegedly helped Enron hide debt
 - Afterwards, Weill told Citigroup's board of directors that his most important task would be that Citigroup would now operate at the highest level of ethics and integrity
 - Weill can be viewed as a ethically neutral leader since he seemed to look the other way and appeared to take notice only after these problems became public

Ethical Leadership

□ Ethical Leadership

- Someone who makes it clear that bottom line results are important, but only if they can be achieved in an ethical manner.
- Research suggests that when a culture is viewed as being ethical, employees tend to engage in fewer unethical behaviors, are more committed to the organization, and more willing to report problems to management

Common Ethical Dilemmas

□ Human Resource Situations

- Project leaders should create a project environment where people feel safe and appreciated so they do their best work
- Issues that can lead to ethical situations include: discrimination, privacy, sexual or other types of harassment, as well as appraisals, discipline, hiring, firing, and layoffs
- Key considerations should be fairness in terms of equity (only performance counts), reciprocity (expectations are understood and met), and impartiality (prejudice and bias are not factors)

Common Ethical Dilemmas

□ Conflicts of Interest

- Includes such things as overt or subtle bribes or kickbacks as well as relationships that could question your impartiality
- Impartiality can come into question when personal and professional relationships overlap and a conflict of interest can occur
 - Could a gift or personal favor from a vendor or customer be viewed as having an influence on your judgment or a decision?
- Trust is a key factor in personal and business relationships, and conflicts of interest can weaken trust if special favors are extended to only a special few

Common Ethical Dilemmas

□ Confidence

- Relationships with project stakeholders require maintaining a strong sense of confidence with respect to such issues as confidentiality, product safety or reliability, truth in advertising, and special fiduciary responsibilities to the client or other project stakeholders
- Trust can erode when your fairness, honesty, or respect come into question

Common Ethical Dilemmas

□ Corporate Resources

- You are an agent or representative of your organization and your actions can be considered the actions of your organization
 - This may include your opinions or actions, especially if you use corporate resources such as stationary, business cards, an email address, phones, etc for personal reasons
- Company resources should only be used for business unless the organization has specific policies

Making Sound Ethical Decisions

1. **Gather the Facts**
2. **Define the Ethical Issue**
3. **Identify the Affected Stakeholders**
4. **Identify the Consequences**
5. **Identify the Obligations**
6. **Consider Your Character and Integrity**

Multicultural Projects

- Although an international project may be considered a multicultural project, many domestic projects are becoming multicultural as organizations attempt to diversify their workforce
- Even though ethics is an important component of leadership, the ability to lead and manage a multicultural team is becoming an important skill for successful project leaders

The Challenge of International Projects

- Number of locations
- Currency exchange
- Regulations and laws
- Political instability
- Attitude toward work and time
- Religion
- Language
- Food

Understanding and Managing Diversity

- While culture is a set of social lessons of behaviors that we learn over time, diversity is defined as differences in culture as well as nationality, ethnicity, religion, gender, or generation
- The Diversity Wheel provides a tool to better understand individual differences
 - It can remind us that even though some people may appear to look like us, they may represent a different culture even within our own country or region
 - We can then begin to understand how each dimension of the Diversity Wheel influences attitudes, motivations, and behaviors, as well as social and business customs
 - We can then not only see how people are different, but also how we might be similar

The Diversity Wheel

