

Innovating organizational culture: the impact of ethical leadership and organizational justice

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Abstract

Leadership is an essential part of organizations and organizations need good leadership to succeed. The leaders of the organization must be positive, democratic, supportive, team-oriented and ethical. This study addresses each of these leadership characteristics. Finally, it states the relationship between organizational cultures to create justice in order to achieve ethical leadership.

Keywords: Leadership, Organizational culture, Ethical leadership, Organizational justice.

Introduction

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader," said the former American statesman, diplomat. Lawyer John Quincy Adams describes what should be the role of an effective leader.⁴ Leadership is not a profession. It is a responsibility. Some people are born leaders and some become leaders by grooming and training. Leadership is an essential part of an organization as leaders show new paths and bring changes. That is why organizations need good leaders to succeed.¹³

A leader should be positive-minded. He should always encourage his subordinates. A leader brings changes within the organization and thus an organization gets its direction. In an organization, a leader must always be a positive thinker. Challenges will always come within the organization. It may fail to achieve its target sometime. Then the leader should behave in a positive role here. Instead of scolding the employees, he must be positive even in failure. Thus, employees will be able to deal with the challenges and successfully mitigate them.¹ For example, Ratan Tata, the chairman of Tata Motors, is the name of a leader who is always one step further in the case of motivating his employees, even on a rainy day.

When the Tata nano car project failed, the company had to face a massive loss during that fiscal year. But Mr. Tata never demotivated his engineers, business analysts, or other employees.

Even he told employees to focus on other projects to cover up the loss. His employees started working on new projects like Tata Nexon, Altrox, Tiago and other high breed car models with an entirely positive attitude. Within a few years, Tata became the number one automobile company in India.

Also, they expanded their business in the IT sector with a new brand called TCS. All these turned into reality because of the authentic positive leadership of Tata.¹

Democratic leadership is needed within the organization to mitigate the new obstacles. A leader should be democratic at the time of decision-making. He should take the advice from his human resources and has to evaluate them. Thus, employees will get important and remain motivated.⁴ If a company never listens to its employees and never values their relationship,¹⁴ then a dictatorship will be created within the company, which will harm the company's growth. For example, most Nokia employees advised CEO Stephen Elop that they should build an android operating system. Still, the CEO was autocratic, never listened to his employees and focused on windows operation.

Finally, that became an excellent disaster for Nokia. Leaders should also be transactional and transformational-minded. They should guide their people and remain regarding the organization's goals from time to time.¹³ Next, they should focus on employees' interests and other facilities like incentives, vacations, mental health and well-being like Google, Facebook and other tech giant companies.

Employees may take advantage of this kind of leadership. But too much positiveness can bring miss management within the organization. If the leader is more supportive, they may ask for extra incentives, unnecessary leave, backbiting about the leader etc. which will harm the organization and other employees' motivation.^{4,11} So, leaders should be strict sometimes to balance the work environment. "An organization is known by its leaders." The leader should be charismatic, supportive and democratic in the case of running the organization. Otherwise, the organization may not cross the desired path and it has to see a disaster phrase that is not acceptable to any extent.¹³ In contrast, once American former professional basketball player Michael Jordan said, "Talent wins games, but teamwork and intelligence win championships." This quote shows us the importance of teamwork in any task, whether it is games, business, or social work. A perfect team balances all the needed factors like trust, dependency, collaborative mindset and helping mentality. To build a team, we need to fulfill these requirements properly. Otherwise, we cannot say it is a team.⁸

For example, virtual activities have become more popular nowadays. Due to the advancements in technology and the

global pandemic², this practice is growing day by day. We need a virtual team to ensure more products and services and negotiate deals with remote customers or companies. Virtual needs in an organization for many purposes like customer services; we need respondents for the email or queries sent by the customers.⁵ Good virtual communicators can communicate² with customers from remote places. Companies can run call centers from home now through a perfect virtual team. It saves companies utility costs and spaces. Businesses are now globally connected. So, the organization has customers from remote places. To deal with those customers and negotiate, the company needs an excellent virtual team to communicate and deal with all these remote customers.⁷

As virtual employees work from remote places, employees may provide false excuses to skip the task. So, to build a perfect team, we need an excellent ethical team and ethical leaders. Mutual understanding, mutual trust and respect are the core qualities of a virtual team. A team consists of faculty members, office staff, technical experts and students.¹³ For example, BRAC University smoothly ran its academic activity through a perfect virtual team during the pandemic. BRAC University achieved success in the online education platform because of the university's mutual understanding and excellent virtual leadership. Faculty, students and staff were all primarily ethical in their places, which is the secret success of this university.

Another essential factor is ethical leadership. Transparency, trust, integrity, honesty, respect, fairness and justice are the core components of ethical leadership. In an organization, an employee should have all these qualities to fulfill the mission and vision of the company.⁵ For example, SAP is a German-based software company. Most of its developers work from remote places. Still, they sometimes arrange office meetings or virtual meetings to build trust among the employees. Also, it helps to know each other within the company. It works as an ice-breaking session. In this way, they keep practicing ethical leadership within the team by building trust and helping other software developers who are less active in work.⁸

The principles of ethical leadership include integrity which helps the team to remain united through perfect leadership and helps to grow bonding among the workforce. Next is honesty. It makes everything transparent among the employees. If any mistake happens, he should honestly address it to the team and the group should handle it with good manners. Then comes respect. Respect makes the workstation balanced. It helps to reduce conflicts and any disputes.⁵ To give service in a broader perspective and more customers, the organization needs virtual teams now. To run that virtual team smoothly, the organization needs to do more ethical leadership.

Ethical leaders can bring ethics among employees through better leadership, which helps organizations sustain and

grow.¹¹ Therefore, given building a perfect organization, both organizational justice and culture are very much needed. Organizational justice is a part of excellent organizational culture¹². Corporate culture should provide proper justice practices chances to its employees. Organizational justice means employees' perception of fairness in the workplace during the operation or work time.⁷

If an employee observes proper justice in the workstation, he remains motivated towards his work. He feels motivated and remains loyal to the job if he sees sufficient praise for his work and appraisal according to his performance. He gains more motivation for work and starts working with full strength for the company.¹² In that case, the employee can be led to self-leadership.⁹ Other's justice' factors are biased free workstation. If the workstation remains bullying-free, employees feel safe there. Employees also remain loyal to work if a company provides other facilities like timely incentives, yearly vacation and festival bonuses etc. That is also a kind of justice to the employees.⁶

For example, in most South Asian countries, female employees have a common complaint that they face bullying or harassment in the workstation. Sometimes the company does not even take any action against them. It is an injustice to female employees.⁷ In our local company, owners have less concern regarding employees' mental health and wellbeing. They want more working hours from the employees which make them sick sometimes. It is an injustice to the employees. Also, sometimes nepotism occurs within the organization. Vacation incentive are offered to those who are close to authority. It is an injustice to deserving employees.^{6,11}

According to our recommendation, we think justice and organizational culture work parallelly. If there are no justices, there is no good culture. Leaders should start practicing righteousness/justice within the organization.⁷ A leader like Sir Fazle Hasan Abed can be an example for them. He made BRAC a perfect organization by setting up high justices level. Here females are safe and rewards are provided according to their performance. If anyone does anything wrong with anyone, without the consideration of his post, action should be taken immediately.

Conclusion

Organizational justice and organizational culture work parallelly in an organization. If the company can start the best justice practice within the organization, it will gain the best employee performance and its mission and vision will be fulfilling. Otherwise due to, lack of justice, employees will leave organizations.^{6,12}

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(Received 12th October 2022, accepted 15th November 2022)