

***Leadership Ethics: An Introduction*, by Terry L. Price. Cambridge University Press, 2008**

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In academic studies of leadership there is a long-standing debate on the question of whether or not ethics is intrinsic to the discipline. There is no doubt that some of the world's most influential leaders have intentionally led people to engage in unethical, even heinous acts; others seem to lead from a moral high ground. In his book *Leadership Ethics*, Terry Price, professor of leadership studies at the University of Richmond's Jepson School, asserts that ethics is indeed intrinsic to leadership; moreover, that leaders have a fundamental duty to be ethical.

The central question that guides Price's investigation might be posed this way: Do leaders have a duty to follow the rules? Granted, leaders often break the rules. They, in fact, frequently violate the very rules or laws that they insist that others should follow. But are they *justified* in doing so? As human beings we do not act merely instinctively, we do things for a *reason*. When someone is accused of a terrible act our first impulse is to ask, "Why did you do that?" So then, with leaders, especially when a leader has broken a rule or rules that ordinary people are expected to follow without question, our query might be the same: "What is the reason or justification for your breaking of the rule(s)?" If ethical leadership is consistent with rule-breaking there must be convincing reasons that would justify why a leader would be allowed to do things that other persons are prohibited from doing.

There are two approaches that one might take to analyzing justifications for rule-breaking behavior by leaders. First, by focusing on the beliefs and values that leaders may hold, which, in their minds, justify their behaviors. Second, by examining beliefs and values which are held by followers, which they believe to justify the behaviors of leaders. Price combines both approaches, and analyzes a range of possible justifications for rule-breaking in light of several standard theories of ethics. A leader might plausibly respond to the question, "Why did you do that?" by asserting one of the following: she has her own standards of morality; he doesn't care about morality; because she could; because he is special; because we said she could; he had to; because she has special obligations to her group; because it was for a higher cause.¹ Each one of these explanations is meant to serve as a pretext for an argument, which should provide the reasons for our acceptance of a leader's action. To test the legitimacy of these arguments, Price applies various moral theories to each of these justifications in order to determine which ones, if any, can provide a rational basis for accepting any action by a leader which violates the everyday moral rules that are generally taken to apply to everyone.

In the end, Price tries to dispel the notion that leadership ethics involves only personal or contingent factors which help shape decision-making. Assuming a firm deontological position, Price contends that there are duties which lie beyond specific roles which one may occupy or one's obligations to particular groups, i.e.,

the organizations to which one belongs. According to Price, the contingencies of situations notwithstanding, leaders have a moral obligation to follow the common rules which ordinary persons are supposed to uphold. Price's view is unmistakably Kantian. In fact, Price suggests that Kant makes leadership ethics clear, specific and exact. Simply put, Kant holds that ethical standards (duty) apply to leaders and individuals alike, completely independent of their particular desires or ends.

Often characterized as a fancy way of articulating the "Golden Rule," Price argues that Kant's expression of the Categorical Imperative goes a step further than the "Golden Rule" by requiring that we act in a way that we would want every person to act toward everyone else, not simply how I might want another person to treat me. Suppose a leader contemplated lying in order to achieve a particular goal. The leader could not rationally imagine a world in which all persons would lie in order to reach their own goals. In such a world where everyone used this strategy of lying, the strategy would no longer be effective because no one would trust anyone else. The Categorical Imperative exposes the contradiction of this maxim. Deception sometimes works as a strategy simply because people tend to be truthful. Therefore, the leader who uses this strategy makes an exception of oneself. But by these lights, a leader cannot rationally claim that his or her actions are exempt from the need of moral justification.

Price's primary perspective on ethical leadership is grounded on Kant's admonition that ethical duty is recognized "universalizeability": "Act as though the maxim of your action were by your will become a universal law of nature."² In principle, no leader is ever allowed to act in a way that is "exceptional" to the principle of "universalizeability."

For Price and Kant, reason determines right or wrong, not the consequences of the action. Leaders cannot justify rule-breaking behavior, exceptional behavior, by appealing to its effects on followers. Reason and the principle of reciprocity tell us that some actions ought not to be done. Actions that are unreasonable cannot be ethical. So to the questions—are leaders above the law? Can they claim they are exceptional or that they have a free-ride status? The answer for Price is always a definitive deontological no! Leaders should never be above the law, and we all common-sensically know that.

When people in leadership positions are indicted, found guilty, and sentenced to prison, prosecutors and pundits are quick to remind us that the law applies even to leaders: "The jury has spoken and they have sent an unmistakable message to board rooms across the country that . . . no matter how rich and powerful you are you have to play by the rules."³

Although Price's avowed aim is to show how Kantian logic can help clarify and resolve ethical issues and dilemmas that arise in leadership, he too often gets lost in convoluted abstractions. Despite the language of "everyday leadership" and "everyday inquiries," Price's arguments are much more devoted to and based on moral theory and less directed toward practical experience. Our reading of Price's text allows him little leeway or flexibility in regard to decision making. When confronted with the Kantian type question: Can you lie to the murderer who comes to your door looking to find, and subsequently kill your wife?—There is only one

answer possible: No! The Kantian approach does not make room for “exception making.” Unfortunately the logical purity of this response does little to address the vexing problems of “everyday leadership.”⁴

Reason at all times shows us clearly enough what we have to do in order to remain in the paths of duty. . . . [A]lthough politics in itself is a difficult art, no art is required to combine it with morality. For as soon as the two come into conflict, morality can cut through the knot which politics cannot untie.⁵

The problem of ethical leadership, of course, is that the leadership equation is in constant flux. The issues, the stakes are forever changing. Time, place, the players, the crisis, the contingencies are always evolving. And in the process, issues, values, and real lives are at stake. Although, we are not insensitive to the appeal of the Kantian model of ethics, the challenges of leadership are rarely static, succinct, or easily susceptible to formulaic answers. If we had to choose or prescribe an ethical system to handle the vicissitudes of leadership, our inclination is to revert to more classical traditions. To begin with, we would draw on the Augustinian notion that the first and final job of leadership is the attempt to serve the needs and the well-being of the people they lead.⁶ Second, we would base our ethical model on the allied notions of character and integrity and not just logical formulae.

Arguably the first book written on the art of leadership is Plato’s *Republic*. Even if you reject Plato’s elaborate scheme for the organization of the state and the training of its leaders, it is difficult to overlook the intention and thesis of the text: What does ethics and justice mean, and how can they be realized in human society?

Plato argues that the central problem of politics is to organize the state so as to place control in the hands of individuals who understand that you cannot make people happy by simply making them richer or more powerful than their neighbors. Plato is convinced that so long as knowledge is only valued as a means to power and wealth, the helm of the ship of state will be sought after by ambitious individuals who are only motivated by status and profit. Power, said Plato must be only given to those whose intelligence, character, and training compel them to intentionally do the right thing for the right reason, no matter the costs to themselves. The goal of a state, he said, is not to make any one class especially happy, but to secure the greatest possible happiness for the community as a whole.

To achieve this end, said Plato, we must identify and train a class of individuals who do not crave power, but who accept it and embrace it as their duty and responsibility. He therefore proposes to create an elite cadre of rulers with the highest degree of intelligence, trained in civic virtues and public policy, and whose character and temperament have been rigorously tested and evaluated. These individuals—The Guardian Class—have real power, but they see their office as a social responsibility, a trust, a duty, and not as a symbol of their personal identity, prestige, or lofty status. Although Plato’s claims are utopian, his central argument is clear: character (intelligence, disposition, motivation, and training) and integrity are the *elemental* ingredients of leadership.

In the end, we think that ethical leadership is not determined by categorical formulae, but by the particular character and virtue set of individual leaders. Of course, this makes ethical decision making and leadership a messy and inexact science. And yet, life is a messy and an inexact experience. Perhaps the only thing we can really rely on is (and we mean this in a purely Kantian sense) the “goodwill” of the leader in question. In the end, perhaps James Rachels captured the fluidity of the issue best when he suggested that all areas of philosophy are “first and last an exercise in reason—the ideas that *should come out on top* are the ones that have the best reasons on their sides.”⁷

Although we do not entirely agree with this text, scholars of leadership need to address it. Price has produced a serious work that deserves serious attention.

NOTES

1. Terry L. Price, *Leadership Ethics* (New York: Cambridge University Press 2008), 5.
2. Immanuel Kant, *Foundations of the Metaphysics of Morals*, trans. Lewis White Beck (Indianapolis: Bobbs-Merrill, 1876), 39.
3. Price, *Leadership Ethics*, 38.
4. *Ibid.*, 217.
5. Immanuel Kant, “Perpetual Peace: A Philosophical Sketch,” in *Kant’s Political Writings*, ed. Hans Reiss (Cambridge: Cambridge University Press, 1970), 116, 125.
6. St. Augustine, *Basic Writings of St. Augustine*, V.II., *The City of God*, ed. W. J. Orte (New York: Random House, 1948), Book XIX, Chapter XIV, 480, 491.
7. Plato, *The Republic*, translated and Introduction by Francis MacDonald Cornford (New York: Oxford Press, 1968), xxix.

***The Globalization of Corporate Governance*, by Alan Dignam and Michael Galanis. Farnham, England: Ashgate, 2009.**

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The *Globalization of Corporate Governance* is a timely and original comparative analysis, published at a critical time and written by lawyers, on the impact of economic globalization on corporate governance systems.

Alan Dignam and Michael Galanis explore pressures to change exerted by the process of economic globalization on ‘insider’ stakeholder-oriented corporate governance systems. They seek to answer the question whether these pressures are likely to cause them to converge/transform to a shareholder-oriented ‘outsider’ model.

The book is divided into two parts. In part 1, the authors set out the theoretical context for their examination, while in part 2, they examine evidence of change in the UK and US on the one hand and in Germany on the other. In doing so, they work