

The Journal of Values-Based Leadership

Volume 12
Issue 2 Summer/Fall 2019

Article 14

July 2019

Many Layers of Values-Based Leadership

Joseph P. Hester
southcline@gmail.com

Follow this and additional works at: <https://scholar.valpo.edu/jvbl>



Part of the [Business Commons](#)

Recommended Citation

Hester, Joseph P. (2019) "Many Layers of Values-Based Leadership," *The Journal of Values-Based Leadership*: Vol. 12 : Iss. 2 , Article 14.
Available at: <http://dx.doi.org/10.22543/0733.122.1283>
Available at: <https://scholar.valpo.edu/jvbl/vol12/iss2/14>

This Article is brought to you for free and open access by the College of Business at ValpoScholar. It has been accepted for inclusion in The Journal of Values-Based Leadership by an authorized administrator of ValpoScholar. For more information, please contact a ValpoScholar staff member at scholar@valpo.edu.



JOSEPH P. HESTER
CLAREMONT, NORTH
CAROLINA U.S.A.

Many Layers of Values-Based Leadership

Many Layers of Values-Based Leadership

Introduction

Our common recognition of leaders and leadership reveals an assortment of men and women, some who are predisposed to service, some who are humble but forthright, and others who exert narcissistic tendencies coupled with authoritarian attitudes. All of these have been and are called “leaders.” Hence, to unearth what is meant by “moral leadership” or “values-based leadership” (VBL) strains our understanding as many layers of value expose the diversity implied by the moniker “values-based.”

Values-based leadership is released in our attitudes and unearth as organizational/business leaders commit themselves to creating environments generally identified as “moral.” Parenthetically, VBL is an ongoing historical paradigm shift set in juxtaposition to top-down (authoritarian) leadership found among the industrial barons of the 19th century and extending well into the 20th century. During the 1950s, this shift was expanded beyond big business and government into the social fabric of American life with moral overtones impacting families and the workplace. The emerging civil rights and feminist movements followed by negative reactions to the Vietnam War were forces bringing moral values into the forefront of American life. Now, in 2019, within a divisive political climate distressing our nation, moral values, or the lack thereof, are again in the forefront of our discussions of leadership.

More than fifty years ago ethical and moral concepts were undergoing modification as feminist academics began changing the moral landscape from values emphasizing “rules,” “utility,” and “reciprocity” to values stressing nurture, care, and the promotion of human growth accentuating integrity, decency, respect, and personal accountability (Hester, 2012). Now in the 21st century, political correctness and the #MeToo movement, often politically charged, continue to move the needle in a moral direction. Yet, some of this has proven to be misguided, perhaps misunderstood, and its ethical tentacles will take time to assess (Millet, 2010).

Needless to say, *values-based leadership* has many layers exposing morality and ethical meaning relating to right conduct, and not only individually, but collectively. Human value is now being articulated as “moral value” with an emphasis on “humanity” as a moral concept and not descriptive only. Although avoiding the tendency of reducing morality to one rule, one principle, or one cultural expression, values-based leadership continues to seek the richness of moral value within the fertile soil of humanity itself. “Humanity,” although a collective noun, now gathers not just the rich and powerful or white Americans and Europeans, but all persons east and west, north and south into its definitive wicker. Consequently, we

can no longer afford the luxury of unabashed individualism – of thinking of ourselves and others as discrete individuals, separated, isolated, and disconnected – while shamelessly projecting our values as superior to all others. For many, this mindset will be difficult to un-hinge.

The choice is not between a sociocentric culture placing the needs of groups and institutions first, or an individualistic ethos placing individuals at the center and making society a servant of unabashed individualism. Values-based leadership seeks a more holistic view than these two choices afford. A holistic view encompasses all people from the executive's office to the workbench and from elected officials to civic volunteers. Consequently, moral principles cannot be allowed to be whittled down by politics or traditions into the polar opposites of socialism or individualism, or even into progressive, left-wing libertarianism. Obviously, a more comprehensive view of value and leadership will not find a welcoming mat at every organizational door. As Jonathan Haidt writes, "Morality binds and blinds. ... People bind themselves into political teams that share moral narratives. Once they accept a particular narrative, they become blind to alternative moral worlds" (Haidt, 2012). Clearly, an inclusive morality threatens the dictatorship of the present (White, 2004).

Yet, we persist, as values-based leadership asserts a vision of the possible and into this possibility we diligently labor. Change has come and is still coming and is a slow but persistently steady process of moral transformation. *Values-based leadership* is a metaphor for this change; however, because VBL is a process-paradigm, further study and flexibility are suggested as a one-size-fits-all approach will be destructive to value-based applications. To seek a common core of what is called "values-based" remains a challenge.

Values-based Leadership: A Cultural Blueprint

Values-based leadership (VBL) research began in earnest in the 1970s but, as has been discovered, is not merely a conceptual or business formula requiring sociological research and analysis. It is also an affair of the heart embracing a passion for service supported by hope and acknowledging the dignity of others while recognizing that anyone can serve and anyone can become a leader regardless of position or education. Thus, VBL is context sensitive, a metaphor identifying service and an ethical aptitude as primary components of organizational and business leadership. When unraveled, VBL reveals that executives, managers, and workers – regardless of position or level of education – when committed to respect, integrity, and decency, are capable of becoming leaders and are able to add moral value to one's community and organizational traditions. Sought by those committed to ethical principles, VBL remains a cultural blueprint.

More than a business strategy, but that also, VBL is intertwined with relationships often complex and difficult to understand. It is both a description of one sort of leadership and management and of several varieties embracing over-arching ethical overtones; hence the term "values-based" (Copeland, 2014). And we must not fall into the trap of moral ethnocentrism, thinking that our business or national culture is definitive of value throughout the world. Ethnicity displays our differences and within these differences ethical applications will take on dissimilar hues revealing many shards, shapes, and layers of what is called a "values-based culture."

Admittedly, human relationships are complex and tenuous, and when situated in an organizational culture, even more so. Given this complexity, VBL acknowledges the economic divide – socio-economic differences – between the janitor's closet and the boardroom, includ-

ing the historic cultural complications and fissures emerging from the Industrial Revolution of the 19th century, the role of workers' unions, and the economics of politics governing tariffs and government subsidies, consumer protection laws, and the ill-defined relationship between the Federal Government and Wall Street. All of these have tainted the journey from top-down decision making only, to the current view that anyone within an organization can become a leader no matter position or level of education. This remains a minimal requisite of leadership considered as values-based. Values-based leadership is consequently both a business decision and a vision of the possible, not the probable only.

There is being a leader and there is being a follower, and when moving across the face of both there is discovered an endless array of role-exchanging between executive leadership, management, and worker, including clients, business partners, event volunteers, government officials, and, in churches, those in the pew as well as those in the pulpit and those who manage and lead denominations. Within an organization, roles are defined and sometimes ill-defined emerging only within the dimensions of a dialectical interchange where a respect for others is the defining characteristic. Notably, all persons crave respect and personal dignity (Fukuyama, 2018). Advocates of VBL recommend a climate of respect and dignity and cautions leaders, at any level, to avoid exclusivity and superiority and encourage civil dialogue within and outside current organizational structures. With an eye on creating a morally inclusive environment, VBL is divorced from labels that divide and instead views all within its scope of influence as morally significant. As Kurt Baier (1954) reminded, "Moral rules, moreover, are meant to be for the good of everyone alike and moral principles 'are binding on everyone alike quite irrespective of what are the goals or purposes of the person in question.'"

Thus, corporately and individually, privately and publicly, VBL is more than a leadership theory; it is also a personal moral strategy seeking a blueprint for each individual within an organization's culture. This will involve understanding and respecting the incalculable wealth of knowledge found in those who comprise the organization and releasing this knowledge into the organization's leadership ethos. Sometimes workers, at any level, are shadows – workers doing their jobs. Other times they are up front and center, emerging as leaders when the occasion arises. A goal of VBL is to untangle these relationships eliminating the "invisible" worker to become a significant participant in the development of an organization's (corporation, business, church, governmental body, etc.) ethos. As Arie de Geus (2002) observed, "Decisions grow in the topsoil of formal and informal conversation—sometimes structured...sometimes technical...and sometimes ad hoc." It is an ongoing process of conversation, loaded with potentiality, and able to release a moral consciousness into an organization's cultural fabric. Empowered by the dialogic process, organizations are able to facilitate their flexibility, creativity, and learning potential, enhancing the dignity and humanity of all within their circle of influence.

How are individuals valued in an organization and what is gained by stressing their personal value juxtaposed to the values of the collectivity (organization/business) itself? Is it just about loyalty, protecting one's position within the structure of the conglomerate or are honesty, integrity, and commitment a part of this formula? Within the dialectic of leadership, inside and outside an organization's traditions, questions of ethics are being asked. With respect and ethical perspicacity, values-based leadership recommends working through the tangles of these questions with an eye on personal as well as organizational growth, under-

standing that one does not contradict the other; both are functionally necessary (Turiel, 1983).

Reassessing “Value”: Seeking Consensus

The word “value” requires reconsidering and articulating how it is framed in the construct “values-based leadership.” Continuous organizational reassessment remains a hope for moral objectivity. Reassessment must avoid shoring up and protecting the status quo. *Reason qua validation* often disguises personal and corporate intentions. Reason and reassessment must not be reduced to “reasonableness” or “rationality”; fairness, honesty, and responsibility are necessary ingredients of a moral culture as a lack of objectivity weakens moral purpose often hiding unethical practices.

Oscar and Lilian Handlin (1994) have pointed out that nothing is more central to a people than their values and nothing is more important to Americans than the values of liberty and equality, respect for others, responsibility for one’s behavior, and self-reliance. As VBL began to drill down into organizational improvement, these values, and those predicated upon them, exposed much of the story of America’s moral adventure. Unearthing these values in constructive and productive ways is a goal of values-based leadership. Being of value to an organization and workplace is a meaningful thread woven generously through values-based leadership.

Philosopher Robert Nozick (1981) reminded us more than thirty years ago, “A person who is responsive to the value of others establishes a closer linkage and hence a tighter organic unity with those others (than one who is unresponsive), and that is valuable.” Almost a decade later, Nozick (1990) concluded, “In wanting ourselves to be of value and our lives and activities to have value, we want these to exhibit a high degree of organic unity...We want to encompass a diversity of traits and phenomena, uniting these through many cross-connections in a tightly integrated way, feeding these productively into our activities.” Nozick concluded, “Value is not the only relevant evaluative dimension. We also want our lives and our existence to have meaning. *Value* involves something’s being integrated within its own boundaries, while *meaning* involves its having some connection beyond these boundaries...To seek to give life meaning is to seek to transcend the limits of one’s individual life...connecting with things so as somehow to incorporate these things, either within ourselves or into an enlarged identity.”

In the 20th century, it was war upon war, the struggle for equality among African-Americans and women, changing lifestyles, and laws that were the substance of value fluctuation, and not only in America, but around the world. The many layers of American values have been exposed from the introduction of the “pill” in the 1950s, to school integration, the passing of *Row v. Wade*, the civil rights and feminist movements, to our present immigration crisis, and, once again in American life, the appearance of white supremacy. Given our diversity, there are many ways to reconsider ethical thought, and ultimately, ethical actions. This does not mean that there is not a right way to act. Some are prone to say, “I have my values and you have your values, and this is our right.” In light of our cultural diversity – within and without – some seem to think that ethical relativism is the correct path or only path to take. What is left out of this conversation is that “right” is collectively defined as a “moral value” which reaches far beyond our individualism. Thomas Donaldson (1996) has warned, “Cultural relativism is morally blind.” Donaldson reminded us,

“We all learn ethics in the context of our particular cultures, and the power in the principles is deeply tied to the way in which they are expressed. Internationally accepted lists of moral principles, such as the United Nations’ Universal Declaration of Human Rights, draw on many cultural and religious traditions. What it does mean is that our ideas and ultimately our actions are consequential, being informed by our thinking and considerations of the ideas and actions of others.”

Donaldson recommends three guiding principles for shaping ethical behavior within businesses and across cultures: (1) Respect for core human values, which determine the absolute moral threshold for all [international] activities. (2) Respect for local traditions. (3) When deciding what is right and what is wrong, the belief that context matters. Under the theme of “managing for organizational integrity,” Donaldson concludes,

Respecting differences is a crucial ethical practice. Research shows that management ethics differ among cultures; respecting those differences means recognizing that some cultures have obvious weaknesses—as well as hidden strengths. ... People often equate respect for local traditions with cultural relativism. That is incorrect. Some practices are clearly wrong. ... Some activities are wrong no matter where they take place. But some practices that are unethical in one setting may be acceptable in another. For instance, the chemical EDB, a soil fungicide, is banned for use in the United States. In hot climates, however, it quickly becomes harmless through exposure to intense solar radiation and high soil temperatures. As long as the chemical is monitored, companies may be able to use EDB ethically in certain parts of the world.

Since the events of 9/11/01, the struggle for equality, of ethical transformation and the accommodation of values and value shifts remain a discombobulation of ideals, standards, and moral principles revealing both political and value differences. Thus, Donaldson’s principles, although not absolute, are a practical guide to civil discourse concerning diversity within and outside of organizations.

The hidden values and suppressed prejudices of our individual preferences are today being vigorously revealed within the political arena. Within this muddle, *values-based leadership* continues to surface as a method and an ideal to raise the horizon of American individualism and also to counteract the persistent narcissism within the “collectivism” implied by democracy itself and its corporate institutions. Defining “value” within “values-based leadership” is a task situated midstream in these struggles. Through civil dialogue and sensitivity to the ethos of the individual, VBL seeks to melt individual goals – not eliminate or suppress them – into the organization’s (even the nation’s) ethos, and vice versa. Understandably, such a dissemination of value, often construed through the lens of idiosyncratic leaders, must be situated against the struggles of real people and families who are at the clemency of large and impersonal corporations. Modifications and conciliations will be necessary. (Meier, 2000)

George Silberbauer (1983) has commented: “One’s own morality lies deeply internalized, and it is not easy to overcome ethnocentric prejudice when confronted by behavior which prima facie offends against it.” But, as Silberbauer pointed out, the dominant moral values and beliefs of a society cannot be applied to all people and all cultures without some modifications. He understood that only at a generalized level can comparisons precede, including comparisons of moralities. These modifications include constitutions and laws specifying duties and rights, behaviors we generally call “moral,” and will include a dialectical discus-

sion of values within and without of an organization's hierarchy. With this Silberbauer demonstrated the complexities inherent in ethical talk, especially across cultures, nations or religions, and discussions of value in schools and places of work where, obviously, a wide variety of value orientations are actively displayed. Silberbauer's observation demonstrates the reality of value differences and the difficulties of seeking a common ground upon which to proceed.

"Value" is a word signifying what is important and useful to a person, a company, the government, or any organization. Since this is sometimes an unrestrained and expansive concept, "value" in "values-based leadership" is frequently narrowed to ethical or moral value, regularly called "authentic" and "transformational," (Copeland, 2014) but not so narrow as to exclude the idea that an organization, any organization, is in fact a "human community." Value consensus is perhaps a worthy goal, but doesn't imply narrowing or eliminating behaviors generally defined as "moral." This is why VBL has refocused leadership attention on such ideas as equality, decency, dignity, honesty, respect, service, and ethical responsibility. These values are implicit in democratic cultures and foundational for ethics to be included in a VBL leadership formula. Understanding these values will help determine how best to serve one another ethically. This inevitably points to a higher purpose than our own personal or corporate needs and desires, but these also. Subsequently, VBL relocates organizational and individual purpose within the concept of "community" and seeks to release leadership from its narcissistic impulses making it morally inclusive. VBL also advances individual and capitalistic desires, including our dreams for a better life and commitment to the workplace, including efficiency and productivity. Ethics touches every life no matter where one lives and works. Ethics is something which is communal in a personal and far-reaching sense, as moral values stretch the boundaries of personal and communal/organizational relationships essential for collective living.

Values-based Constructs

Mary Kay Copeland (2014) has written,

Values based leadership (VBL) evolved as a bi-product of the time and culture. The emergence of the twenty-first century was plagued with extensive, evasive and disheartening ethical leadership failures. Neither the public nor private sectors were immune as many leaders were exposed for immoral or unethical behaviors. Financial greed and corruption, corporate meltdowns, and spiraling unethical practices were revealed as financial scandals surfaced at prominent companies such as Enron, Tyco International, Adelphia, Peregrine Systems, WorldCom and others. In response, leadership and management theorists began to place a renewed emphasis on the importance of ethics and morality in exemplary leaders.

She continues,

In the decades preceding, charismatic, transformational leadership was promoted, encouraged and developed as a strategy for increasing the effectiveness of leaders and organizations. As moral and ethical deficiencies became prevalent in many of the charismatic, dynamic and seemingly transformational leaders that had risen to prominence; scholars, practitioners and entire nations began to challenge the qualities needed for exemplary leaders. It became clear that in order to restore hope, confidence, integrity, and honor to leaders and organizations, leadership theorist argued that entities needed to look beyond the persuasive lure of a charismatic, ostensibly transformational leader

and ensure that leaders also possessed a strong set of values, morals and ethics. The result was an increased focus on the concept of VBL, which a decade later has become ubiquitous in both management and leadership literature.

As VBL research continued, it became not only a method and practice of leaders, but a philosophy of life as well. As Copeland suggests, many involved in leadership research have defined “values-based leaders” as those with an underlying moral, ethical foundation. Thus, included within the mantle of VBL are the following value constructs: *spiritual, servant, authentic, ethical, transactional, and transformational* leadership revealing the stuttering conclusions of those engaged in values-based analyses. Gradually and importantly, VBL took on a moral tone requiring explication, application, and continual research. An integrated model of these constructs is provided by Karin Klenke (2005) who says, “Leadership is shaped by context; leadership is context dependent and context sensitive with leaders serving as tenants and stewards of context. In all forms of leadership, contextual factors set the boundaries within which leaders and followers interact and determine the demands and constraints placed on them as they contextualize their actions, behaviors, attitudes, emotions, and spiritual choice.” Given Klenke’s emphasis on context, the guiding principles of Thomas Donaldson mentioned above provide an excellent starting place for value (ethical) interaction.

Within the parameters of these constructs, VBL was identified as a moral activity and a business practice involving all members of a community (church, business, civic organization, etc.), treating them with respect and impartially, honoring their dignity and encouraging their responsibility for the efficiency of their work, supporting them, and promoting their leadership potential. This view is reflected by ethicist Kurt Baier (1970) who noted that the moral point of view looks and treats everyone as “....equally important centers of craving, impulses, desires, needs, aims, and aspirations; as people with ends of their own, all of which are entitled, prima facie, to be attained.” Following this advice should make it possible for others to either consent or dissent to organizational purposes – to willingly participate (or not) – to contribute to an organization’s mission, and to be invited to participate in formulating an organization’s ethic.

As a process metaphor, VBL remains in development. Like Copeland, Karin Klenke (2007) has pointed out that many theories and disciplines have emerged, requiring additional research and a theoretical framework for validation. Copeland has identified and thoroughly explicated these constructs and her research remains an excellent overview and is recommended for careful study and continual evaluation.

Research outlines that VBL has benefits beyond providing better organizational outcomes when moral and ethical principles are adhered to. Research has also demonstrated that transformational, authentic and ethical leadership traits result in leaders that are more effective. George (2003) summarizes what happens when VBL are at the helm. George argued that leaders were needed that “lead with purpose, values and integrity; leaders who build enduring organizations, motivate their employees to provide superior customer service, and create long term value for shareholders” (p.9) and that this would ultimately result in more effective leaders and organizations.

The concept of “value” and the identification of the ethical values that are important to values-based leadership require our constant attention. Reading much of the definitive literature, VBL demonstrates an emphasis on personal integrity, moral, and ethical principles. “Value” itself remains a catch-all word for these principles and for this reason, must be care-

fully defined and, when not, leaves the historical narrative of American value problematic. One example from Copeland demonstrates this complexity. She cites Burns (1978) who is credited with proposing the theories of transactional and transformational leadership. Burns described transactional leaders as those who lead others in exchange for something of value. This, of course is reciprocity-oriented leaving “value” ill-defined and perhaps idiosyncratic. Burns then compared transactional leadership with transformational leadership and pointed out that transformational leaders sought to appeal to and influence the moral values of fellow workers and inspire them to reform and revamp their organizations. Burns also noted that to be truly transformational, a leader must also be “moral, ethical and authentic.” Although Burns’ example is insightful, the words “moral,” “ethical” and “authentic” require our attention. “Authentic” points to consistency in values but leaves open the question of “moral value” unless these concepts are used jointly as “authentic moral value.” Also, in transactional leadership, the phrase “in an exchange for something of value” remains questionable and seems more a characteristic of reciprocity than that of ethics and morality, for people value many things, some of them less than moral. Reciprocity is a bargaining tool, but core moral values such as honesty, responsibility, fairness, respect, and human decency are too morally basic to be compromised. Thus, at a generalized level, the contextual comparison of transactional and transformation leadership reveals the perplexity of value, offered as values-based. Klenke (2007) has exposed the depth of value within value-based leadership practices, a depth which, as she noted, “draws from humanistic psychology, existential philosophy, and social identity as well as self-categorization theory, leader prototypicality, and spiritual leadership theory.”

Understanding the depth of psychological, sociological, philosophical, and spiritual research supporting values-based leadership is a task with which we are charged. Robert Greenleaf’s (2002) idea of “servant leadership” is, perhaps, more unambiguous and simplistic:

This is my thesis: caring for persons, the more able and the less able serving each other, is the rock upon which a good society is built. Whereas, until recently, caring was largely person to person, now most of it is mediated through institutions – often large, complex, powerful, impersonal; not always competent; sometimes corrupt. If a better society is to be built, one that is more just and more loving, one that provides greater creative opportunity for its people, then the most open course is to raise both the capacity to serve and the very performance as servant of existing major institutions by new regenerative forces operating within them.

Given the obvious differences in values-based leadership constructs, the observation of Warren Bennis (2009) is apropos: “Always, it seems, the concept of leadership eludes us or turns up in another form to taunt us again with its slipperiness and complexity. So we have invented an endless proliferation of terms to deal with it . . . and still the concept is not sufficiently defined.” The blurred edges of value are a reality with which we are challenged to contend. Consequently, like Donald Brown (1991), value-based leadership theorists are challenged to search for a set of universal ethical values, values that are not only moral, but have utility value as well. This is a continual struggle and it’s a struggle in the minds of leaders about their beliefs, values, and purposes. Indeed, the value-layers definitive of VBL – the ideals, precepts, and ethical principles – are fragile and politically charged. Staying morally focused, either as a business or a governmental body is terribly difficult as moral inclusiveness is often a misunderstood and half-hearted affair.

Value Shifts and Value Confusion

Having been exposed, value ambiguity is causing confusion and value adjustments in every aspect of American society. The historical narrative of America reveals the struggles, the shared sacrifices, and the uncertain future that has become a seemingly natural part of everyday life. Lifting the veil of American history reveals a values concoction defining personhood and nationhood imposing compliance, acceptance of common norms, and collective opinion — all that Tocqueville (2011) meant in 1840 by the “tyranny of the majority.” The dichotomy of “individualism” and “collectivism” remains at the heart of this struggle. From this history one is able to uncover the values foundational to each generation, some moral and others not. The flow and ripples of this current are making it difficult to judge and put into perspective what is expected of leaders today. Even a philosophical detachment from these events is perhaps not strong enough to make an objective evaluation. Thus, to understand personal values we must look outside ourselves and outside our individual values’ bubble to grasp the larger entangled picture of values confusion. Starting here, we can begin to lift the horizon of our ethical vision and the emerging possibilities of a collective moral culture, one that entails values-based leadership and one that requires cultivation and refinement.

Values-based leadership is founded on the premise that each person craves recognition of his or her dignity as a human being, including being an important member of an organization. The value thus derived is the pursuit of both a negative and a positive freedom: first, the freedom from the abusive actions of colleagues and superiors and, second, a freedom to participate fully, to the extent of one’s abilities, in the exercise of one’s skills. Both can be an exchange of ideas to clarify proposals about how to make one’s work and shared relationships more efficient, effective, and tolerable.

With cultural and even ethical diversity defining the workplace, the crisis of self-identity and of organizational identity pushes the need for dialogue, civility, and respect to the forefront of values-based leadership. Melé & Sánchez-Runde (2013) have commented,

The last few decades have witnessed the development of cross-cultural management, which focuses on cultural differences and their effect on organizational and managerial decision-making. Cross-cultural management is not only a question of techniques. It involves human and ethical considerations, as does every other aspect of management. Beyond cultural diversity, management is about people and so it entails ethical dimension. ... Cultural diversity entails an ethical challenge, for different reasons. One is that there are differences on moral perceptions and moral judgments among cultures, and consequently a tension appears between moral universalism (universal ethical principles or standards) and moral cultural relativism (local or cultural ethical norms as the exclusive source for ethical standards).

Long-Term Value Creation

The moral future envisioned by VBL and the various moral strands pulled together by VBL research have recognizable parallels, cultural furrows tilled by those who understand the moral needs of humanity and the moral dimensions of our common experience. Without a constant and continuing practice of moral correlation, the foundations of moral meaning go out the window. E. A. Burt (1965) has explained,

“... [The] fact is that the way in which a person is known makes a difference to the way he changes...He will be, in some measure, a different person because of it. ... True understanding of a person is gained only through the positive, response to his presence. Only when one’s interaction with him becomes an active participation in his growth toward fulfillment can one come to know his full self, because only in the medium of such a response is that full self coming to be.”

Burt’s ideas can become a catalyst for values-based leadership, for averting the dehumanizing forces in our country to which VBL has been and is a positive reaction. Anyone who has experienced even one moment of uncivil behavior from another understands the dehumanizing and depressing feelings that result. Negative emotions of fear, hate, suspicion, and indifference block avenues to understanding others. Thus, important to the leadership community is that we become accountable to human need. For these reasons, VBL stresses the importance of ethical and civic values, values that respect the individual merging them with corporate purposes, and values that stress fairness, honesty, and responsibility from the top to the bottom of the corporate ladder and vice versa.

The Aspen Institute (2018) has created a program for guiding businesses and investors entitled “Long-Term Value Creation.” One goal is teaching ethics, not only as a philosophy course, but as a component to schools of business, education, etc. But placing ethics in American schools of business or even offering a separate business ethics course in these schools has been a slow process. Long-term value creation remains difficult to procure. According to the Aspen Institute, “The principles of this program represent a consensus among companies, investors, and corporate governance professionals. In subscribing to these principles, and moving to implement them in their own organizations, subscribers are leading by example and taking a stand that a long-term focus is critical to long-term value creation.” The principles of long-term value creation espoused by the Aspen Institute are as follows:

- Work together and with others in the spirit of continuous improvement and ongoing communication, dedicating real resources to identifying and testing best practices for creating long-term value at our own firms;
- Support each other’s efforts to promote metrics, communications, and executive compensation that create long-term value; and
- Support each other even in the face of internal and external pressures to compromise on these principles and default to short-term thinking.

Judith Samuelson of the Aspen Institute says that change is coming slowly in schools of business and management, and is being propelled by “students who want business to be seen in the context of the big issues of our day.” Even today in universities and colleges ethics remains only as a special course in philosophy usually taught as a theoretical analysis of various moral constructs divorced from the reality life presents. Steven Mintz (2011) comments, “From my experience many instructors are reluctant to teach ethics. Some feel uncomfortable doing so. Others are concerned about becoming too preachy. Still others do not believe ethics can be taught” (Haidt, 2012). But, is this a cop-out, a giving into the postmodern spirit and its co-partner, ethical relativism, with the assumed but unsupported belief that all values have equal moral status and that identifying humanity’s common moral values is a denial of a person’s right to believe what one wants and behave how one desires to behave? Certainly, the civil rights and feminist movements of the 1960s and the more recent events

in Charlottesville, Virginia, and school shootings around the nation have revealed the moral inadequacies of this view.

John Ragozzine (2008) has commented,

As our nation emerges from several decades of determinedly values-neutral education; efforts to weave ethics and integrity into the fabric of education still meet skepticism. The arguments against it are as varied as they are trite. Aren't we already doing this? Isn't all ethics relative anyway? Are you saying my child is unethical? Are you trying to impose your values on my family? Whose values are you trying to teach, anyway?

Ragozzine concludes,

Ours is an age of inordinate moral confusion. Every day's headlines report big-picture dilemmas with no clear solution: international terrorism, regional warfare, global warming, energy shortages, corporate scandals, nuclear proliferation, and endemic corruption. At a more granular level, this bewilderment appears in a litany of national and local ethical lapses, where values are subverted, integrity is abandoned, and moral courage is given short shrift. ...little wonder, then, that parents are searching for schools where character matters, where values are in focus, and where moral reasoning and ethical behavior are central to the educational culture. Parents often find those qualities in the nation's private schools, so many of which are deliberately trying to achieve a culture of responsibility, respect, honesty, fairness. A central aspect of the appeal of private education—a key reason that parents willingly pay for an alternative to what, in North America, is available free in every community—lies in the commitment of private education to developing students of character.

Conclusion

Joseph T. Plummer (1989) was cognizant of the values reassessment going on in American society when he said, “Long-held beliefs about the meaning of work in one’s life, relations between the sexes, and expectations for the future—indeed, about many aspects of daily living and important relationships among people—are undergoing reexamination and reappraisal.” Plummer calls this a *paradigm shift*—a fundamental reordering of the way one sees the world around them. Perhaps VBL is an important component of this ongoing shift as society is gradually moving away from the traditional values that drove society through the 20th century and toward the emerging new values being embraced on an ever-widening scale.

Plummer has identified some of the characteristics of this “shift” which he says demonstrates...

- A new focus on individuality is seen in corporations that value a high level of creativity, flexibility, and responsibility to people rather than bigness, consistency, and uniformity.
- The expectation of high ethical standards of leaders and employees, political figures, and advertisers is required.
- A greater value is being given to experience and has prompted a growth of travel, the arts, sports, and lifelong education.
- Finally, health behavior is shifting from curing illness to promoting wellness which is seen most dramatically in a decline in smoking and red-meat consumption.

At the center of this paradigm shift are such values as decency, integrity, fairness, trust, and responsibility, to name a few. Aptly, Stephen Convey (2012) has observed,

As we work with people and companies around the world, we come in constant contact with the pain and struggle many are dealing with as it relates to trust. One of the reasons the pain is so great is because somehow deep inside people innately know that the benefits of high-trust relationships, teams, and organizations are incomparably more productive and satisfying. They can sense that their lives would be a lot better, their jobs a lot more fulfilling, and their personal relationships a lot more joyful if they could only operate in an environment of high trust. And that makes the absence of trust all the more frustrating.

Agreeing, Mick Yates (2018) commented, “Leadership is the energetic process of getting people fully and willingly committed to a new and sustainable course of action, to meet commonly agreed objectives whilst having commonly held values. It will take insight and effort to define the values supporting leadership and this will be an on-going process.” Donald Clark (2012) was perhaps on the right course when he wrote, “Leaders do not command excellence, they build excellence. Excellence is ‘being all you can be’ within the bounds of doing what is right for your organization. To reach excellence you must first be a leader of good character.”

Thus, a core test of values-based leadership is being of “good character.” A question remains, “What is character?” and more importantly, “What is good character?” These are questions requiring explanation and clarification, and put into the context of leadership in the 21st century. This is nothing less than a quest for ethics and civility in the workplace. H. Darrell Young, building on his leadership experience, says even more strongly that our purposes – values and beliefs – must drive organizational mission and not the other way around. He comments, “Character is the foundation of leadership and is found in our courage to exercise our decisions from this perspective.” It is our values that provide stability to the organizations which we lead and manage. Young writes, “We must have stability of purpose in order to deal with instability of environment.” In his opinion, our moral values allow leaders and followers to step up to a lifestyle of performance responsibility. This responsibility, Young reminds us, is situated in the dignity and moral value of people and the ethic that is derivative of this value (Young and Hester, 2004).

References

- Aspen Institute: <https://www.aspeninstitute.org/publications/aspen-principles-long-term-value-creation-guiding-principles-corporations-investors/>. See also: Aspen Institute Center for Business Education. “Beyond grey pinstripes.” <http://www.beyondgreypinstripes.org/>
- Baier, Kurt (1954). “The point of view of morality.” *The Australasian Journal of Philosophy*, Vol. XXXII (August, 1954), pp. 104– 135. See also, Baier, Kurt. *The moral point of view*. Cornell University Press, Ithaca, NY, 1958. See also, Baier, Kurt, (1970) “The point of view of morality,” in *Readings in contemporary ethical theory*, edited by Kenneth Pahl and Marvin Schiller. Englewood Cliffs: Prentice-Hall, Inc.
- Bennis, W. (2009). *On becoming a leader*, Fourth Edition. New York: Basic Books.

- Brown, Donald E. (1991). *Human universals*. New York: McGraw-Hill Humanities.
- Burns, J. M. (1978). *Leadership*. New York: Harper & Row.
- Burt, E. A. (1965). *In search of philosophic understanding*. New York: Mentor Books.
- Clark, D. (2012). *The art and science of leadership*. <http://www.nwlink.com/~donclark/leader/leader.html>
- Copeland, Mary Kay (2014). "The emerging significance of values based leadership: A literature review." *International Journal of Leadership Studies*, Vol. 8 Iss. 2, 2014; School of Business and Leadership, Regent University
- Covey, S. (2012). *Smart trust*. New York: Free Press.
- Donaldson, T. (1996) "Values in tension: Ethics away from home." *Harvard Business Review*, 74 (5), 48-57.
- Fukuyama, Francis (2018). *Identity*. New York: Farrar, Straus and Giroux.
- George, R. P. (1999). *Defense of natural law*. Oxford: Clarendon Press.
- Geus, A. de (2002). *The Living Company*. Cambridge, MA: Harvard University Press. Quoted by Fritjof Capra (2002) *The Hidden Connections*. New York: Anchor.
- Greenleaf, R. (2002). *Servant leadership*. Mahwah, NJ: Paulist Press, 25th Anniversary edition. See also <https://www.greenleaf.org/what-is-servant-leadership/> (2018).
- Haidt, Jonathan (2012). *The righteous mind*. New York: Penguin Books.
- Handlin, O. and Handlin, L. (1994). *Liberty and equality 1920-1994*. New York: Harper Collins.
- Hester, J. (1975). "Subjective commitment and the problem of moral objectivity." *Journal of philosophy and phenomenological research*, Vol. XXXV, No. 4.
- Hester, J. (2012). "Value shifts: redefining "leadership," A narrative." *Journal of Values-Based Leadership*, Vol. 5: Issue 2.
- Klenke, K. (2005). "The internal theatre of the authentic leader: Integrating cognitive, affective, conative and spiritual facets of authentic leadership." In W. Gardner, B. Avolio, & F. Walumbwa (Eds.), *Authentic leadership theory and practice: Origins, effects and development*. Vol. 3. Monographs in Leadership and Management (pp. 155-182). New York: Elsevier.
- Klenke, K. (2007). "Authentic leadership: A self, leader, and spiritual identity Perspective." *International Journal of Leadership Studies*, Vol. 3 Iss. 1. See also, Leinberger, P. and B. Tucker (1991) *The new individualists*. New York: HarperCollins.
- Meier, D. (2000). "Educating a democracy." *Boston Review*, February/ March 2000. <http://bostonreview.net/BR24.6/contents.html>.
- Melé, D. and Sánchez-Runde, C. (2013). "Cultural diversity and universal ethics in a global world." *Journal of Business Ethics*, September 2013, Volume 116, Issue 4, pp. 681-687.
- Millet, J. (2010). "Understanding American culture." <http://www.culturalsavvy.com/understandingamericanculture.htm>.

- Mintz, S. (2011). "Does teaching ethics to business school students improve ethical decision-making?" <http://www.ethicssage.com/2011/10/does-teaching-ethics-to-business-school-students-improve-ethical-behavior.html>.
- Nozick, R. (1981). *Philosophical explanations*. Cambridge: Harvard University Press.
- Nozick, R. (1990). *The examined life*. New York, NY: Simon & Schuster.
- Plummer, J. T. (January-February 1989). "Changing values." *The Futurist*.
- Positive Money (2018). <http://positivemoney.org/issues/recessions-crisis/>.
- Ragozzine, John (2008). "Making ethics 'doable.'" *Institute for Global Ethics Newsletter*, 2008. [http://www.globalethics.org/search/search.htm?q=John %20 Ragozzine&s=10&e=20&user_e=10](http://www.globalethics.org/search/search.htm?q=John%20Ragozzine&s=10&e=20&user_e=10).
- Silberbauer, George (1983). "Ethics in small scale societies" in *A companion to ethics*, edited by Peter Singer. Cambridge: Blackwell Reference.
- Tocqueville, A. (2011). *Democracy in America (1840)*. New York: CreateSpace.
- Turiel, E. (1983). *The development of social knowledge*. Cambridge, UK: Cambridge University Press.
- White, Curtis (2004). *The middle mind: Why Americans don't think for themselves*. New York: HarperOne; Reprint edition.
- Yates, M. (2018). <http://www.thechangeleaders.com/>
- Young, H. D. and Hester, J. (2004). *Leadership under construction*. Lanham, PA: Scarecrow Press.

About the Author

Joseph P. Hester earned the Ph.D. in Philosophy from the Franklin College of Arts and Sciences at the University of Georgia in 1973, where he held a teaching assistantship in the Department of Philosophy and a research assistantship with the Georgia Studies of Creative Behavior. Now in retirement, he is on the editorial board for the *Journal of Values-based Leadership* for which he is a frequent contributor and the advisory board for the *Humanities Bulletin*. His latest book, *A Summoned Life*, an explication of the Golden Rule was published in 2017 and his most recent articles: "Values-Based Leadership in a Time of Values Confusion," was published by the *Journal of Values-Based Leadership* in the winter/spring of 2019 and "Veiled Assumptions and the Failure of Ethical Conversations" was published in the *Humanities Bulletin* in the fall of 2018.

Dr. Hester can be reached at southcline@gmail.com.