

Chapter 73

To Teach Leadership Ethically or to Teach Ethical Leadership? Leadership Education in the Polish Executive Education Context

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ABSTRACT

Ethical leadership is a cornerstone of a socially responsible organization. However, organizations operating in transition economies experience a confusing mix of old and new institutional pressures. Hence, ethical leaders face a moral dilemma: whether to follow all laws, rules, values, and beliefs or to purposefully disobey some of these. If they make a wrong choice, their company will suffer a competitive disadvantage. Leaders who enroll in executive education programs receive mixed advice. In this chapter, the authors analyze the challenges of ethical leadership education in the context of the Polish economy.

INTRODUCTION

The desire to succeed is what tends to push people at different stages of their career to strive to be promoted. With leadership positions comes prestige, recognition, fulfilment, money, and power. When asked who they want to be after graduation, students, without hesitation, answer “CEO.” Therefore, it comes as no surprise that leadership education worldwide is booming, with programs and courses offered at all levels of education and in various formats. At the same time, the role of organizations and their influence are greater than ever. They have such an impact that one unethical decision can lead to a world financial crisis or world scandals such as in the case of Enron. But they also have a positive

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effect when they create trends, beliefs, lifestyles and educate societies on what's good or bad. One way or another organizations essentially filled in the role of religious institutions, which started to lose their audience. That is how leaders became 'gods.'

Now, our mission in academia is to understand the range of this phenomenon and try to shape future leaders' ethical standards and codes of conduct. We need to do that to assure a stable, incorrupt and prosperous future. The question, however, remains: 'Can we as educators teach students to be socially responsible leaders? What is the role of universities in equipping business leaders and shall we focus on theories or more on skills? Is it possible to become a 'successful' entrepreneur, CEO or manager and be mindful of moral standards and ethical codes of behavior at the same time and at what price?' The general belief amongst people prevails that such programs are too idealistic, that they sell utopian imagination, which is inapplicable for real-life scenarios. On the other hand, ethical business leaders are perceived as good PR people and treated suspiciously. That is precisely why MBA students are skeptical. Nonetheless, the best business schools such as Harvard introduce entire programs on business ethics. In Poland, we still tend to be fascinated by the US example and try to follow these ideas. That is precisely how ethical education gained momentum.

However, what works in business environments with strong formal and informal market institutions, might not work in other contexts. Transition economies, such as Poland, Russia, Brazil, or India, present an interesting challenge for leadership education. Going from a more centrally planned economic system to (more or less) a free market economy resulted in a complex mixture of formal and informal institutions. When the rules of the game are so confusing, leaders (and followers) have been found not to follow some norms for the sake of effectiveness and efficiency. While such behaviors would be penalized by share- and stakeholders in markets with more developed formal and informal institutions, in transition economies they might go unnoticed, thus creating a further moral hazard for managers. If most competitors do not follow some rules, the ethical managers always obeying them put their companies at a constant competitive disadvantage.

What is a serious moral dilemma for managers, also creates a critical challenge for universities and business schools. Traditionally, the role of a university is to create and disseminate knowledge, but more recently it is also to prepare students to successfully enter the job market after graduation. Well established university rankings and accreditation committees assess universities on the ability of a student to find a job right after graduation as well as the salary offered to such a graduate, so the pressure is there. This role leads to an ontological paradox: shall the business school infuse its students with ideas of ethical leadership or teach them how to be effective, yet sometimes unethical, leaders. The paradox might not be clear in the case of public schools, which should shape future leaders to serve the society at large, but becomes more apparent in executive education with tuition fees usually paid by students or their companies. Should we as leadership instructors teach executives to be ethical leaders while they expect to be taught how to be effective leaders?

In this chapter, the authors discuss the challenges and potential solutions to ethical leadership education in the context of transition economies in the example of Poland. The authors start by providing the cultural background and follow it with a broader discussion of leadership in Poland. Then the authors discuss the challenges of ethical leadership education and offer potential solutions.

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