

	FORMATO DE PRESENTACION DE PROPUESTAS PARA FINANCIACIÓN Fondo Small Grants	Junio 2018
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PARTE I: INFORMACIÓN GENERAL DEL PROYECTO	
Título del proyecto	<i>A Cross-cultural study of the contribution of Ethical Leadership to organizational sustainability: A comparative study between Latin America and Europe.</i>
Descriptores / palabras claves	<i>Ethical Leadership, Sustainability, Cross-cultural, multidimensionality, ethical decision-making, moral foundations, ethical culture, national culture</i>
Duración del proyecto (en meses)	24

PARTE II: CONTENIDO DE LA PROPUESTA DE INVESTIGACIÓN
1. Planteamiento del problema y objeto de estudio
<p><i>En esta sección se debe formular el problema a cuya solución o entendimiento se contribuirá con el desarrollo del proyecto propuesto.</i></p> <p>Ethical leadership is a recent research field that has grown considerably in last years. However, there is still no consensus concerning the definition of ethical leadership construct and its dimensions, as well as their effectiveness across cultures. The most influential and commonly referenced definition of ethical leadership characterizes it as “the demonstration of normatively appropriate conduct (...) and the promotion of such conduct to followers” (Brown et al., 2005, p. 120). Intercultural researchers have argued that the effectiveness of ethical leadership can vary depending on the kind of behavioral dimensions measured and cultural characteristics (Den Hartog et al., 1999; House & Adyita, 1997; Kalshoven et al., 2011; Resick et al., 2006). Cross-cultural studies on leadership have been mainly addressed from the framework and results of the Global Leadership and Organizational Behavior Effectiveness project-GLOBE (House et al., 2001, 2002, 2004), which include a set of cultural values that affects the perceptions and effectiveness of leadership in a differentiated manner depending on the culture or nation. By using the GLOBE dimensions and data, researchers have found that ethical leadership is universally valued but differently endorsed across cultures (Resick et al., 2006).</p> <p>One of the effects of ethical leadership is directing employees’ focus towards positive contributions to the organization, stakeholders and society at large (De Hoogh & Den Hartog, 2008). For instance, this leadership style has been consistently linked to a broad array of positive outcomes in organizations, such as positive attitudes towards the leader, task performance, and reduced counterproductive work behaviour (Ng & Feldman, 2015). As the adverse impacts of organizations on the environment and society continue to attract more attention, organizations are expected to take more responsibility for their contributions to sustainable development. The sustainable behavior of an organization encompasses its economic, environmental and social impacts (McElhaney 2008). While the relationship between corporate sustainability and corporate performance has been extensively studied, the contribution of leadership of the organization to adopting principles and practices of sustainability and its effect on organizational sustainability outcomes require further research.</p> <p>Therefore, the main purpose of this project is to study the relationship between ethical leadership and organizational sustainability by analyzing the contribution of the different behavioral dimensions of ethical leadership at the individual and organizational level, through employees’ ethical decision-making and organizational sustainability performance, respectively, and comparing the results through different cultures. Within this line, it is also proposed to analyze the role of individual, organizational and national factors that could moderate the proposed relationships, such as followers’ and leaders’ moral foundations congruence (Egorov & Pircher, 2017; Graham et al., 2011; Haidt, 2001), organizational ethical culture (Kish-Gephart et al., 2010; Tenbrunsel & Smith-Crowe, 2008; Treviño et al., 2006), and national values (House et al., 2004; Resick et al., 2006).</p>

2. Justificación

Factores que hacen necesario y pertinente la realización del proyecto.

Ethical leadership is not just an actual trend in management research, but also a topic that many institutions are nowadays demanding due the increased interest in improving their ethical practices as well as a way to refrain corruption (Misangyi et al., 2008; Pinto et al., 2008; Resick et al., 2009). In many cases presented in the newspapers, there is seen a clear line of executives putting high pressure on their workers to improve their performance at any cost, which ends in employees responding with fraudulent practices. However, not only ethical scandals were able to break into the headlines. There are also positive examples of organizations: 3M has been placed on the list of world's most ethical companies. Additionally, there has been a recurrent calling in the literature of ethical leadership for more cross-cultural research on the characteristics, perceptions and effectiveness of ethical leadership (Brown et al., 2005; Eisenbeiss & Brodbeck, 2014; Ng & Feldman, 2015; Resick et al., 2006; Treviño et al., 2006).

In parallel, there is also a calling from researchers for integrating sustainability within the business strategy and practices with a clear and demonstrable impact on the organization outcomes (Wang, Tong, Takeuchi, & George, 2016). The increased importance of managing sustainability for the survival and success of organizations (Cresti, 2009) has shifted research to the relationship between ethical leadership and corporate sustainability, which remains in an exploratory stage (e.g., Zhu et al., 2014; Groves & LaRoca, 2011; Angus-Lepan et al., 2010).

Ethical leadership has been shown to affect followers' ethical decision-making and ethical behavior (De Hoog & Den Hartogh, 2008; Ng & Feldman, 2015). However, ethical leadership effects on employees' concerns for sustainability could be affected by different factors, such as individual values, organizational culture, and national culture, which are considered here as moderators. Individual values are approached from the framework of Moral Foundations (Graham et al., 2013). This relatively new theoretical approach to human morality proposes that a set of moral foundations comprising values and moral intentions affects peoples' ethical behavior and ethical decision-making (Egorov & Pircher, 2017). Recently, Fehr and colleagues (2015) proposed that a congruence in leader and follower moral foundations affects followers' ethical leadership perceptions. Organizational culture is approached from the framework of organizational ethical culture (Treviño et al., 2006), which proposes an interrelation between organizational values and practices and leaders' and employees' ethical behaviors (Kish-Gephart et al., 2010; Treviño et al., 2006); and national culture are considered from the GLOBE project (House et al., 2001, 2002, 2004), which analyze the perceptions and effectiveness of ethical leadership from a framework of national values.

3. Marco teórico y estado del arte

Resumir los aspectos conceptuales y teóricos que contextualicen el problema de investigación planteado; hacer una breve descripción de las contribuciones que se han hecho al tema de manera que la identificación de los vacíos a los que se contribuirá con la ejecución del proyecto sea identificable por el lector.

The relationship between leadership and ethics is not new (Barnard, 1938; Burns, 1978; Ciulla, 1998; Enderle, 1987; Rost, 1995; Selznick, 1957). However, research on ethical leadership from a theoretical and behavioral perspective is a relatively new field (Mayer et al., 2012), which has been growing considerably (Ng & Feldman, 2015). The rise of ethical leadership studies has been motivated by the concern of academics and the broad society for the ethical scandals occurred in the last decade (ABN-Amro, 2008; AIG, 2008; Arthur Andersen, 2002; Chiquita Brands, 2001; Enron, 2001; Firestone, 2000; Parmalat, 2003; Worldcom, 2001; etc.), as a way to understand its causes and to propose solutions from a leadership perspective.

Ethical leadership is understood within this project as a process of influencing in a social responsible way (De Hoogh and Den Hartog, 2009) by "the demonstration of normatively appropriate conduct through personal actions and

interpersonal relationships and the promotion of such conduct to followers through two-way communication, reinforcement and decision-making” (Brown et al., 2005, p. 120). Ethical leadership entails a set of behaviors such as fairness, integrity, power sharing, role clarification, people orientation, ethical guidance, as well as showing concern for sustainability (Kalshoven et al., 2011).

Previous scholars found ethical leadership positively associated with various outcomes that are relevant to organizations at the individual, group, organizational and society levels (Brown & Treviño, 2006; De Hoogh & Den Hartog, 2008; Engelbrecht et al., 2005; Kacmar et al., 2011; Kalshoven et al., 2011, 2012; Mayer et al., 2009, 2010; Neubert et al., 2009; Newman et al., 2015; Piccolo et al., 2010; Podsakoff et al., 2000; Qi & Xia, 2014; van Gils et al., 2015). One of the outcomes that have received attention from organizational behavior researchers is ethical decision-making (O’Fallon and Butterfield 2005). Ethical decisions have been defined as decisions that are both legally and morally acceptable to the larger community (Jones, 1991). Ethical leadership has been positively related to employees’ ethical decision-making and organizational culture (Brown & Treviño, 2006; Tenbrunsel & Smith-Crowe, 2008).

However, research focusing on the relationship between ethical leadership and sustainability outcomes that have an impact on society is limited in spite of the implicit role of ethics in the Business-Society relationship (Beauchamp & Bowie, 1997; Carroll, 1999; Carroll & Buchholtz, 2006; Garriga & Melé, 2004; Freeman & Velamuri, 2006; Frederick, 2001; Kakabadse & Morsing, 2006; Marsden, 2005; Mele, 2009; Post et al., 2002; Swanson, 1995, 1999; Wood, 1991). Corporate sustainability is perceived as the ultimate goal of an organization in its contribution to sustainable development; “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development 1987). The activities an organization undertakes to achieve Corporate Sustainability are referred as Corporate Social Responsibility (CSR). CSR encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at any given point in time and defines the responsibilities of businesses towards society and the environment we live in (Carroll & Shabana 2010, Carroll 1999). Corporate sustainability practices relate to multiple organizational activities and complex management, and include among others Economic (procurement practices, indirect economic impacts), Environmental (materials, energy, water, emissions) and Social practices (e.g., Human Rights, Labor Practices, and Product responsibility). While organizations often struggle to manage their sustainability performance because of a lack of adequate and agreed international metrics, organizational sustainability outcomes can be measured with reporting standards such as the Global Reporting Initiative (2014) and Carbon Disclosure Project (2015).

Additionally, scholars have had called for a better understanding of the dimensionality of ethical leadership (Kalshoven et al., 2011; Páez & Salgado, 2016), and their effectiveness across cultures (Ng & Feldman 2015), as well as, their contribution to different outcomes (Brown & Mitchell 2010; Treviño & Brown 2014).

Literature has shown that ethical behavior is affected by multiple factors at the (1) individual, (2) organizational, and (3) national level. At the (1) individual level, the moral foundations theory has been developed to show that ethical behavior can be better explained and predicted from the intuitionism perspective. This theoretical approach proposes a model of moral values that have been related to both the perception and effectiveness of ethical leaders (Egorov & Pircher, 2017). So far, existing research in this field has given little attention to the notion of leadership as a social construction, leaving us with a limited understanding of the processes through which followers moralize leadership, that is, how followers come to view leaders as ethical (Fehr et al., 2015). In this context, Fehr and his colleagues (2015) proposed that followers’ perceptions of ethical leadership are based on an intuition-based moralization process, which depends on whether there is congruence in followers’ and leader’s understanding of what is morally right or wrong. More specifically, the authors argued that followers may positively moralize leadership practices and, in consequence, perceive their leaders as ethical, when the leader moral foundations are consistent with their own moral foundations. At the (2) organizational level, a contextual factor that has received some attention concerning ethical behavior in organizations is ethical culture. Organizational Ethical culture has been defined as shared assumptions, values, norms, beliefs, and traditions that guide ethical behavior in the organization - or – perceptions of “how we do things around