

Responsible Leadership

Leading projects responsibly

EAS-short course

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TURKU AMK
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APPLIED SCIENCES



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RESPRO – Developing people skills in project management education

Basic information

- This EAS short course was developed as part of the research project RESPRO – Developing people skills in project management Education
- RESPRO is funded by the European Union
- Official project description:
<https://erasmus-plus.ec.europa.eu/projects/search/details/2022-1-ES01-KA220-HED-000085940>
- This EAS short course is free to use and aims to help interested people (teachers, students, post-graduates, ...) to enhance their knowledge on responsible project management.
- For further information please contact the project partners: karin.link@fhwn.ac.at (FHWN), marion.karppi@turkuamk.fi (TUAS), jopolu@disca.upv.es (UPV) or Lily.Bethencourt_1@rtu.lv (RTU)

Theoretical foundations of Responsible Leadership*

*Maak & Pless 2021: Responsible Leadership. 2nd edition. Routledge

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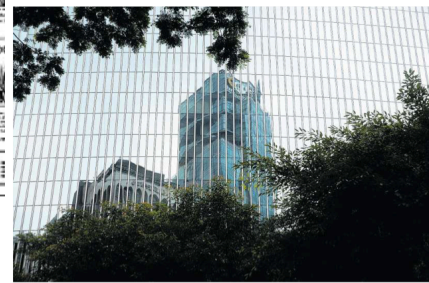
Why Responsible Leadership?

SUSTAINABLE DEVELOPMENT GOALS



Ein deutscher Fall Enron

Buchprüfungsexperten warneisen, wie bei Wirecard ein Viertel der Bilanzsumme verschwinden konnte



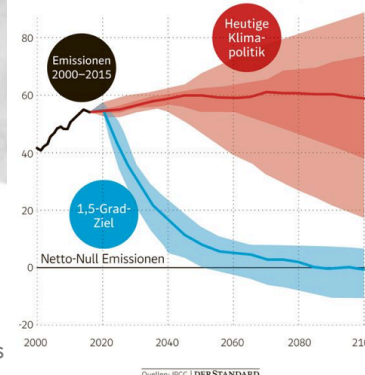
Eigentlich sollte eine im Oktober vom Aufsichtsrat eingeleitete Sonderprüfung durch die Buchprüfungsfirma KPMG alle Zweifel an Geschäftsmethoden beseitigen, doch die im April bekanntgewordenen Ergebnisse zeigten ein katastrophales Bild. So hatte KPMG für 1.000 € an Zahlungen von der Firma keine Bankbelege erhalten. Laut dem Bericht waren von 2016 bis 2018 rund die Hälfte des Umsatzes von Wirecard auf Geschäft mit Drittfirmen zurückzuführen. Und für einen guten Teil dieser Transaktionen hatte KPMG nicht genügend Informationen darüber, ob es sich um echte Geschäfte oder Leihgeschäfte handelte. Man habe keinen Zugang zu den relevanten Daten gehabt, habe es damals geheißen.

Buchprüfer EY im Fokus
Der langjährige Abschlussprüfer von Wirecard ist jedoch nicht KPMG, sondern der Konkurrent EY. Kann man einem Buchprüfer über 10 Jahre hinter den Rücken schauen? Möglich ist das, wenn ein Unternehmen selber kriminelle Energie am Werk war. Bei einer DAX-Firma und dann noch bei einer solchen, bei der wiederholt Gerichte über Unregelmäßigkeiten die Hände reichten, ist der Buchprüfer aber besonders gefordert. Auch



Die Eindämmung der globalen Erwärmung auf ein Maximum von 1,5–2°C erfordert eine sofortige und drastische Reduktion an Treibhausgasen

Globale Treibhausgasemissionen in Gigatonnen CO₂



Quellen: IPCC | DERSTANDARD



sueddeutsche.de



rcollections.ca

What is Responsible Leadership?

First approaches ...

Responsible Leadership as basic attitude

- Shift from purely economic, positivist, self-centered thinking to a mindset that considers all stakeholders and thus also the common good (Maak&Pless 2006)
- Normative approach with questions of right or wrong? Good or bad?
- Values as moral compass for managers (George 2003)
- Ethical thinking and acting as the core of leadership (Ciulla 2006)
- Relationships as core elements of leadership (Maak & Pless 2006)
- Leadership is responsibility (Drucker 2004)

→ „Good“ leaders act ethically and effectively (Ciulla 2006)

What is Responsible Leadership?

First approaches

Characteristics of a „responsible leader“ (Maak&Pless 2006)

- Effective, visionary and a good manager AND
- Is committed to the „right“ values and has a good character
- Develops long-term relationships based on consistent values and principles
- Acts according to moral standards that apply to everyone else then (Ciulla 2006)
- Is authentic and leads with integrity, i.e. remains true to themselves and acts in accordance with the principles (walk the talk) (George 2003)
- Reflects on his/her own values and develops/challenges them regularly (George 2003)

Responsible Leadership: Definitions

20 years of development ...

- **GRI (2005):** „Globally responsible leadership is the global exercise of ethical, values-based leadership in the pursuit of economic and societal progress and sustainable development. It is based on the fundamental recognition of the interconnectedness of the world.“
- **Doh & Stumpf (2005):** „we suggest that the concept of responsible leadership and governance has three important dimensions, each of which can be observed through specific individual or organizational behaviour: (1) values-based leadership, (2) ethical decision-making and (3) quality stakeholder relationships.
- **Maak (2007):** „building, cultivating and sustaining trustful relationships to different stakeholders, both inside and outside the organization and in coordinating responsible action to achieve a meaningful commonly shared business vision.

Responsible Leadership: Definitions

20 years of development ...

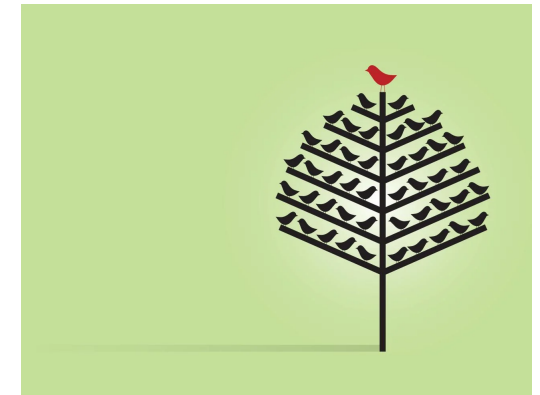
- **Pless (2007):** „a person who reconciles the idea of effectiveness with the idea of corporate social responsibility by being an active citizen and promoting active citizenship inside and outside the organization.“
- **Muff, Liechti & Dyllick: (2020):** „A responsible leader demonstrates a deep understanding of the interdependencies of the system and the own person, is distinguished by an ethical and values-based attitude, and able to build long-term relations with different stakeholders embracing their needs, while initiating change towards sustainable development.“
- **Agarwal & Bhal (2020):** „We define RL as a phenomenon in which a leader aims at achieving sustainable organizational growth through development of positive stakeholder interactions and promotion of ethical behaviors.“

E: We define Responsible Leadership as ...

Get together in teams of 4 and ...

- Discuss in the group: „For me, responsible leadership means ...“
- Work out a definition together: „Responsible leadership means/is ...“
- Create an Flipchart with your definition and a suitable symbol
- 20 min time

Presentation & Exchange in plenary session



Knowledge.insead.com

Vision of the responsible leader

Summary of main ideas

- Responsible Leadership is an approach that combines business and ethics
- Responsible leaders create a sustainable future and pursue economic and societal progress and sustainable development.
- Responsible leaders aim to achieve organizational growth through the development of longterm positive stakeholder interactions and promotion of ethical behavior
- Responsible leaders are distinguished through an ethical and value-based attitude
- Responsible leaders demonstrate a deep understanding the own person and the interdependencies with the system
- Responsible leaders are active citizens, inside and outside of the organization

Responsible Leadership in projects

Main ideas

- Responsible leaders combine ethics and business success. This indicates a shift from a purely performance-related definition of business success towards an understanding that the results have to be achieved in an ethical way (Ciulla 2006).
- Responsible leadership in projects is fundamentally people's work for people that combines business and ethics. Yukl (2013, p. 23) defines leadership "as the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives."

Responsible Leadership in projects

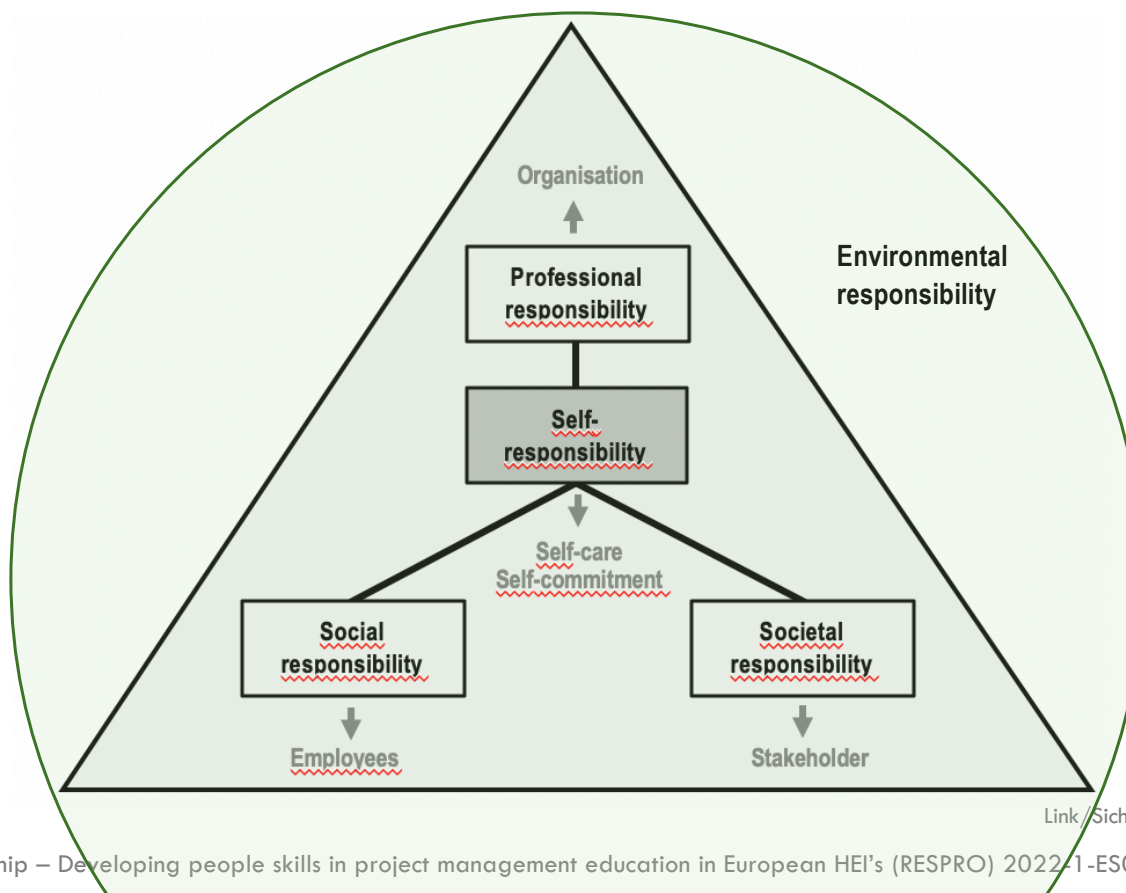
Main ideas

Responsible leadership in projects could mean ...

- to create a shared understanding of the project's goal and purpose, of the project's role in the greater system, the impact in and outside the organization and of the project's relevant stakeholders and their needs.
- to develop a shared understanding of how the results should be achieved – especially with regard to ethical standards
- to support the project team and the team members effort's to achieve the shared objectives, this means to provide resources, to foster individual and team well-being, and to create a context where team members can flourish and craft their jobs according to their strengths and organizational needs.

Dimensionen of responsibility

Who is responsible to whom for what where and why?



Impact/outcomes of Responsible Leadership

Why it makes sense to lead responsibly

- Organizations, their employees, and the environment can benefit from RL.
- The benefits of RL are multi-faceted
- RL plays a critical role in fostering ethical practices, sustainability, stakeholder trust and overall organizational success

Impact/outcomes of Responsible Leadership

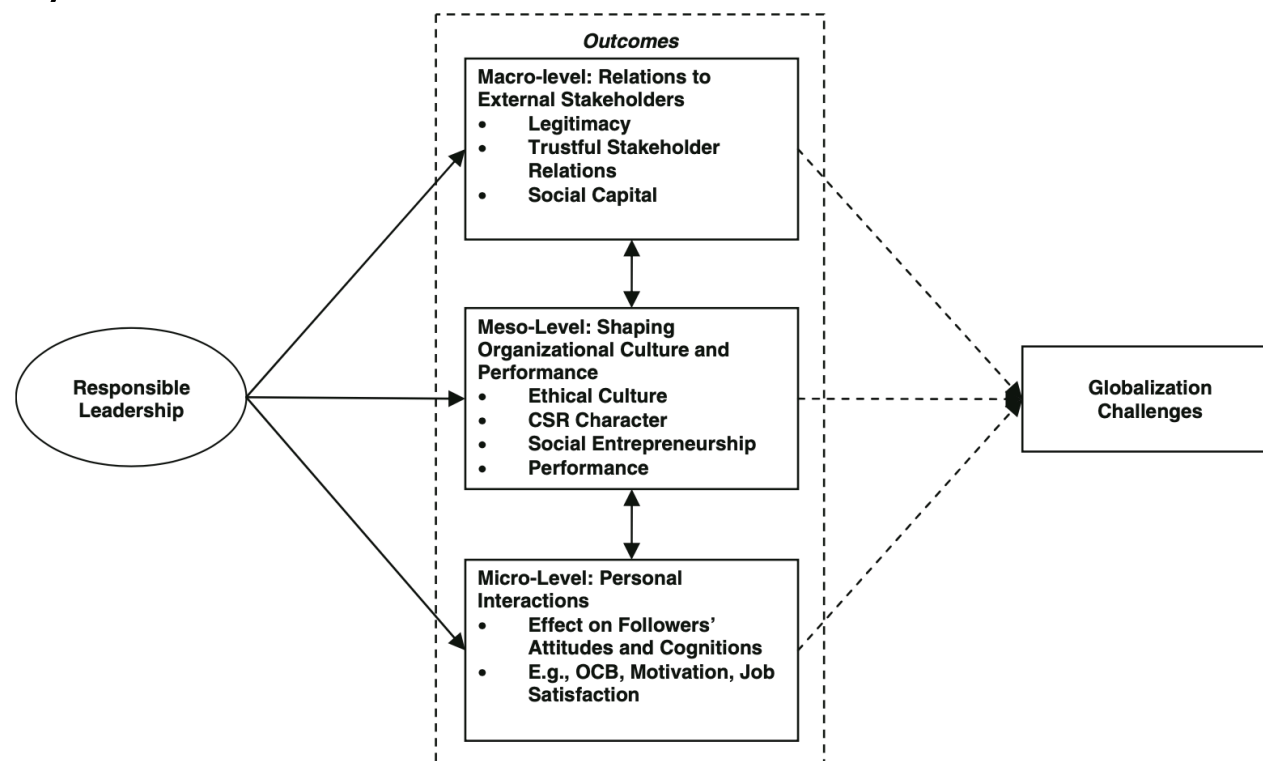
Why it makes sense to lead responsibly

Conceptual model of Responsible Leadership

Voegtlin, Platzer & Scherer 2012

- Analysis of contemporary research
- Deduction of formal propositions and causal relationships

→ *RL affects organizational outcomes at multiple levels*



Voegtlin, Patzer & Scherer 2012, p. 596

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Impact/outcomes of Responsible Leadership

Why it makes sense to lead responsibly (examples of empirical evidence)

- **Firm performance:** The analysis of 85 CEOs behaviors in China and related firm performance suggests positive relationships between RL and organizational performance on the long run (Wang et al. 2015)
- **Talent retention:** Survey of 4.352 employees (28 firms) in India suggests that RL positively affects employees job satisfaction, the pride to work in the organization and the intention of talented employees to stay. RL serves as an overarching construct that attracts young potentials (Doh et al. 2011).
- **Proenvironmental behavior:** A study among 329 employees and 88 supervisors in Pakistan shows that RL was key for employees' proenvironmental behavior. Employees more likely show behavior that supports environmental sustainability when their supervisors follow the idea of RL. Responsible leaders act as role models in their organizations, influence employees' attitude towards responsible behavior in business practice and promote sustainable values and priorities. (Afsar et al. 2019)

Impact/outcomes of Responsible Leadership

Why it makes sense to lead responsibly (examples of empirical evidence)

- **Turnover intentions:** Web-based online survey among 200 Australian full time employees. The results suggest that perceived RL significantly influences employees commitment and turnover intentions. For leadership this means that organizations should focus on fostering responsible leadership practices to enhance employee commitment and reduce turnover intentions. This could lead to a more stable workforce and improved organizational performance. (Haque et al. 2015)

E: Responsible Leadership and the work in projects ...

Get together in pairs ...

- Discuss the question: „How could responsible leadership affect my (the) work in projects?“
Think about outcomes, the process of working, employee development, leaders' development, ...
- Write down your main ideas and bring them to the plenary session
- 10 min time

Exchange in plenary session



Practice of Responsible Leadership*

Muff et al. 2020; Agarwal & Bhal 2020

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E: RL Competences - CARL –Assessment

Develop your personal leadership philosophy

- Competency development is an ongoing process
- Check the status quo of your knowledge, skills and attitudes about Responsible Leadership
- Please go to CARL.org (Competency Assessment on Responsible Leadership) and answer the questions
- Bring your report to class
- 15 min time

COFFEE Break

E: RL Competences - CARL –Assessment

Impressions & Learnings

Get together in teams of 3

Individual reflection on the following questions (5 min)

- How did I feel when completing the questionnaire?
- What were my initial reactions to the results (expected, surprised , ..)?
- How can this assessment help me to further develop my leadership skills?

Group work (10 min)

- Discuss these questions with your group members
- Discuss & write down „Our key take aways are...” → bring key take aways to the plenary session

Exchange in plenary session

Degree of mastery (columns) Competency dimensions (rows)	Knowing (Knowledge)	Doing (Skills)	Being (Attitudes)
Stakeholder relations	3	2	1
Ethics and values	2	3	2
Self-awareness	1	2	3
Systems understanding	3	2	1
Change and innovation	1	3	2



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Competences – Knowledge, Skills & Attitudes

CARL: Report

Degree of mastery (columns) Competency dimensions (rows)	Knowing (Knowledge)	Doing (Skills)	Being (Attitudes)
Stakeholder relations	2	3	2
Ethics and values	3	3	2
Self-awareness	4	2	2
Systems understanding	3	2	3
Change and innovation	3	4	2

→ Competency dimensions & fields for development

Muff et al 2020, p. 2268

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Responsible leadership practice – Core Dimensions

Responsible leadership combines ethics and strategy (Agarwal & Bhal 2020)

Definition of responsible leadership following Agarwal & Bhal (2020): „We define RL as a phenomenon in which a leader aims at achieving sustainable organizational growth through development of positive stakeholder interactions and promotion of ethical behaviors.“

Responsible Leadership			
Ethics		Strategy	
Moral Person	Moral manager	Multiple stakeholder consideration	Sustainable growth focus

Responsible leadership practice – Core Dimensions

Responsible leadership combines ethics and strategy (Agarwal & Bhal 2020)

Moral person	Moral manager	Multiple stakeholder consideration	Sustainable Growth focus
... refers to the leader him-/herself (morality, virtuousness, authenticity, and positive attitudes)	... refers to leaders' attempts to influence others to apply ethical standards and to achieve results ethically	... refers to leaders' attempts to build stakeholder networks and sustainable relationships	... refers to leaders' positive orientation towards long-term goals and value creation

Responsible leadership practice – Leadership behavior

Responsible leadership combines ethics and strategy (Agarwal & Bhal 2020)

Moral person	Moral manager	Multiple stakeholder consideration	Sustainable Growth focus
<ul style="list-style-type: none"> • Makes fair and balanced decisions • Takes ownership for own actions • When making decisions, asks ,what is the right thing to do‘? • Shows consistency in words and actions • Does not blame others for own mistakes 	<ul style="list-style-type: none"> • Explains what comprises of ethical and unethical behavior • Disciplines followers who violate organizational standards • Sets an example of achieving results ethically • Defines success not by results but the way they are obtained • Listens to what subordinates have to say 	<ul style="list-style-type: none"> • Considers stakeholder well-being as important business outcome • Tries to assess impact on stakeholders before making business decisions • Makes sure that stakeholders are treated with dignity and respect by all subordinates • Ensures that stakeholders receive relevant, correct and timely information 	<ul style="list-style-type: none"> • Shows concern for availability or conservation of resources when planning for future business demands • Links present business tasks with longterm organizational goals • Communicates a vision of long-term growth for the organization • Encourages business activities beneficial for team/organization in the long term

The moral person

The leader him/herself (morality, virtuousness, authenticity, positive attitudes)

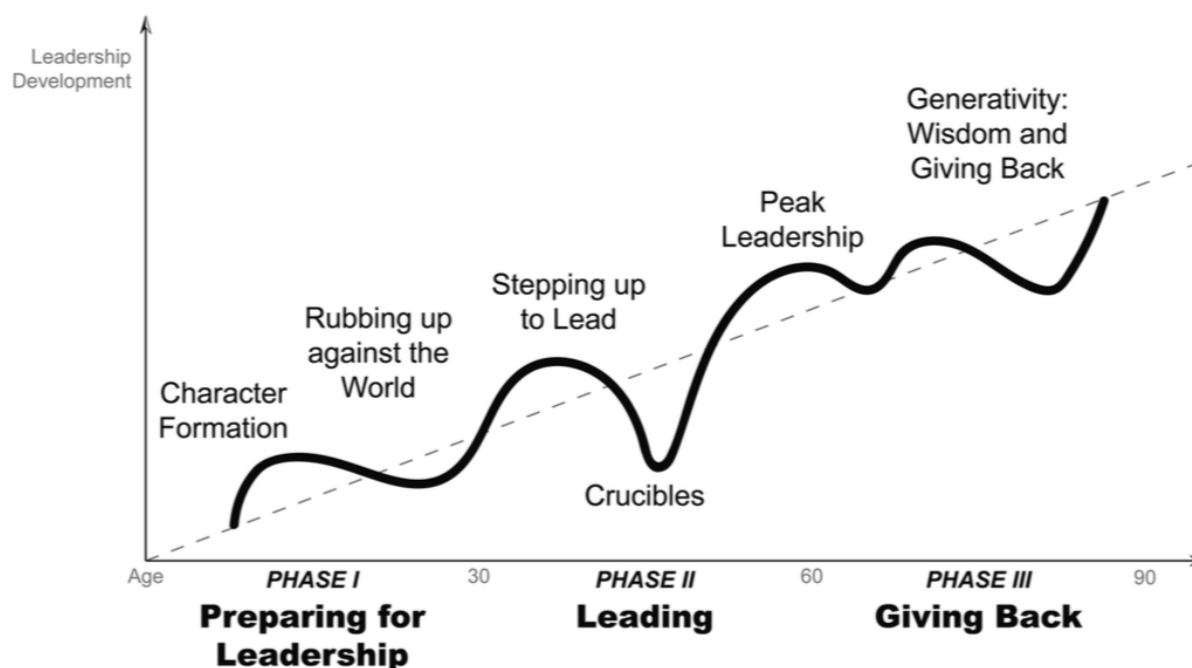
Moral person

- Makes fair and balanced decisions
- Takes ownership for own actions
- When making decisions, asks ,what is the right thing to do‘?
- Shows consistency in words and actions
- Does not blame others for own mistakes

The moral person – Following your TrueNorth

Effective leaders follow their true north

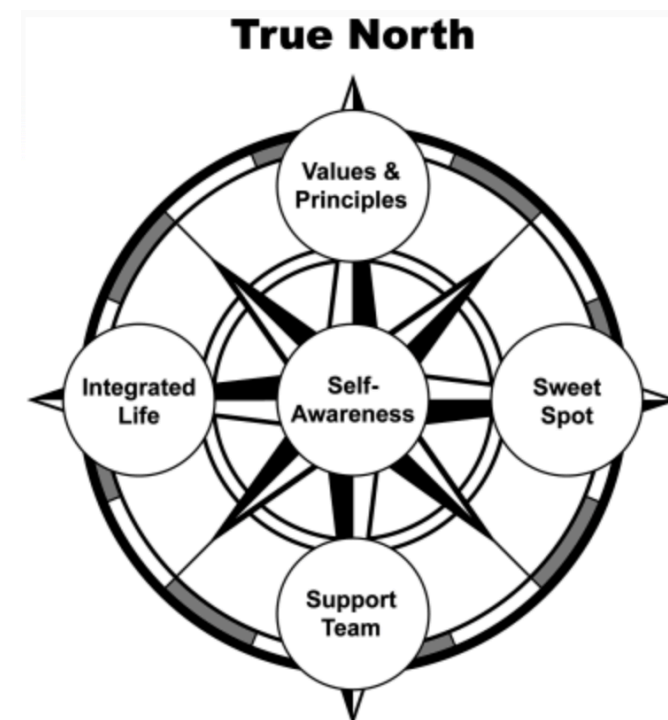
- TrueNorth: inner compass guiding people towards their deepest values, beliefs, and purpose
- Leadership is not about following external models or imitating successful leaders
- **Leadership is about finding and following your own path**



The moral person – Following your TrueNorth

Self-discovery as foundation of authentic leadership

Leadership Element	Key challenge, core questions
Self Awareness	How can I increase my self-awareness through introspection and feedback?
Values	What are my most deeply held values? What principles guide my leadership?
Sweet spot	How can I find my sweet spot that integrates my motivations and greatest capabilities?
Support team	Whom can I count on to guide and support me along the way?
Integrated life	How can I integrate all aspects of my life and find fulfillment?



George 2015; p. 78f

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E: My True North 1 (MP)

Reflecting on your values



Individual work: (10 min)

- Think about a leader you admire (someone you know personally, a public figure, a historical leader ...)
- Write down three qualities or values that you believe makes this leader effective.
- Reflect on your own values. How do these align or differ from those of the admired leader? Write down your top three personal leadership values.

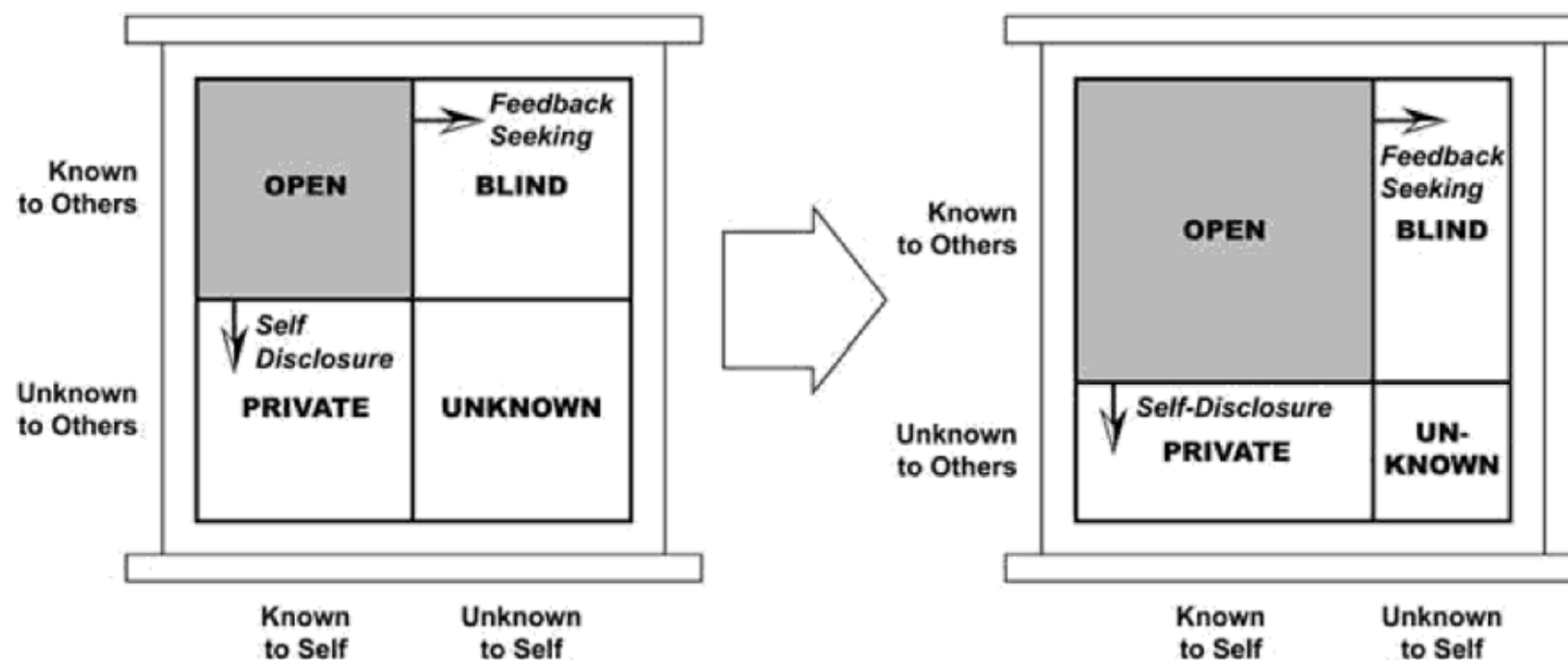
Group work: 3 persons (10 min)

- Share the values you identified. What are similarities, what are differences?
- How might these values influence your leadership style in a project management context?

Exchange in plenary session

The moral person – Following your TrueNorth

Feedback as a source for growth – The JoHari Window



George 2015; p. 97

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The moral manager

Leaders' attempts to achieve results ethically

Moral manager

- Explains what comprises of ethical and unethical behavior
- Disciplines followers who violate organizational standards
- Sets an example of achieving results ethically
- Defines success not by results but the way they are obtained
- Listens to what subordinates have to say

E: The delayed product launch

Applying values in practical situations (MM)

Group work: 4 persons (20 min)

- Read through the scenario „The delayed product launch“
- Prepare individually for the group discussion (10 min)
- Discuss how you would handle the situation, guided by the leadership values discussed in the previous exercise (10 min)

Exchange in plenary session

- Share your experiences in the plenary session



The moral manager extended – Well-being

Ideas for creating a motivational and flourishing context in projects

Well being

- Wellbeing at work is being able to do meaningful work in an environment where you feel safe and engaged
- Project leaders play a significant role in creating the team environment that affects wellbeing

The moral manager extended – JobCrafting

Ideas for creating a motivational and flourishing context in projects

JobCrafting

- Jobcrafting is an employee driven behaviour where employees balance their job demands and job resources with their personal needs
- Leaders should create the context where employees are able to craft their jobs

Multiple stakeholder consideration

Moving beyond shareholders: Considering interests and well-being of multiple stakeholders

Multiple stakeholder consideration

- Considers stakeholder well-being as important business outcome
- Tries to assess impact on stakeholders before making business decisions
- Makes sure that stakeholders are treated with dignity and respect by all subordinates
- Ensures that stakeholders receive relevant, correct and timely information

Multiple stakeholder consideration

Moving beyond shareholders: Considering interests and well-being of multiple stakeholders

- **Stakeholders:** employees, shareholders, customers, suppliers, communities, broader society
- **Inclusive decision-making:** considering the impact of business actions on all relevant stakeholders
- **Ethical responsibility:** moral duty of leaders to ensure that their decisions do not harm any stakeholder group. Ideally the decisions foster welfare
- **Strategic advantage:** leaders can draw on a broader base of knowledge and insights from stakeholders and might make better decisions (for sustainable growth, ...)
- **Balancing conflicting interests:** challenge of navigating different stakeholder interests carefully; leaders should ensure that the pursuit of the interests of one group does not come at the expense of another's well-being

E: The wind farm

Balancing multiple stakeholder interests

Individual work: (10 min)

- Read through the scenario Wind farm – Balancing multiple stakeholder interests
- Create a list with the key concerns and priorities of these stakeholders based on the scenario.
- Rank the stakeholders in order of priority from your perspective as the project manager. Consider which stakeholders have the most influence, which are most vulnerable, and which interests are most aligned with the long-term success of the project.



E: The wind farm

Balancing multiple stakeholder interests



Group work: 4 persons (20 min)

- Discuss your rankings and the rationale behind them. Are there differences in the prioritization? Where do the differences come from? What is the reasoning behind?
- Develop a strategy that addresses the needs and concerns of all stakeholders. Consider the following:
 - How can you ensure that the project meets the needs of the company while also addressing the concerns of the local community and environmental groups?
 - What compromises or adjustments might need to be made to balance these interests?
 - How will you communicate with each stakeholder group to manage expectations and maintain positive relationships?
- Prepare a brief (2-3 minute) presentation outlining your strategy, including how you plan to balance the different stakeholder interests and why you chose this approach.

Responsible leadership practice – Leadership behavior

Sustainable Growth focus

Sustainable Growth focus

- Shows concern for availability or conservation of resources when planning for future business demands
- Links present business tasks with longterm organizational goals
- Communicates a vision of long-term growth for the organization
- Encourages business activities beneficial for team/organization in the long term

Sustainable growth

Longterm perspective

- **Long-term vision:** responsible leaders prioritize long-term organizational goals over immediate short-term gains.
- **Commitment to the future:** they ensure that the organization thrives in the future, even if this means making decisions that may not yield in immediate rewards
- **Strategic orientation:** towards creating long-term values
- **Balancing short-term and long-term goals:** is vital for organizational survival; it helps avoiding pitfalls in short-termism that might result in resource depletion or reputational damage.
- **Commitment to sustainability:** focus on sustainable practices, ensuring availability and conservation of resources for future use

E: Sustainable growth

Projects' contribution to sustainable growth

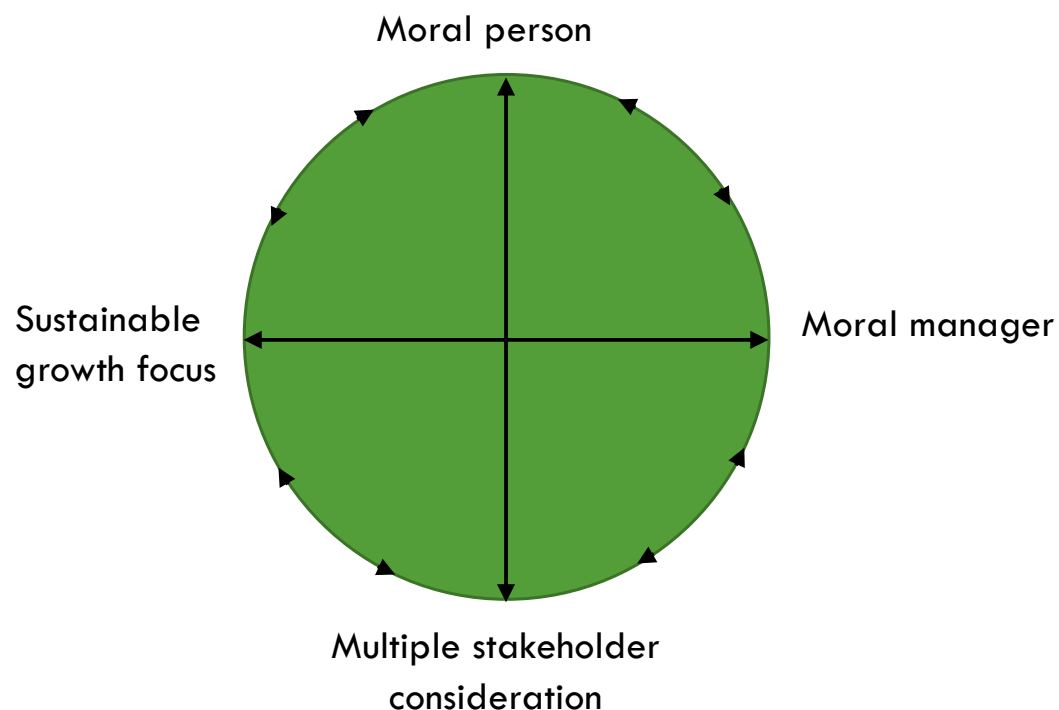
Pair work (10 min)

- Discuss the question „How can projects contribute to organizational sustainability and long-term growth?“ Think about your own experiences, find examples from the media ...
- Write down your main ideas on cards
- Present your ideas in the plenary session



Responsible leadership practice – Core Dimensions

Responsible leadership combines ethics and strategy (Agarwal & Bhal 2020)



Responsible Leadership for a sustainable world ...

SUSTAINABLE DEVELOPMENT GOALS



Thank you!

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