

Strategic and ethical leadership in economical development

Prof. dr. Nerimane Bajraktari
University of Prizren

Msc. Ali Ahmeti
Corporation - MC FOOD

Msc. Lirdon Alidemaj
Corporation - MC FOOD

Msc. Arbër Nimani
University of Peja

Abstract

By a simple analysis, it can be said that ethics includes two components. Firstly, it treats recognition and understanding for right or wrong processes, good or wrong processes, and then it evaluates the action in personal or institutional practice concluding that it's conducted in the right or wrong way. According to ethicists the one that constitutes an ethical guide, often, the next day arrives to convert in written legal act, in a rule, or liability to be implemented. Values such as: respect, honesty, sincerity, responsibility, that show us how to behave are considered moral values. All views that show how these values are applying are often defined as moral or ethical principles. Managers or leaders of the organization have a leading role during a decision-making process. This is because managerial decision-making is one of the problems which has a greater focus recently. Business decisions have a suspicious behavior, because its success in most cases is measured by the profit, not by the effectiveness of humans.

Therefore, managers are those who firstly present unethical behavior, influenced by the situation that they are facing and factors surrounding them. If someone in an organization behaves unethically, it will create a bad image for that organization. It is worth mentioning that the ethical code of the company that arises from the organization has a very important role because it links the personal and organizational ethics.

The absence of ethical codes, moral and legal principles, will affect greatly the development of the individual, organization and all sectors of economy.

Keywords: ethics, leadership, morality, development, management.

"If you dig deeply into any problem, you will get people. Start thinking of the end"
(J. Watson Wilson)

Introduction

The aim of this paper is to investigate the importance of ethical leadership or better to say the importance of ethical values during decision-making by leaders.

Hypothesis (hypothetical questions)

- Did leaders in public institutions even in private sector apply ethical principles while they were making decisions?

- Relation between legal and moral norms in terms of leadership in our country.

Bill Gates stressed once, if the 80s were about quality and the 90s about reengineering, then the 2000s will be about velocity. The rate of change is brutal (Mustafa, 2004).

Technological-, social- and cultural changes, have occupied an important place in today's world, therefore, have become fundamental challenges for those who are interested in leadership and management and give answers to the questions:

- How to manage human resources to achieve a competitive and organizational advantage?
- How to build an ethical & organizational structure?
- How to manage diversity workforce?
- How to use information technology to increase the creativity of employees.
- How to manage organizational behavior under conditions of globalization of economy.

Leadership is defined as a process through which leaders influence the attitudes, behaviors and values of others (Hagen, et al, 1998). Leaders- produce vision, inspire motivation and tackle change. The role is generally seen as creative and exciting (Mustafa, 2004). Managers- deal with structure, organize staff and other resources. There are differences between the two roles. However, making a distinction between leaders Management is also about leading a team and having a vision. Most management roles involve leadership, especially in organizations with flattened hierarchies (Michael, 2007, 5).

The leader is the one who determines vision and strategy and motivates subordinates, whereas, the manager aims to implement the organization's strategy through managerial functions (Mustafa, 2004). Therefore, we shouldn't confuse the definition leader and manager.

In the below graphic, we can see a model which includes 5 essential components that must have a successful leader. These components are (Dennis, 2009):

- Communication methods
- Team Building
- Inspiration motivation
- Solving problems

The leadership model, influenced by transformational leadership theory

As we see in this graphic; the belief occupies the center of system and we note that these components couldn't be implemented if the leader doesn't have high ethical values, and does not overlook abilities, skills, and other necessary characteristics to succeed.

The term ethics refers to the principles, values, and beliefs that define what is good and what is a wrong behavior. It can also be defined as the science which studies the morality, people's behaviors, norms, rules and laws of society. In a general sense Dr. Albert Schweitzer expresses: " Ethics is nothing other than Reverence for Life.

We are obliged to have in mind not only private behaviors, but also the environment behavior in which we are in. When we want to know if someone acts in ethical or unethical manner, we should focus in these attribute such as:

- Individual characteristics;
- structural design of enterprise;
- enterprises culture.

Ethical behavior is what is accepted as good morally and is the opposite of bad behavior in a particular circumstance or environment.

Ethical leader and the analysis of the situation

If we focus on numerous scandals in the business environment which have emerged as a result of unacceptable behavior such as: Parmalat, Tyco international etc, we can conclude that global business doesn't have ethical values. For this reason, we can say that leaders despite the size, shape, and location of the organization, will face issues and ethical dilemmas.

Knowing that organization's life today is very dynamic, characterized by high demand of productivity by employees, competition in the market of goods and services etc, it wouldn't be surprising if employees break the rules.

In Kosovo, ethical principles are violated every day through corruption, nepotism, misuse of leadership positions for personal benefits.

As we see in most cases leaders respect the legal norms because they are scared by sanctions, and the implementation of the code of ethics is in a low level (Manxhari, 2010, 81).

Also in the private sector ethical principles don't apply, especially through tax evasion, smuggling, environmental pollution etc.

Before we judge if a leader is effective or not, we should consider what are his goals and the method used to accomplish these goals. The implementation of moral while we are making decisions, has great importance and often insists on the domination of professional values to moral values (Robbins & Coulter, 2010).

This insistence is an expression of moral crisis where professionalism takes utilitarian character, knowing that a leader is a person who motivates others to achieve goals.

According, to Kant, a leader has to deal with professional and moral responsibility. Moral responsibility is a matter of internal human nature whereas professional responsibility is determined by legal norms.

From these conclusions we can give answers in hypothetical questions, but in the absence of any proper scientific research, unfortunately I can't interpret results through percentages.

- The answer to the first hypothetical question - Regarding the first hypothetical question, we can say that the implementation of ethical norms is low when making decisions in public institutions even in private sector.
- The answer to the second hypothetical question - We can say that compliance with legal norms has priority.

Conclusions

Based on the importance of values, the implementation of ethical principles in life has crucial importance through processes in which our society is faced, in corruption and nepotism fighting, and other negative phenomena.

Our recommendations consist in the following arguments:

- Leaders should be resolved by high moral and professional values;
- Ethics should be a University subject;
- Society shouldn't be indifferent; it must punish unethical actions of leaders;
- There should be a relation between professional and moral values during the drafting of the code of ethics because there are opportunities to overcome all negative phenomena.

References

- Mustafa, I. (2004). *Lidershipi, Udhëheqja, efïçenca, efektiviteti*, -Riinvest. Pristina.
- Manxhari. M. (2010). *Sjellja ne organizate*. Tirane.
- Robbins, S & Coulter, M. (2010). *Management ninth edition*.
- Muhovic, M. (2006). *Etika me bazat e etikes kriminalistike*. Pristina.
- Havolli, Y. (2009). *Menaxhmenti i Burimeve njerzore*. Pristina. 2009.
- Armstrong, M. (2006). *A Handbook of Human Resource Management Practice*, 10th edition, Kogan Page, London and Philadelphia.
- Clegg, C. Legge, K. and Walsh, S. (1999). *The experience of Managing – A skills Guide*, Macmillan Press Ltd. London.
- Drucker, F.P. (1999). *Management Challenges for the 21st Century*, Harper Business, New York.
- Porter, E. M. (1998). *Competitive Strategy*, The Free Press, New York.
- Riddle, J. (2001). *Business Management*, Streetwise, Avon, Massachusetts.
- Sutherland, J. and Canwell, D. (2004.) *Key Concepts in Human Resource Management*, Palgrave Macmillan, New York.