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Leadership in the promotion of peace: Interviews with the 2015 Business for Peace honorees

John E. Katsos^a, Timothy L. Fort^{b,*}

^a School of Business Administration, American University of Sharjah, PO Box 26666, University City, Sharjah, UAE

^b Kelley School of Business, Indiana University, 1309 E. Tenth Street, Bloomington, IN 47405-1701, U.S.A.

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Abstract Ethical leadership can lead to many positive organizational outcomes. Previous studies have shown a correlation between ethical conduct and profitability; in addition, firms that have high ethical standards have fewer legal issues. The existing ethical leadership literature assumes a stable external environment. The business and peace literature, on the other hand, assumes instability but has thus far largely ignored the role of leadership within companies as a possible driver of peacebuilding activities. The practitioner community has already begun to recognize that leaders of organizations are the key drivers of change in the peacebuilding context. The Business for Peace Foundation, the foremost organization in the practitioner community, gives its annual award to business leaders who promote peace within their organizations and communities. These Business for Peace honorees represent the ‘ethical leadership’ qualities of peace promotion, without reference to academic theories in either area. We conducted semi-structured interviews with the 2015 Business for Peace honorees and combined those with their public speeches at the Business for Peace events to examine what role these business and peace leaders saw between ethical leadership and peace promotion. Unlike the academic research that suggests only a theoretical and sometimes a direct but tangential connection to peacebuilding, the honorees highlight the direct and visible connection of ethical leadership to peace in unstable environments. We begin by describing the relevant business for peace and ethical leadership literatures. Then we highlight the significant aspects of the interviews and speeches and relate these to the prevailing theories of both business and peace and ethical leadership. Our findings suggest that ethical leadership may be an important missing link within the business and peace literature as an avenue for peace promotion, and that the leadership literature may be ignoring an important positive impact of ethical leadership.

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* Corresponding author

E-mail addresses: jkatsos@aus.edu (J.E. Katsos), timfort@indiana.edu (T.L. Fort)

1. Peace promotion by business: The role of leadership

Ethical leadership can lead to many positive organizational outcomes, including better ethical decision making; pro-social behavior among employees; higher employee satisfaction, motivation, and commitment; and better self-monitoring (Brown & Treviño, 2006; De Hoogh & Den Hartog, 2008; Kim & Brymer, 2011; Zhu, May, & Avolio, 2004). Many studies indicate that, projected over the long term, there is a correlation between ethical conduct (sometimes called ‘corporate social performance’) and profitability (sometimes called ‘corporate financial performance’; Campbell, 2007; Margolis & Walsh, 2001). In addition, firms that have high ethical standards will logically find themselves with fewer legal issues as well (Brickley, Smith, & Zimmerman, 2002; McWilliams & Siegel, 2001).

Though some work has been done on ethical leadership in international contexts (Resick, Hanges, Dickson, & Mitchelson, 2006), the existing literature on ethical leadership assumes a stable external environment. The business and peace literature assumes that certain activities are achievable in different conflict contexts (Oetzel, Westermann-Behaylo, Koerber, Fort, & Rivera, 2009) but largely ignores the role of leadership within companies as a possible driver of these activities.

In the practitioner community, however, there is an increasing recognition that leaders of organizations are the key drivers of change in business supporting peace drivers. The Business for Peace Foundation, the foremost organization in the practitioner community, gives its annual award to business leaders who are promoting peace within their organizations. Each year, Nobel Prize winners in Peace and Economics select individuals on behalf of the Foundation from public nominations. The Foundation then honors these individuals at their annual awards ceremony. These business leaders are selected because they have engendered trust in their communities, advocated for ethical business practices, and lead by example (Business for Peace Foundation, n.d.b).

Business for Peace honorees represent the values and ideals that many in the practitioner community view as the embodiment of ‘ethical leaders’ who are promoting peace, without reference to academic theories in either area. It has been theoretically suggested in the past that ethical businesses (Fort, 2007) and leaders (Fort, 2015) may enhance peace. In making this argument, scholars have focused on an incremental addition that ethics makes to peace, one that may or may not occur in conflict-sensitive environments and one that may or may not be

measurable. The honorees, however, highlight a new, important, visible, and concrete connection of ethical business practices to peace in unstable environments.

In the first part of the article, we discuss the relevant business and peace literature. In the second part of the article, we introduce the 2015 Business for Peace honorees and the actions that led to their nominations. In the third section, we examine whether the honorees’ statements indicate support for the business and peace literature. And in our final section, we note some avenues for future research based on our findings, suggesting that the business and peace literature misses an important aspect of management theory function—namely, ethical leadership—in its assessment of abilities to alleviate conflict.

2. Business and peace literature

Within all types of economies, business’s primary societal impact is economic development. Some scholars, such as William Frederick (1995), have analogized business as a kind of societal metabolism: converting raw materials into socially desired products. The current academic literature identifies five potential impacts that businesses can have on buffer economies (Oetzel et al., 2009).

First, businesses promote economic development. This is the most basic form of violence reduction that a business can engage in, yet also one of the most powerful. This is not new territory for companies: all companies generate economic impacts for the societies in which they operate. Economic development in this context is simply business doing what it does best: creating value for shareholders (Friedman, 1962), employing local workers (Fort & Schipani, 2003), transferring valuable technology (Spencer, 2008), and leveraging foreign direct investment (Buckley & Ghauri, 2004; Oetzel, Getz, & Ladek, 2007). By providing these basic inputs for economic development in conflict-sensitive regions, businesses help reduce violent conflict.

Multinational companies regularly look to developing economies specifically as the source of greater global growth gains (Borensztein, De Gregorio, & Lee, 1998; Haufler, 1997; Obstfeld, 1994). Though there are tremendous growth opportunities in developing countries, the risk of conflict re-emerging in buffer, or post-conflict, developing countries often scares away substantial business activity (Forrer & Katsos, 2015). Buffer developing countries have a 40% risk of a return to violence, while non-buffer developing countries only have a 9% risk (Collier & Hoeffler, 2002). This is even more

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