

Ethical leadership

The ifs and buts of a growing concept

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Preface

In front of you lies the master's thesis: *Ethical leadership, the ifs and buts of a growing concept*. It was written to enable graduation from the Strategic Management programme at the Radboud University Nijmegen. The thesis was written between January 2022 and August 2022 and tested my academic skills, independence, and ability to overcome unforeseen challenges.

I would like to thank my supervisor Prof. Dr. René ten Bos for the guidance and verbal feedback needed during the process. Also, I want to express my thanks for convincing the project coordinator to make an exception when the deadline of the proposal was not met. Besides that, I would like to thank my family and friends, for being supportive whenever it was needed.

I hope you enjoy your reading

Valentijn Ruiter

Nijmegen, August 15th, 2022

Abstract

The field of ethical leadership is fixated on the positive sides of ethical leadership, while business leaders often do portray these positive qualities, there are leaders that are less interested in ethicality. Theory dictates that these leaders should be deemed as tyrants and are no leader at all.

The goal of this study is to contribute to the ethical leadership debate by providing insight in the discrepancy present between the way business leaders create an image of themselves, and how popular media portrays them, to ultimately help the understanding of the significance public images have. To achieve this goal the following question has been formulated: *Why do leadership theories portray ethical leadership as morally good and how do Dutch business leaders try to exploit ethical leadership attributes?*

To answer this question, two major business leaders have been analysed. These leaders were selected based on their influence on Dutch businesses, their apparent morality and business events. The result show that attributes such as altruism, honesty, and integrity are vital to retain an ethical public image.

Based on the results it is recommended that these attributes are carefully looked after by business leaders, to increase the value given to the business while staying away from press. Future research into ethical leadership could try to map the phenomenon of leaders building a façade based on attributes of ethical leadership.

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Chapter one: Introduction

1.1: Introduction to the topic

Corporate scandals, greedy bankers and morally questionable organisations make headlines on a regular basis (Bedi et al., 2016). Organisations and leaders struggle with their ethical choices because of the wide range of stakeholders they are affiliated with (Bass & Stogdill, 1990; Ciulla, 2004). Ethics are not universal by nature, which creates a struggle for the leaders trying please all the relevant stakeholders (Dion, 2012). Leadership literature is increasingly focussed on ethics. Ethical leadership has become a growing body of research in the last thirty years and has become one of the mainstream research topics in modern leadership literature (Bedi et al., 2016; Ciulla, 2004).

More and more frequently leadership theories incorporate ethics in their proposed theories, but academics of ethical leadership claim not a single theory has incorporated ethics completely (Ciulla, 2004; Treviño et al., 1998). However, it can be argued that ethics are impossible to grasp completely within a single theory because of its inherent subjectivity and its roots in the ethical climate, culture, organisations, and governments (Treviño et al., 1998). The wide range of philosophical theories on ethics poses a challenge for ethical leadership academics (Dion, 2012). Partly by the wide range of ethical theories influencing the concept of ethical leadership, leadership academics are having a tough time of reaching consensus on the construct ethical leadership (Dion, 2012).

Ethical leadership gained popularity in practise as well as in literature when the global economic crisis of 2008 exposed malicious leadership practices, and the corporate greed of the global banking system became prevalent (Bedi et al., 2016). For years the field of ethical leadership has been describing ethical leadership in a 'normative' manner. A normative manner entails that the field prescribes leaders how to use and shape their leadership practices using the ethical style of leadership (Bedi et al., 2016; Ciulla, 2004). After the global economic crisis of 2008 theorists put more emphasis on the deductive way of reasoning, looking at leadership in practice and basing a theory of these empirical observations (Bedi et al., 2016; Brown & Treviño, 2006). The descriptive, empirical way of looking at ethical leadership gained a lot of traction in the field of ethical leadership (Bedi et al., 2016; Den Hartog, 2015). The contrast between the two schools of thought is ever present in current developments within the field.

An often-shared assumption in leadership is the assumption that leadership is a tool which can be utilized to solve a wide array of organisational problems. But at the same time, leadership is often thought of as the root that created the organisational problems in the first place Spoelstra & ten Bos, 2011). The blame for a financially poor performing organisation is often credited to bad, incompetent leadership (Spoelstra & ten Bos, 2011). The often thought of solution to the organisational problems

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and economically disappointing results is the implementation of new management which practices a new and different approach to leadership (Bass & Stogdill, 1990; Ciulla, 2004). New and different approaches promise better results than the previous implemented approach, and to resolve the poor financial performance of the company (Ahmed Khan et al., 2016). These new and different approaches (often in conflict with each other) mostly ignore ethics and morality as a subject, or briefly mention it without going into much depth (Ahmed Khan et al., 2016; Ciulla, 2004). Ciulla (2004) argues that ethics in leadership is interwoven in every leadership theory in existence and is actually at the core of every leader. Ciulla (2004) tries to portray an image of the importance of ethics within leadership saying the question that all leadership theorists should strive for is: “*What is good leadership*”? In this case, ‘good’ entails morally righteous and effective leadership (Ciulla, 2004). Ciulla argues that most leadership theories could be characterised as trying to answer the question: “*What is leadership?*” (Ciulla, 2004).

1.2: Theoretical background

Brown et al. (2005) wanted to paint a different picture regarding ethical leadership. Previously the focus has been on what ought to be, but Brown et al. (2005) wanted to propose a more descriptive point of view on the concept of ethical leadership. Brown et al. (2005) noted that most literature before 2005 was embedded in transformational and charismatic leadership domains. Brown et al. (2005) set out to define ethical leadership in a constitutive way and proposed the following definition: “*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). According to Bedi et al. (2016) this definition is highlighting two major parts of ethical leadership as a concept: ethical leaders are “moral persons” and “moral managers”. Ethical leaders explicitly display high ethical standards and promote ethical standards for their followers to display, using role modelling and social exchange (Bedi et al., 2016). The definition is said to be deliberately very broad because of the inherent nature of ethics (Brown et al., 2005). Normative ethical behaviours tend to differ based on ethical culture and climate the organisation is operating in (Treviño et al., 1998). What can be considered a demonstration of appropriate normative conduct in certain cultures can be seen as totally falling out of line in another culture, for example the cultural differences between the west and the east are considerable (Brown et al., 2005; Vignoles et al., 2016).

1.3: Cause and problem

Trying to answer the question what morally and effective leadership is seems like a very easy task at first glance, but the contrary appears to be true. There are multiple problems when trying to answer this question; mainly lying in the morality aspect of this question. And leadership as a concept,

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although much is written about it, is a concept of which the definition can vary rapidly (Ciulla, 2004). Ciulla (2004) actually gives an overview of the many definitions the term has had between the 1920s and the 1990s. Looking at all these definitions, combined with more modern ones, it becomes clear that leadership is some kind of process, act, or influence that in some way activates people to act a certain way (Ciulla, 2004).

So, even though leadership academics have not reached a consensus regarding the definition of leadership, they all understand what they are talking about, and none of the definitions are drastically different from the others. And since morality is defined, it would seem there is no problem at all, but there is. If one looks at leadership and concludes all leaders should strive moral and effective leadership; what do we do with the leaders that are ethically 'bad' or 'wrong'? Ciulla (and more academics) calls this: *The Hitler problem*. According to the problem statement as described by Ciulla, academics should try to describe leadership in a good and effective way (Ciulla, 2004). Unfortunately, the descriptions and theories often do not match with reality, Hitler for example, was a morally bad person to say the least. So, the answer to this problem is very simple according to Ciulla and other leadership academics: Hitler was no leader at all; but a tyrant. They came to this conclusion because it was impossible to be defined as a leader by the current theories on ethical leadership, and still be that morally bad.

1.4: Objective and research question

The idea that a person who is morally wrong, but yet effective as a leader, cannot be a leader is an idea that can be challenged (Spoelstra & ten Bos, 2011). There is a fallacy within the line of reasoning as portrayed by Ciulla (2004) and other ethical leadership theorists. To portray unethical leaders as tyrants within literature seems to be a result of the assumption that leadership is a 'good' trait. Therefore the objective of this research is to critically reflect on the concept of ethical leadership by challenging the assumption that leadership is a good trait based on empirical examples from Dutch businesses. To properly research this goal a supporting research question has been drawn up: *Why do leadership theories portray ethical leadership as morally good and how do Dutch business leaders try to exploit ethical leadership attributes?* To answer this question, ethical leadership theory, four mainstream leadership theories, and empirical examples will be utilized to support the arguments proposed in this thesis. The main research question is split up in multiple sub questions which ultimately answer the main research question and thus fulfil the goal of the research. The sub questions are the following:

- *What is the theoretical concept of ethical leadership?*
- *Which leadership approaches are mostly utilized in Dutch businesses and what do these approaches entail?*

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- *How do Dutch business leaders get depicted in popular media in relation to ethical leadership?*
- *How do Dutch business leaders portray themselves using attributes related to ethical leadership?*

1.5: Outline

Chapter two of this master's thesis will form the theoretical framework which outlines the current state of ethical leadership research, and the discussions still present within this academic field. Chapter three will provide an overview of the research design used for the collection of usable data, and an insight into the methodological choices on the research design. Chapter four does discuss the results of the useful data, which will be concluded upon in chapter five. Additionally, chapter five also presents recommendations for any leader that aims to be ethical responsible in his/her work, and the direction further research should go. The last chapter of this thesis includes the research limitation and a self-reflection.

Chapter two: Theoretical background

This chapter will provide the theoretical basis to be used to answer the research question. Firstly, it will give a brief introduction on the topic of ethical leadership, to be followed by a paragraph dedicated to dimensions of ethical leadership. Secondly, following on the dimensions, a paragraph on four different popular leadership approaches is presented. Thirdly, after these theoretical frameworks have been presented, the chapter will continue going in depth about the apparent paradox known as the Hitler problem and its implications for ethical leadership as a field.

2.1: Introduction

The theoretical background about ethical leadership is abundant (Den Hartog, 2015). There is a large number of theories on ethics which can be utilized to view leadership approaches in one way or another (Dion, 2012). As Ciulla (2004) argues, every theory on leadership has ethics at its core, so it becomes necessary to have multiple points of view on ethics and on leadership to be able to critically reflect on the subject. What normative ethics entail can be different in various ethical cultures and climates. Not every leadership theorist will connect ethics to his or her leadership approach, but as Ciulla (2004) argues; ethics is the core of leadership; thus, every leadership theory can be connected to ethics in some way or form. Authors might be inclined to connect certain leadership approaches to multiple ethical theories (Dion, 2012).

Ethical leadership in the literature often gets credited as its own leadership approach with its roots based in social learning and social exchange theory (Brown & Treviño, 2006). These roots have their benefits within leadership theory because they give the concept of ethical leadership more legitimacy in the academic field (Hoch et al., 2018). However, the research by Hoch et al (2018) is also quick to point out that ethical leadership has a high theoretical overlap with transformational leadership. The definition, as mentioned in the introductory chapter, of ethical leadership as described by Brown et al. (2005) is the following: *“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). According to this definition ethical leaders are people who are moral in person and moral as managers. They are moral in person because of *“the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships”* as the definition of Brown et al. (2005) dictates. This highlights the fact that ethical leaders are people who handle just and ethical according to the normative conducts. However, what people consider to be just and ethical according to normative conducts of their local communities, cultures, organisations and countries can differ immensely and is largely based on historical ethical values (Curry et al., 2019; Dion, 2012). Ethical leaders are also supposed to be moral

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managers in the sense that they try to influence their followers to display normative ethical behaviours by entering dialogs, reinforce ethical behaviours and decision making (Bormann et al., 2018; Brown & Treviño, 2006).

What ethical values and behaviours should these ethical leaders portray in their activities to influence their following? And can 'ethical leaders' maintain a following even when their message is unethical? Can this ethical perception that followers see in their leaders be utilized to display un-ethical behaviours as-well? Can leaders build a façade around their personal morality which appears to be ethical, based on attributes credited to ethical leadership, while their actions in reality are different from their portrayed image? The theoretical framework will shed light on these questions to a certain extent. First it will cover the dimensions of ethical leadership, to understand the basic ethical doctrines in western societies, then it will continue to describe four popular leadership approaches and how these approaches relate to ethics. Finally, the theoretical framework will give an overview of the apparent paradox surrounding the Hitler problem, and how this paradox manifests itself in ethical leadership.

2.2: Dimensions of ethical leadership

If ethical leadership can be defined as its own leadership approach is heavily debated, but the importance of ethical leadership is increasing (Northouse, 2016). Ethics is a dimension of leadership which managers need to incorporate in their management approach because to manage without any regard for ethics is becoming increasingly difficult (Hoch et al., 2018). What attributes managers need to portray to be regarded as an ethical leader is still disputed by academics. One of the most influential publications on attributes of ethical leadership from a descriptive perspective is the article by Brown et al. (2005). In this article the authors propose an ethical leadership scale, to be used to measure ethical leadership based on previous case studies. The research by Brown et al. (2005) gave insight into the dimensions of ethical leadership. Based on Brown et al. (2005) and additional work on ethical leadership, dimensions were formed to be used in this thesis. Research like Bormann et al. (2018), Ciulla (2004), Mendonca (1996) and Northouse (2016) were all taken into account to create a complete picture of the dimensions applicable to ethical leadership.

Before going into dimensions of ethical behaviour in leaders, it must be established what can be determined as a moral or ethical act in general. According to Mendonca (1996) it should be determined what the goal of the act is, what the goal of the actor is and under which circumstances this act is carried out. Ethics or morality (often used interchangeably) has many different ways of viewing the ethicality of an act (Horner, 2003). Using different points of view, all kinds of actions can be deemed ethical or morally just. This is often linked to cultural background, and personal interpretations of the morality of an act (Treviño et al., 1998). This also holds true for ethical leadership, and the conceptual dimensions.

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So, whether or not a leader can be deemed an ethical leader is determined by his followers, but also by a leader's view of himself (Hollander, 1992; Northouse, 2016). Hollander (1992) calls this the self-other perceptions. This self-other perception has a major impact on the leader-follower relationship, because the leaders view of himself compared to his/her followers should have a common ground to prevent falling in pitfalls of arbitrary power such as self-absorption and self-deception (Ciulla, 2004). The leader needs his followers to remain loyal to him to not lose any legitimacy. Acting ethical can help promote the leader-follower relationship for the leader in a major way (Bormann et al., 2018). All the dimensions of ethical leadership are tied closely to follower perception of the leader in question (Brown et al., 2005).

2.2.1: Altruism

Scholars on the subject of ethical leadership incorporate some form of altruism in their descriptions of ethical leadership. Altruism knows many definitions, but the notion of altruism usually comes down to selfless acts of the actor. According to Mendonca (1996) the way of defining altruism as a concept does have an effect on ethical leadership. There are two ways of defining altruism in leadership theory (Mendonca, 1996). The main difference between definitions comes down to the intent of the actor, leading to the hedonistic paradox (Mendonca, 1996). The hedonistic paradox questions altruism by wondering: if an act benefits the others as well as the actor himself, how can this act still be called altruistic? Even though the existence of hedonistic paradox is noted, this thesis is adopting the definition of altruistic behaviour as follows: "*Altruistic behaviour is behaviour that renders help to another person*" (Mendonca, 1996. p.21.). This definition was deemed the most useful in the scope of this thesis because it has a broader appeal and it covers both intentions and consequences of actions (Mendonca, 1996).

Altruism is a major part of ethical leadership and can be regarded as an overarching dimension of ethical leadership. Altruism can be detected to be present in the other dimensions of ethical leadership. The definition of Brown et al. (2005) as quoted in the paragraph 2.1 is referring to normatively appropriate conduct through personal actions, this does include a form of altruism because altruism is a normative conduct, universally regarded as a rewarding personality trait (Mendonca, 1996). Altruism is an universally described trait which is rewarded in every culture and climate (Mendonca, 1996).

Traditionally the executives of organisations have a bad reputation in regard to altruistic behaviour (Mendonca, 1996). The public image of executives and their altruistic practices were almost non-existent, creating a basis for organisations to slack off their altruistic ambitions because it would not benefit (or hurt) their public image (Mendonca, 1996). But the public image is starting to change, and more and more organisations feel a mounting pressure to be seen participating in altruistic behaviours, otherwise their reputation would slander (Mendonca, 1996; Northouse, 2016). It must be

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mentioned that this shift of public image is western focussed. The public values in regard to the need to display altruism from organisational leaders is partly bound to the transition of an industrialised economy to a post-industrial economy (Mendonca, 1996). In a post-industrial economy, organisations are not viewed solely as mere machines for economic and technological process, but they were viewed as sociotechnical systems responsive to human needs (Mendonca, 1996). Meaning that the need for organisations and leaders of these organisations to create a sense of purpose and improve the quality of life for all its stakeholders (Ciulla, 2004; Mendonca, 1996).

Economic as well as leadership academics argue that organisations which are operating in capitalistic markets should never undertake any actions which does not make economic sense (Mendonca, 1996). Because of the shift in organisational as well as societal values has caused the economic impact of altruism to increase to a point that organisations need to engage in such practices, not because of their inherent altruism but because of economic gains. Because altruism is a dimension of ethical leadership, ethical leadership has gained economic and societal importance due to the shift from industrialised organisations to post-industrialised organisations (Mendonca, 1996).

2.2.2: Demonstrating integrity

Honesty and integrity are concepts which have been heavily linked with transformational leadership in previous research (Brown et al., 2005). Because ethical leadership is conceptually very closely linked to transformational leadership, it would only seem logical that ethical leadership copies these traits. Leaders that display honest, integer and trustworthy behaviour are thought to add to the idealised influence over their followers (Brown et al., 2005). This dimension of ethical leadership consists of a leader-follower relationship in which the leader has the need to show integrity towards his environment (Bormann et al., 2018; Brown et al., 2005). For an ethical leader it is key to show honesty and sincerity in every action taken relating to his/her ethical culture and climate. All traits relating to integrity should be displayed for the following to see, to set an example for employees and external followers. An ethical leader should go further than only demonstrating integrity, but the ethical leader should be intrinsically reliable to demonstrate integer behaviour (Brown & Treviño, 2006).

Intrinsic reliability does flow over in the personal life of ethical leaders. Leaders have a public role, and thus influence their followers in a professional as well as a personal environment. If the leader displays a large difference in personality traits in their professional environment versus their personal environment, their reputation as an ethical leader can be negatively affected (Bormann et al., 2018). Therefore, consistency in demonstrated integrity should be maintained at all times, however this should not prove to be a problem for ethical leaders since perceived integrity is a desirable trait in leaders (Treviño et al., 2000).

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2.2.3: High ethical standards

Part of a successful ethical leader is being a moral person in their follower's perception (Bormann et al., 2018; Treviño et al., 1998). But to really excel at high ethical standards, the leader needs to ensure that he/she knows what the normative practices of ethics in the culture are, and which actions would net him/her to be viewed as exceptional ethical (Dion, 2012). This ethical behaviour can have a wide range, from small gestures at the coffee machine to changing the course of the organisation. In western societies it is becoming more important to display ethical behaviours as a leader (Ciulla, 2004). To keep up with this trend, the ethical standards become increasingly relevant for leaders to be aware of. The display of ethical behaviour and altruistic actions have become economically viable for leaders to pursue due to this (Mendonca, 1996).

Parts of high ethical standards is the showing of respect towards employees. People below the ethical leader in the organisation's hierarchy should be able to express their vision to the ethical leader, and actually be listened to (Den Hartog, 2015). The showing of respect towards subordinates is a trait of high ethical standards because it inspires followers to display or copy these high ethical standards (Bass & Stogdill, 1990). Much like showing respect, confidence and trust are traits which are also desirable for ethical leadership.

However, it should be pointed out that high ethical standards do differ around the world. So which personality traits an ethical leader should adopt is partly dependent on the ethical cultural and ethical climate in which the organisation is operating in (Treviño et al., 1998). But there do exist some universal traits that could prove useful in the leader-follower perception. Ethical leaders should aim to be seen as moral persons at all times. What a moral person is, is culturally bound, and should be considered by the leader him/herself.

2.2.4: Consideration and fair treatment of employees

The interaction between a leader and his followers is detrimental for the perception of the leader (Bormann et al., 2018). Because employees usually form the base of a leaders direct following, a leader cannot risk treating his/her employees unfairly if the leader wants to be an ethical leader (Brown et al., 2005). An ethical leader should have awareness of the ethical norms applicable to the operating environment, but also be aware of the laws in place. Both ethical as well as legal violations should be prevented to retain the follower's perception which has been built over time (Brown et al., 2005).

If a leader is able to treat his/her employees within the boundaries of the law, and is morally just, there must be an aim to provide individual treatment for all employees. Aiming that all employees get enough attention from the ethical leader, thereby improving the perception of the ethical leader under his/her following (Bormann et al., 2018; Ciulla, 2004). The treatment of employees is not to be confused

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with equal treatment, because there are bound to be hierarchical structures in organisations that render equal treatment of employees impossible for the ethical leader. Logically a leader has more frequent contact with people that are placed higher in the hierarchy of the organisation. However, this does not mean that lower placed employees do not deserve any treatment.

An ethical leader, just like any other leader, should be able to participate in conflict resolutions and bring conflicts between employees to a 'fairly' perceived solution (Baillien et al., 2014; Northouse, 2016). Conflict resolution can prove to be difficult, and if done poorly have disastrous results (Baillien et al., 2014). Conflict resolutions needs to ensure that the employees are treated fairly according to the relevant ethical norms.

2.2.5: Ethical accountability for employees

This dimension of ethical leadership mainly considers the ethical leader to be an example for the followers. Rendering the ethical leader in a position to have an influence in the organisational culture and to strive for the idealised ethical standards (Brown et al., 2005). The ethical leader should take responsibility for choices made in the organisation and rising to the task whenever challenges appear. Followers that observe the ethical behaviours of the leader that have positive effects on all stakeholders of the organisation get inspired to behave in a similar manner as the leader (Northouse, 2016). To ensure the ethical culture that the leader wants to create actually takes shape, it would be wise to take a page out the transactional leadership approach. Rewards for ethical behaviours of employees should reap benefits for the employees, and unethical behaviours should be met with punishment (Bass & Stogdill, 1990). Hereby the organisational culture maintains an ethical basis which can be expanded upon or adapted in the future.

The punishment of unethical behaviour can prove to be a challenge for ethical leaders. The repercussions should be able to fit in the ethical norms as created in the culture. Leader should be very careful when dishing out repercussions, if a repercussion is perceived as unethical or harsh it would not promote the ethical behaviour within the culture (Northouse, 2016). However, unethical behaviour must be repercussed somehow. Ethical leaders have a very thin line to operate in when it comes down to accountability of employees. Despite the inherent challenge that employee accountability brings, it is required to carry out the ethical values the leader wants to promote (Northouse, 2016).

2.3: Leadership approaches

Ethical leadership is a leadership approach which has evolved from conceptually close concepts like transformational and charismatic leadership. Research like that of Brown et al. (2005) and Treviño et al. (2003) does suggest that there is enough evidence for the conceptual construct as ethical leadership

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to be distinctly different from these aforementioned constructs. However, the close resemblance of these constructs is worth to take a look at for a deeper understanding of ethical leadership and its origin. Hoch et al. (2018) deemed ethical leadership to be theoretically too closely related to transactional leadership, and therefore the construct of ethical leadership could only be utilised situationally.

Besides concepts which are closely related to ethical leadership there are also influential leadership approaches that bear no resemblance to ethical leadership that merit a short introduction to distinguish ethical leadership as a construct. Approaches such as transactional leadership and authoritarian leadership have seen large adoption in organisational practice yet seem to be vastly different from ethical leadership on a conceptual level (Bass & Stogdill, 1990). These styles will be described by pointing out the difference to ethical leadership. Furthermore, it must be noted that leadership approaches can be displayed simultaneously, a leader can be a transformational leader whilst also being a transactional leader (Bass & Stogdill, 1990).

2.3.1: Transformational leadership

The term transforming leadership has been popularised by Burns (1978). The approach was used to describe political leaders, but the term has quickly caught on and been introduced in organisational theory. Burns describes transforming leadership as a redesign of perceptions and values and to change expectations and aspirations of the followers. The leader's personality, traits, and ability to aspire change leads to an idealization of their moral character. The leader's traits are utilized to benefit the teams, organisations, and communities they are part of, leading to a possibility to change the cultures they are part of. The concept of transforming leadership has been extended upon by Bass (1998), actually calling it transformational leadership as the concept is known in current day literature. Bass (1998) created a measurement scale for the concept and noting that these leaders provide their followers with a mission and vision to give them identity. The most important dimensions of transformational leadership consist of four dimensions (Bass, 1998). The *first* dimension is individualized consideration, which explores the degree to which a leader attends to a follower's needs and mentors them. Providing empathy, support, open communication, and challenges. The *second* dimension is intellectual stimulation, which measured the degree in which a leader challenges the status quo by stimulating followers to develop independent thinking capacity. The *Third* dimension is inspirational motivation, which measures the degree to which the leader has the ability to provide an appealing vision and inspire followers to share this vision. The *fourth* dimension measures the degree of idealized influence, which consist of the extend the leader can be a role model, has a high ethical behaviour and instils pride, respect, and trust.

As noted previously, transformational leadership and ethical leadership are conceptual very closely linked (Hoch et al., 2018). But some research suggests that the difference in concepts is just

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enough to justify ethical leadership as its own concept rather than a part of transformational leadership (Brown et al., 2005). The difference between transformational leadership and ethical leadership is that the ethical leader must be viewed as attractive, credible, and legitimate role model that practices normative appropriate behaviour to preach his/her ethical message to the followers. Explicit ethics related communication and repetition of the ethical message of the leader makes the construct stand out (Brown et al., 2005). Transformational leadership does not require an explicit emphasis on the ethical message like ethical leadership does. The need to hold employees accountable for their ethical actions is also not completely integrated in the construct of transformational leadership (Bass, 1998). It must be noted that some academics do not recognize ethical leadership as its own construct and rather share it under transformational leadership (Hoch et al., 2018).

2.3.2: Charismatic leadership

Charismatic leadership is a leadership approach which often gets linked to religious and political leaders (Bass & Stogdill, 1990). It builds on the premiss that charismatic leaders are people with exemplary qualities. Qualities like confidence, dominance, a sense of purpose and the ability to create goals and ideas which the followers are already mentally ready to receive (Bass & Stogdill, 1990). Using this definition, political and religious leaders would have an easier time being a charismatic leader because their followers are often already prepared to hear their political statements or religious speeches. Charismatic leaders are said to be emerging in times of crises and are often dubbed as the saviours of the otherwise totally dependent and submissive followers. Charismatic leaders often bring radical changes to organisations and societies, but are also said to be more concerned to doing the right things rather than doing things right (Bass & Stogdill, 1990). Charismatic leaders are to be morally righteous according to the description of the construct in (Bass & Stogdill, 1990).

This way of viewing leadership; by declaring that the goal is righteous, and the way of reaching this goal is of lesser concern is the main difference between ethical leadership and charismatic leadership (Ciulla, 2004). As discussed in the previous chapter, an ethical leader is trying to display his high ethical standards to the stakeholders to influence them to do the same. Charismatic leaders do not feel the need to display these traits and go about their business less concerned with their display of ethics. However, charismatic leaders do influence their followers to such an extent that that their followers become leaders in their own right; that start to amass a following as well. Followers have an intense emotional and cognitive attraction to charismatic leaders; words of a charismatic leader can be extremely influential to their followers while it sounds uninspired to outsiders (Bass & Stogdill, 1990).

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2.3.3: Transactional leadership

Transactional leadership is a leadership approach which is relatively old, being first described by Max Weber, and later by Burns (1978). Burns was the first to introduce the term transactional leadership to academia. Transactional leadership is based on the notion that a leader exchanges something that an employee wants for something that the leader wants. This exchange usually consists of the employee doing his job to a desired degree, in exchange for a fair salary. This form of leadership promotes a leader to maintain status quo in an organisation and works best when employees are familiar with their jobs and are motivated by the reward penalty system (Northouse, 2016). According to Burns (1978) the transactional as well as the transformational leadership be able to promote morality using their leadership style. Transactional leadership promotes self-interest, an easy to deploy organisational system, a pursuit of short-term goals and a clear rewards and punishment system. But this comes at the cost of a limited depth in the practical work, limited creativity and discourages employees to pursuit personal initiatives. This leadership approach can be very beneficial for organisations but can easily lead to organisational inflexibility and rigidity (Northouse, 2016).

Transactional leadership differs quite a bit on a constructional level to ethical leadership. Whilst both approaches to leadership have the moral duty to promote morality, ethical leadership really focusses on ethics, while transactional leadership is mainly based on a rewards and punishment system (Burns, 1978). In the ethical leadership approach the consideration and fair treatment of employees is mentioned as a dimension of ethical leadership, this is lacking in transactional leadership. Furthermore, the need to display integrity, high ethical standards and ethical accountability of employees is not necessarily a part of transactional leadership (Northouse, 2016).

2.3.4: Authoritarian leadership

Authoritarian leadership is a leadership approach which is less concerned with the well-being of the stakeholders but more focussed on the organisational result whilst simultaneously allowing a quest for power by the leader. Authoritarianism gets defined by a politically and religious conservatism, emotionally distant, power hungry, not accepting of minority groups, opposed to change and humanitarian values (Bass & Stogdill, 1990). This form of leadership found its way into theory to explain Hitler's leadership at the time (Bass & Stogdill, 1990). Authoritarian leaders have the tendency to use rewards and punishments to promote high performance in the followers. Authoritarians use punishment significantly more than rewards (Bass & Stogdill, 1990). Even though authoritarian leadership theory had been developed to study political leaders, it can be projected on organisational leaders as well. Organisations using a highly hierarchal structure can fall victim to authoritarian leaders. Some authoritarian leaders strive to acquire power and (ab)use it, to be in powerful negotiating positions, relocate resources and maintain trade relations with other organisations. These leaders gain emotional

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satisfaction from it and will seek opportunities to exercise their power. Usually done by seeking projects in which they can actively influence their subordinates.

Now obviously this form of leadership is vastly different on a conceptual basis than ethical leadership. Yet, it should not be discarded into irrelevance because of the non-progressive nature authoritarian leadership displays (Chen et al., 2014). Authoritarian leadership styles will always remain useful in military hierarchy because of the zero tolerance policies and need to exercise power by the higher ranked individuals (Chen et al., 2014). In the organisational context an authoritarian leadership style could be deployed ever so often by visionary leaders which do not feel the need to develop an environment in which all stakeholders can flourish. Conceptually the authoritarian and ethical leadership styles have almost no overlap, except for the basic's notions of striving towards desired goals.

2.3.5: Dutch leadership preferences

Dutch business leaders have evolved their leadership style since the foundation of major modern organisations. Organisations like Shell, Unilever Philips and Heineken all were founded a long time ago and had to adopt and evolve to remain relevant within society (Wennekes, 2017). The culture in Dutch business has changed a lot in the past 200 years. The hierarchical structures that defined organisations would come crumbling down and allowed for more space to sharing non-work-related events in life (Wennekes, 2017). People tend to view past entrepreneurs as 'just in it for the money' type of leaders. But that would not necessarily be correct. Entrepreneurs have, and always had to create something more durable than just profits, they wanted to shape their environment (Wennekes, 2017). This does not mean that they weren't people from their time; and as was the norm in their time, people were disciplined and lived like it. Therefore, the authoritarian leadership approach used to be the most dominant approach among business leaders and entrepreneurs in times gone past. Business leaders and entrepreneurs from those times did tend to be very angry towards their employees, if they were wronged or didn't like what the employee had done (Wennekes, 2017). Leaders that built their fortune based on the industrial revolution were especially hardened by their times. They would frequently employ children under the age of 12 in their factories. The Dutch government tried to abolish these practices in 1874, but even 15 years later children could still be found working in the factories.

Nowadays there has been a shift in leadership approach. Authoritarian leadership has lost effectiveness when cultural and societal norms shifted away from the more disciplined life (Wilderom & Van Den Berg, 1998). That created more space for the implementation and experimentation of newer and different leadership approaches (Mihai, 2015). The most dominant leadership approach is transformational leadership in the Netherlands, with some components of transactional leadership style

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present (Ozorovskaja et al.,2007). Especially in smaller scale businesses, but it is also prevalent in big multinational organisations.

Wennekes (2017) demonstrates that ethics in business are highly tied to the times and the normalised ethical standards within the country. The leaders of the industrial times had a totally different way of looking at their business, and people within the business than modern leaders do. They did not have any problems to employ children, and even tried to fight the government when they wanted to stop these practices. Forming bonds with other business leaders to oppose the power of the labour union that also formed around these times. This goes to show, that even though these industrialists did impressive things, they would mainly focus on their profits and ability to remain profitable. Ethical standards in business leaders have evolved and grown with the increasing wealth of the nation. Due to the increasing wealth, living standards and social services that evolved in the Netherlands, business leaders were unable to keep exploiting the labour forces as there were 200 years prior. Modern leaders, to whom these practices are normalised, have ethical standards based on the society and culture they are familiar with.

2.4: The Hitler problem

Even though leadership approaches can be theoretically almost the opposite, there is still a consistent basis for practitioners to behave morally just (Burns, 1978). Transformational and transactional leadership have very little construct overlap, yet both approaches are theorised to act morally correct according to Burns (1978). Burns (1978) was the first major leadership theorist that put ethics as essential to leadership, thereby growing the importance of ethics in later leadership theories. The trend of moving towards morality in theory is a sign of an overly positive academic field. Even though all these theories do not see eye to eye with each other, and every author is convinced his or her theory is superior to the previous ones, it can be stated that the majority of leadership theories follows the premise of leaders are, and should be, moral people (Ciulla, 2004). Therefore moral people produce moral leadership; thus leadership is also a good trait. Evidently this assumption is false, because history (as well as current day) has known some atrocious leaders which are most definitely not morally 'good'.

Authors try to solve accusations like this by stating that the morally wrong leader was not a follower of their approach (Northouse, 2016). Stating that these morally bad leaders are 'pseudo' leaders or tyrants (Northouse, 2016). And thus, incorrectly utilise their leadership approach. This way authors try to solve the problem of admitting that leadership can be used for morally bad reasons. But why do authors have so much trouble with admitting that their ideas and theories can be utilised to reach goals that are not ethical according to western and Anglo-Saxon ethical standards? After all science should not be influenced by opinions or politically coloured, science should be objective.

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The Hitler problem refers to Hitler in his time as head of the German state, and whether or not Hitler can be classified as a leader. Where Bass dared to call Hitler a leader in the earlier parts of his career, he retracted that statement and coined the term pseudo-transformational leader (Ciulla, 2004; Northouse, 2016). pseudo-transformational refers to a leader, that uses his influence for projects which are universally recognised as evil. Whether or not a person can be called a leader is a topic that divides the field. Influential authors like Ciulla and Bass argue against the dark side of leadership by denying the destructive qualities in theories, therefor denying the possibility of a leader to possess qualities that could be classified as ethically bad (Northouse, 2016). Authors have mainly focused on the positive dimensions of leadership, but recently the dark side of leadership is also being explored (Bormann et al., 2018; Northouse, 2016).

More recent meta-analysis also explored the dark side of leadership and identified destructive leaders (Padilla et al., 2007). These leaders possess qualities that allow them to exploit their followers, and leave them worse than they found them, violate basic human rights, and use their followers' fears against them (Northouse, 2016). Even though these leaders manage to utilise these qualities, they are still said to possess multiple qualities that can be connected to leadership approaches such as charismatic and ethical leadership. Even though there is more research which explore the dark side of leadership, it remains a small area. The dark side of leadership is critical for the understanding of (un)ethical leadership because it explores areas of leadership that theorist have not explored yet and could create important insights.

The fact remains that every theory in leadership academia can be utilised by morally good and bad leaders. Academics should not be hesitant towards these morally bad leaders, and reject them outright as leaders, but rather study them for further development of the theoretical context upon which the leadership approach is based.

Chapter three: Methodology

3.1: Introduction

This chapter is aimed at providing the necessary methodological tools to answer the main question of this thesis: *Why do leadership theories portray ethical leadership as morally good and how do Dutch business leaders try to exploit ethical leadership attributes?* Further sub questions were developed to answer the main research question, these questions were designed in such a way that they can be measured by gathering qualitative data and are relevant to the posed research problem (Myers, 2013).

Further along in this chapter, the research design and measurement methods will be elaborated upon. It became clear that the research design and measurement methods do differentiate from the traditional research design in the field of leadership. The data-characteristics, the inclusion and exclusion criteria, analysis methods and validity and reliability will be extensively discussed in this chapter.

3.2: Research design

The design for this research is a deductive and strictly qualitative research design. The objective of this research is to critically reflect on the concept of ethical leadership by challenging the assumption that leadership is a good trait based on empirical examples from Dutch businesses. To fulfil this objective the bulk of the research is theory based, to gain sufficient insight in the ethical leadership debate and the paradoxes apparent in the field (Cooper, 1998). Building on the theoretical insights and the apparent paradox (also known as the Hitler problem) two practical examples relating to business ethics will be displayed and discussed based on the field of ethical leadership, to combine different methods of research (Bleijenbergh, 2015; Myers, 2013).

Ethical leadership is a field of research which can be approached from multiple standpoints and methods, authors like Brown et al. (2005) and Treviño et al. (1998) have approach ethical leadership in a traditional sense, using quantitative methods of research. However, other influential authors like Ciulla (2004) and Den Hartog (2015) provide a more qualitative approach and overview to the topic of ethical leadership.

3.3: Measurement methods

The argument behind the choice to adopt a deductive qualitative study is the fact that the objective of the thesis is to critically reflect on assumptions made in current ethical leadership theory, based on empirical examples. This is a deductive method of research, which tests a prior drafted hypotheses or theory based on empirical results (Bleijenbergh, 2015). Therefore a discourse analysis is

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appropriate for this kind of study (Myers, 2013). According to Myers (2013) a discourse analysis is a method of analysis which looks at the way the data is constructed within the social context it is embedded in. The ‘discourse’ usually refers to communication going back and forth, in situations like arguments, debates and interviews for example (Myers, 2013). Written text is also labelled as social interaction because there always is a writer and a listener. A discourse analysis is a measuring method which is defined by the fact that the data analysed is very ‘natural’ and would also have been discussed or published if it was not used for research purposes. Discourse analysis has a tendency to focus on ‘language games’, where the speaker or writer makes verbal moves (Myers, 2013). These verbal moves can be the use of phrases, metaphors or allegory (Myers, 2013). The focus on these verbal moves by Dutch business leaders can shed a light on their ability to utilise ethical leadership attributes.

The main research questions usually answered by discourse analysis can differ in size and sample size. It is possible to have a very small sample size if there is enough written or spoken materials to support this small sample size. The research question in this thesis is answered by utilising a very small sample size, supported by a large amount of data. Discourse analysis are also built on a theoretical framework on the relevant topic to create a framework to place the analysis in. This thesis has a large theoretical framework where ethical leadership is placed within the landscape of leadership theories and what attributes form the concept of ethical leadership according to influential and relevant academics. This thesis will mainly build on existing leadership theories, but this will be combined with practical examples on the topics of ethical leadership in Dutch businesses. Internal sources of the organisations in question will be utilized when relevant, combined with any public media coverage as relevant to the case (Bleijenbergh, 2015; Myers, 2013). These various measurement methods will be supported and guided by theoretical knowledge as displayed in the theoretical framework in this thesis.

3.4: Data characteristics & inclusion and exclusion criteria

Because multiple types of data are utilized in this thesis, it is key to have criteria that these data types should abide to. Multiple types of data that are included in this research have different criteria. Starting with the literature utilized in this research. After the data is collected, the quality of the data should be determined (Cooper, 1998). This often happens during the data collection process. The academic articles presented in the theoretical framework should meet a certain quality and influence in its field of research. Therefore, the number of times an article is cited, and in which journal these articles are published are taken in regard. The most prominent journals on business ethics are Journal of business ethics and business ethics quarterly (SJR, 2022). Articles published in these journals do often meet the quality required to be considered in a literature review (Cooper, 1998). Further literature used in this thesis does come from books which have had a large impact in their fields or offer an alternative view

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on business ethics than the status quo. Books by Ciulla and Bass & Stogdill for example have had such a major impact on the field of ethical leadership and leadership in general that they transformed those academic fields (Bedi et al., 2016).

The practical examples of ethical (or not so ethical) leadership do need to meet certain criteria as well. The first and foremost criteria is the fact that the case should be revolving around a Dutch organisation or leader. This was done on purpose because Dutch businesses are firmly based in western ethics as discussed in the theoretical framework (Van Der Linden, 2013). Furthermore, it opens the door to examine organisations and leaders on a localized scale as well as bigger organisations. Organisations and leaders which are exemplified in this thesis have been displaying ethical behaviour which could be questioned, especially when related to the ethical theories as covered in the theoretical framework. These examples will be used to critically reflect on the assumption that leadership is a good trait.

3.5: Method of analysis

The method of analysis in this thesis consists of two parts, the theoretical analysis and the document analysis (Bleijenbergh, 2015). The theoretical analysis entails that all relevant literature to be found on the topic of ethical leadership is considered. The main theoretical premise is founded in literature based on influential books in ethical leadership. To paint a complete picture, it was taken in account whether the article or book considers the negative aspects of leadership, or only views it from a positive point of view.

The practical cases considered in this thesis are analysed using a codebook, which has been drafted using the main question and following sub questions to identify the constructs, dimension and items needed to answer these questions using practical examples. Coding the documents to identify where ethical leadership has fallacies compared to its theoretical basis is done using colour codes. These codes can be found in Appendix two.

3.6: Validity and reliability

Validity in a discourse analysis can be questionable, based on a heavy reliance on academic literature combined with a small sample size (Myers, 2013). However, if the research is conducted on the same field of study, there might be some differences on operational grounds of the construct, but the theoretical basis often does not differ drastically (Cooper, 1998). Since most research build on previously published literature, the constructs will be used and added upon by the new academic works and thus retaining definitions previously laid out (Cooper, 1998). The validity of this thesis is partly built on previous research, and their ability to create a theoretical basis for the construct of ethical leadership. (Cooper, 1998).

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There are multiple kinds of validity which are relevant to touch upon within this chapter. Firstly, the internal validity of this research should be guaranteed. Internal validity concerns itself with the question if the research is actually measuring what it is supposed to measure (Bleijenbergh, 2015). In this thesis the internal validity is facilitated by the fact the topic leaves a room for interpretation by researcher and reader alike. Internal validity is also helped by the integration of the practical examples using a code book to identify items, dimensions, and constructs. The codebook is based on the constructs of ethical leadership as displayed in the generated sub questions in the introduction.

Reliability is a criterium which is not as important in qualitative research as it is in quantitative research (Bleijenbergh, 2015). The criterium of reliability measures if findings are not random, which is hard to prove with smaller sample size as is common in qualitative research. To cope with this issue researchers can limit their statements based on their findings to the domain they researched. This does hurt the reliability of the research. This thesis replaces this reliability with the insights in the data gathering process. Which cases, documents and media coverage have been selected to analyses the practical examples is well documented and can be found in appendix three.

External validity refers to the generalisation of the research. In qualitative research the generalisation can often lack, because it often has a limited number of respondents or cases it studies. Therefore, it is difficult to generalise the results of these researches, however, if a qualitative study disproves a theory, it can be easier to generalise the results of said study (Bleijenbergh, 2015).

The role a researcher plays in the validity and reliability of a research is not to be underestimated (Cooper, 1998). This research is done by one researcher, which has some effects on the reliability and validity of the research. Intercoder reliability in this research is no-existent, because this requires the codes to be applied by multiple researchers.

Chapter four: Results

In this chapter the relevant sub-questions which have not been covered in the theoretical framework shall be answered, to ultimately be able to answer the research question of this thesis. An analysis of the gathered data shall be laid out. The data derived from the source materials have been organised per ethical leadership attribute.

Some of the data presented here has been translated from Dutch to English to maintain a consistent language in this thesis. The quotes have not been literally translated but translated in such a way that the meaning is retained, to stay true to the quotes as written or spoken in the utilized sources. The business leaders that were looked into are listed in table 4.1.

Table 4.1

Analysed business leaders

Name	Function	Time period
Paul Polman	Unilever CEO	2009-2019
Rijkman Groenink	Chairman board of directors ABN AMRO	2000-2007

4.1: How do Dutch business leaders portray themselves using attributes related to ethical leadership?

The way that business leaders are able to manipulate their surroundings is a phenomenon which has been noted since man was able to write about leadership. However, in recent times the importance of ethics and morality of the people in leadership positions has risen. The economic results of leaders not conforming to ethical norms can be harmful. Organisations and leaders have financial incentives to behave more morally than ever before. In this paragraph the way that the business leaders covered in this thesis portray themselves in society is displayed based on various sources such as annual reports, interviews, and personal statements.

4.1.1: Paul Polman (Unilever 2009-2019)

Polman was CEO of Unilever between 2009 and 2019 and often got labelled as a visionary in the ways of sustainability and modern leadership. This chapter shows how Polman was able to utilise attributes of ethical leadership to portray himself.

4.1.1.2: Altruism

Altruism is a big part of being perceived as an ethical leader, therefore it is important for the followers of the leader to have a positive association with the leader. Especially in regard to their *Ethical leadership: the ifs and buts of a growing concept*

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altruistic behaviours. Polman portrays himself as a very altruistic leader. In his beginning years at Unilever his altruistic behaviours were paired with a certain hesitance to not scare potential investors or hedge funds that Unilever needs to survive in the competitive industry of the fast consumer goods. In the annual report of 2010 Polman said the following when referring to ‘the plan’: *“In addition to halving our overall environmental impact, the Unilever Sustainable Living Plan (the Plan) commits us to helping more than a billion people to improve their health and well-being and to sourcing 100% of our agriculturally based materials sustainably”* (Unilever, 2011). It seems that this Unilever Sustainable Living Plan is aimed at actions for others rather than it being profitable for Unilever. However, right after this he is quoted saying: *“These are not acts of charity or a tick in the box for corporate responsibility. The Plan makes sound business sense. As an integral part of our business model, it will enable us to accelerate innovation, ensure security of resources, reduce overall costs and build sustainability into our brand propositions, ultimately winning consumer preference and loyalty well into the future.”* (Unilever, 2011). Demonstrating Polman’s believe in sustainability as a business model.

The message of long-term profitability is a message which Polman kept repeating during his time at Unilever. His Unilever Sustainable Living Plan (USLP) was a plan initiated by Polman which he summarized during an interview in 2014 as the following: *“Which basically says (Referring to the USLP): double our turnover and reduce in absolute environmental impact and increase the social impact”* (Polman, 2014). Once again reiterating the message of utilizing the size of Unilever to help others by gaining in the long term. Polman liked to allude to the fact that the altruistic values as he has them would not only grow businesses in the long term, but also increase the livelihood of mankind: *“The circular economy... it is not only a business imperative, it is an imperative to make this a more inclusive world for all of us”* (Polman, 2014).

Polman’s altruistic values were retained by him, even after 9 years at Unilever. It seemed important that people who were in a position to help others on a large scale, also should utilize their position in such a way, without any prevalent egoism. In an interview in 2018 he said: *“At this moment I am in a good position with Unilever because I can have an influence over a lot of people, if I would decide to. If you are in a position like this you should do that”* (Polman, 2018). In the same interview he went on about the amount environmental and societal actions Unilever has taken in the last few years, by reducing their plastic usage for the benefit of the entire planet. Furthermore, Polman mentions the developing countries that Unilever is active in, and how he likes to visit refugee camps in those countries: *“At that moment you suddenly realise how lucky you are; but also, that it is your task to better the situation”* (Polman, 2018). Polman also specifically refers to projects started in Unilever to give some refugees jobs and a decent living in the UK: *“We at Unilever are busy with integrating refugees*

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in our company, but we are busier with getting residency permits and making sure they are not expelled from the nation rather than working with them.” (Polman, 2018).

4.1.1.2: Demonstrating integrity

The demonstration of integrity refers to the display of certain personality traits the leaders should display, such as honesty, sincerity, unbribable and the ability to influence the following. Polman seems very willing to publicly display these traits. The display of some of these traits is also due to how messages are delivered.

Polman tries hard to be deemed an honest man. He tells personal anecdotes to display honesty and sincerity in the eyes of followers. He talks about his experiences in his personal life such as living in Newcastle whilst working for Proctor & Gamble and the Mumbai hotel incident, where he and the Unilever top were almost victims of terrorists. To further this image, Polman goes back to his roots using a quote from his departed father: *“Like my father always said: “never forget your house number” and mine was a good number... coincidentally it happens to be number 13” (Polman, 2018).* Cracking a joke at the end of that statement (13 being the number of bad luck). Besides personal anecdotes Polman talks about the utility of social contracts in business, stating that any company should first and foremost make sure that they have a good social contract. Polman has decided that Unilever should be a vessel that assists with social contracts in developing nations: *“A good social contract is for many businesses not completely clear cut, but we are working on it to increase that awareness” (Polman, 2018)*

The sincerity that Polman needs to be taken serious as a successful business leader is evident in the annual report of Unilever in 2013: *“However, the scale of the challenges we are trying to tackle through the USLP – whether food security, climate change, sanitation, job creation or the many others – is just too great for one organisation to address alone, which is why we are so pleased that our approach is gaining support from a growing number of external organisations, many of which we are fortunate to partner with.” (Unilever 2013).* In this statement in the annual report, he maintains the USLP in his vision, and the desire to cooperate with other companies/parties in the industry. A few years later Polman talks of financial infrastructures in developing nations and his desire for Unilever to keep to its social contract: *“Obviously we do not have anything to gain if we are the only tax paying company active in a country” (Polman, 2018).* Alluding to the fact that Unilever is assisting development of financial systems in countries that lack them.

To demonstrate integrity, it is detrimental for leaders to not be corrupt and take any bribes. No active business leaders would state that they take bribes because that would have negative consequences for their career. Polman did not mention, or seem, to be a corrupt leader. Polman mostly keeps out of

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discussions surrounding his wage and bonuses. However, he did state that businesses should not be participating to corruption, and that if a country has a lot of corruption there are external parties which facilitate this corruption and actually profit from it (Polman, 2018).

The influence on followers of Polman was very substantial. People call him visionary on a regular basis. Polman often repeats his message that people seem to want to hear: *“The people that really inspire me are the people that you don’t hear a lot about. For example, the doctors that went to Western-Africa to fight Ebola and of whom quite a lot lost their lives themselves”* (Polman 2018). Messages like these inspired his more activist followers, but Polman also needed to suit other followers which potentially have more interest in the financial aspect of his leadership rather than his altruistic actions. Polman has a background in finance, and uses that to his best extent, for example in the annual report of 2010: *“Despite this backdrop, we achieved volume growth of 5.8% in 2010, significantly higher than growth in the previous year and Unilever’s best volume growth performance for more than 30 years.”* (Unilever, 2011). And again in 2014, where he specifically mentions long term-term success: *“Over the last five years, we have established a simple framework for driving long-term success – to grow ahead of our markets, expand our margin and deliver strong cash flow.”* (Unilever 2014). In 2018 he refers back to this, and states that the world’s financial markets have too much focus on short term success, and that longer term plans get discounted way too much and therefore are reduced in value (Polman, 2018).

4.1.1.3: High ethical standards

The display of high ethical standards is needed for a leader to be ethical, traits such as awareness of ethics, respect, confidence, trust, and personal morality do play a role in this dimension.

Polman seems to be aware of ethical norms in western societies. In 2009 he proudly talks about the leadership of the top Unilever managers to be top notch in regard to sustainability: *“Leadership like this explains why, for the 11th year running, Unilever was sector leader in the Dow Jones Sustainability Indexes – a feat unmatched by any other company”* (Polman 2009). But whilst this is an achievement to be proud of, he also states that the sustainability issue is an issue which will hit the industry of fast-moving consumer goods in a hard way. Thereby mentioning that consumers will also have to change their habits with regards to these products. In 2010 Polman launched the USLP and stated: *“In an increasingly resource constrained world, this decoupling of growth from the impact on the planet is the growth model that consumers will ultimately demand”* (Unilever, 2010). In 2014 he reiterated this as well: *“If you are in a business like ours. Let’s say the food industry, many people would say that if you don’t tackle these issues you would not be in business in the first place”* (Polman, 2014). The push towards sustainability was further elaborated by statements about creating value for all stakeholders in *Ethical leadership: the ifs and buts of a growing concept*

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the longer-term and that all Unilever factories are ‘zero waist’, because nature also does not produce any waist (Polman, 2018).

Polman does not mention general cultural values that often. Polman says that he counts himself lucky to be able to work for a company which had the same cultural values as himself: *“You are lucky if you can work for a company, foundation or institution that shares the same values as you own values. Then you feel at home”*. (Polman, 2018). Stating that the values found in the English side of Unilever’s culture were stronger than the Dutch side, even though Polman himself is Dutch.

The confidence that Polman has in his own vision is very evident. Polman is very critical of the nature that financial markets have to invest in short-term instead of long-term value, he is certain that longer term value will reap more benefits for investors, the company and the very poorest in the world. In 2018 he says the following about this: *“We have brought the industry together, all the big companies such as Ahold, Tesco, Carrefour, Nestle but also PepsiCo and Cola. We said how we are going to be working together with countries to set up recycling systems. To ensure that the entire industry changes; otherwise, our entire industry will be attacked”*. (Polman, 2018) He seeks to change an entire industry to prove his vision. Polman’s trustworthiness is part of his confidence and the repeated message of his vision. Claiming that the vision he has set out has always been part of Unilever’s DNA; doing well by doing good.

Polman’s personal morality is mainly found in personal anecdotes, which he likes to tell in public. For example: *“We have lived in Newcastle for a while, and that’s where I learned what it meant that I never say my parents work... I have worked there for a while for quite a large company, and I have learned that it is impossible for a company to function properly in a society which itself is not functioning properly”* (Polman, 2018).

4.1.1.4: Consideration & fair treatment of employees

This dimension is referring to the interaction between leader and employee. That interaction is important for the leader’s credibility in the eye of the public. Polman displays awareness of laws, infrastructure, and culture in regard to developing nations and the western markets. Unilever has tried for a longer period of time to gain more market share in developing nations, Polman added to this by stating that Unilever is aiding struggling governments in their governance practices: *“The struggling nations are also the nations with failing governance”* (Polman 2018). Polman followed this up by stating Unilever is training tax inspectors to aid foreign governments in their ability to increase their resilience to external pressure. Furthermore, Polman added to this by stating: *“To integrate the people in*

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developing nations in our value chain and bolstering their local economy is the most important thing you can do". (Polman 2018)

Polman usually refrains from talking about the Unilever top and his close employees. However, Polman does state that he finds it important to go to developing nations where Unilever is active: *"Unilever is present in 190 countries. I try to visit most of the developing nations and make it a habit to visit the consumers there myself, either at their house or in one of our refugee camps" (Polman 2018)*

The ability to resolve conflicts between employees is an item which Polman makes no references to in the analysed sources. Most likely due to the nature of conflicts that Polman gets to deal with in his line of work compared to lower and middle managers. Because theory of ethical leadership is not solely focussed on top management but also regards lower tier management this item is not an often documented one by top managers (Northouse, 2021).

4.1.1.5: Ethical accountability for employees

This dimension is all about setting an example for the employees and holding them to the same standards as the leader is displaying. In the 2009 annual report Polman stated that the base he found at Unilever has potential: *"We start from a strong base of values and principles, which have served us well over the years: integrity, trust, investing in people, doing the right thing for the long term." (Unilever 2010)*. The next year Polman went on and expressed his confidence in all the 167,000 employees at Unilever (Unilever, 2011).

Polman, and thereby Unilever, started to take responsibility to global problems such as global warming and sustainable production: *"At Unilever we don't just want to be a part of this, we want to lead actively in the areas related to our business. That is what the USLP is all about and I want to thank all of our employees, business partners and others for the remarkable contribution they made again in 2013 towards this goal." (Unilever, 2014)*

Polman expressed that the employees of Unilever felt a great deal of satisfaction when working for the company, all due to changes made in the policy and increased transparency: *"Due to our model of more transparency we build up more trust with our stakeholders. With our partners in the value chain that we worked with. But what is very clear is that it is first and foremost very motivational for our employees." And: "People are proud to work on something where they actually make a difference in life" (Polman, 2014)*. Polman also expressed his ability to rise to the occasion outside of Unilever, by telling an anecdote about his foundation for blind and deaf people in Africa (Polman, 2018). And how the employees at this foundation can barely scrape by, and nevertheless tirelessly commit to their altruistic tasks (Polman 2018).

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The ethical premiss that Polman wants to express is one that tries to raise people out of poverty and acknowledging local people committing themselves to this cause. Polman tries to balance the ethical and altruistic side with the business side of the company. Polman states that: *“Because there is a lot of uncertainty in the world, and companies that have a long-term focus get discounted too much”*. (Polman 2018). But due to Polman’s focus on long-term plans he mentions that he was able to attract long-term investors: *“At this moment, 70% of our investors have been with us for over six years. We have abolished quarterly numbers and quarterly commentaries, that way you automatically talk on a longer-term with your investors”*. (Polman, 2018)

Polman shies away from the negative sides of the ethical accountability his example is setting. The repercussions of unethical behaviour displayed by employees or business partners is not really public knowledge according to the utilized sources. However, Polman does mention the following: *“We are very picky with our suppliers, especially with what we want from them and what we let them do. Because the reputation in the value chain is our reputation as well”*. (Polman, 2018). Polman added to this by stating that the business model had changed from shorter to longer-term focus. However, that should not dampen the short-term results according to Polman, because the changes made would prove long-term success (Polman, 2018).

4.1.2: Rijkman Groenink (ABN AMRO 2000-2007)

Rijkman Groenink was the chairman of ABN AMRO from 2000-2007. Nowadays he has a very negative reputation and mostly seen as a money hungry banker.

4.1.2.1: Altruism

Rijkman Groenink does not often talk about altruism or altruistic motivations in the analysed sources. This is not very surprising due to the fact he was active in banking, which is a sector that is not known for its altruistic actions, especially pre-2008. And one could argue that, even though banks were deeply distrusted afterwards, the altruism and societal awareness did not improve impressively.

Groenink was chairman of ABN AMRO, which meant he needed to compete in a very competitive sector which leaves very little room for altruistic actions. Altruism was not seen as a wise economic decision. Because banks did not really have an incentive to spend money for societal goodwill, most banks did forgo to invest in altruistic projects. The most relevant stakeholders at the ABN AMRO (or any major bank) were the shareholders, who were mostly interested in short-term profits rather than longer-term investments. Serving these short-term goals is contradictory towards any altruistic (sub) goals.

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4.1.2.2: Demonstrating integrity

Groenink did display as much integrity that could be expected in the financial sector. He does make public statements that admit his leadership is lacking and the bank is lacking behind compared to its peers: *“We did not make it into the top five of our selected peer group. There are three main reasons for this. First, we faced greater challenges in the businesses over the four-year cycle than we had anticipated, and as a consequence did not generate sufficient returns. Second, we underestimated the impact of the required restructuring programmes on our businesses. And third, the targets we set were, with hindsight, too ambitious.”* (ABN AMRO, 2005). The initial optimism Groenink and his board had in 2001 when the goals were formulated had completely eroded by 2004. His honesty was further tested when making statements about the bank’s compliance in the US and the Netherlands.

Groenink continuously pushed on that the reputation of the bank is its licence to operate: *“Integrity and compliance are of paramount importance to us and to the entire industry, thereby helping us to live up to the role that authorities and the public expect from us. This safeguards our reputation, which is our licence to operate.”* (ABN AMRO 2005). Groenink was asked about the fact that ABN AMRO introduced options for its top management, directly related to the stock prize of the bank and if this would be an extra incentive for the top management to pursue short-term gains: *“No that was never my experience or my personal approach to it. Look, we discussed the goals of the company together, for me the goal was to ensure the long-term survival of the company.”* (Groenink, 2010). It is often stated that bankers are solely looking out for their own wallet. But Groenink tries to portray himself as a banker which does not care about the financial incentives that come with his function.

4.1.2.3: High ethical standards

Groenink tries to promote his values as an honest banker that is well aware of ethical norms. He states to be operating within the law and applied rules and regulations as they are mandated. For example, he changed the method of appointment of the supervisory and managing board at ABN AMRO (operating with a two-tier board structure at the time): *“Likely changes will include how the Supervisory Board and the Managing Board are nominated and appointed, and the abolition of the priority share. We will put the plan to you at the annual shareholders’ meeting.”* (ABN AMRO 2003). Further compliance with the ethical norms in Dutch corporate governance was needed a year afterwards, when the Dutch corporate governance code (known as code-Tabaksblat) was introduced: *“Our governance model was already very much in line with the best practice provisions of the code. However, we will make one important change, which is withdrawing our defence mechanism by cancelling the Dutch preference shares.”* (ABN AMRO, 2004).

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Statements made by Groenink that tells anything about his trustworthiness or confidence do mostly link to his ability to promote the profitability of the bank: *“The operating result exceeded EUR 6 billion for the first time in our history, driven by higher revenue and stringent cost control across all Strategic Business Units.”* (ABN AMRO, 2004). The profitability of the bank does seem the driving factor of Groenink’s personal morality during his years as chairman of ABN AMRO: *“It would be ridiculous if you didn’t have a financial incentive for the banks stock prize”* (Groenink, 2010).

4.1.2.4: Consideration & fair treatment of employees

As a bank it is crucial portray your activities as an honest operation. Where banks were once the gatekeepers of the economy, they are more and more seen as unethical, shady, and with the only objective to earn as much money as fast as possible. To not fall further in this negative reputation a bank needs to maintain good relations with as many stakeholders as possible. Governments are important stakeholders for major banks, and Groenink knew he had to maintain good relations with them. Stating that significant corporate failures shook up the governments to create more attention for corporate governance and sustainability; for example, by introducing the Sarbanes-Oxley Act in the US (ABN AMRO, 2003). Of course, Groenink stated that ABN AMRO will comply to these newly introduced laws to increase transparency in the management of the company: *“Significant corporate failures drew attention to corporate governance and sustainability. One result was the Sarbanes-Oxley Act in the United States.”* (ABN AMRO 2003). He later followed up on this by stating that: *“It is very important to emphasise that reaching our financial goals has not been, and will never be, at the expense of non-compliance with regulatory rules and regulations.”* (ABN AMRO, 2005).

In public statements made by Groenink there are little mentions of the way he treats his employees and board members. In the annual report of 2005 Groenink did specifically introduce three new board members and welcomed them to the board: *“To support this ambition, the Managing Board is very happy that it has been joined from 1 January 2006 by three new colleagues: Huibert Boumeester, Piero Overmars and Ron Teerlink. Their presence on the Managing Board will help us to optimise the execution of our mid-market strategy in the coming years and to capitalise on the capabilities available across the bank to better serve all our clients.”* (ABN AMRO, 2006). Groenink also stated to be able to resolve struggles at the top of the company and wanted to create a pro-active culture at the bank: *“ABN AMRO will have to further improve its oversight and compliance programmes. The right way forward is to accept full responsibility, take corrective action, and embed a pro-active culture of compliance and full reporting to the regulators.”* (ABN AMRO, 2006)

4.1.2.5: Ethical accountability for employees

Groenink shows a distinctive drive to praise the employees of ABN AMRO with the work they have delivered, but also takes responsibility towards the client base and shareholders of the bank: *“We focus on those segments of our client base where we offer a distinctive service and where we capitalise on our local brand and local relationships while also leveraging our international products and brand in an efficient way. In combination with our extensive and competitive product suite and sector knowledge, it is clear that we are one of the few banks in the world that can deliver on all of these features, in many cases uniquely so”* (ABN AMRO, 2005). However, in public statements after the takeover, he tried to deny parts of his responsibility for the loss of the bank by pointing the finger at the Dutch government: *“My experience in the banking world, which is extensive. I have been in conversations with other banks to buy them out. In these experiences it became apparent that European supervision does not allow or want hostile takeovers of their banks. And to this date there hasn’t been an example except in the Netherlands.”* (Groenink, 2010)

Groenink proves his ability to be rising to the task by enacting certain policies and selling assets to ultimately reach his goals of financial gains. The repercussions of unethical behaviour of employees are not often touched, however Groenink did state: *“This is what we have done and will continue to do. For ABN AMRO, nothing short of the highest standards of compliance is acceptable.”* (ABN AMRO, 2005). Thereby expecting his employees/branches to give their best and comply to changing laws and corporate governance whenever relevant. Later on Groenink would fail to rise to the task, and the board of supervisors would cancel their trust in Groenink, but Groenink does not like to talk about that commonly.

4.2: How do Dutch business leaders get depicted in popular media?

The manner in which Dutch business leaders get depicted in general can be derived from coverage in media such as papers, television, books and online. Usually, these platforms reinforce each other. The way the general public reacts to the coverage of the media is important for the performance of both the company and leader. According to theory, the public image of business leaders is negative, where the general public just assumes the worst in regard to business leaders.

4.2.1: How does popular media depict Paul Polman

In this paragraph Paul Polman will be described based on the theoretical items as they are formulated in the theoretical framework through popular media.

4.2.1.1: Altruism

In the earlier years of Polman's chairmanship he was relatively popular within social media because of his vision on sustainability and climate change. However, it becomes obvious that after some time, his popularity in the media dwindles. In the beginning Polman was seen as an activist CEO, something that is rare in multinationals. Paul Polman from Unilever is seen as climate protagonists (NOS, 2015b). Polman's image is heavily cemented in perceived activist actions for developing nations, and his influence should not be underestimated. Polman consistently gets mentioned as one of the most influential Dutch people (NOS, 2013; Dekker, 2017). Due to his position in Unilever and the perceived image he developed over time, journalists have the tendency to rank him in the top 3 of influential people from the Netherlands (NOS, 2013; Dekker, 2017).

Polman also starts assisting with the development of Sustainable Development Goals on request of the UN secretary general Ban Ki-moon (Dekker, 2017). While this is a huge global project, Polman feels the need to not show any egoism and assist however possible. More local projects also get a mention in the press. In 2012 Unilever was forced to close a factory in France, and Unilever tried to house its employees at alternative plants owned by the company (NOS, 2012). Polman did voice some critique towards the French government, on the grounds that the government wanted the factory to remain operational, whilst Polman believed Unilever already did more for the employees than legally necessary (NOS, 2012).

In the great fight (Jeroen Smit) the rich history of Unilever and the journey of Polman to the top of Unilever gets described. Smit (2019) describes Polman as a very unique business leader with the best intentions for himself, his company, and the entire world. Polman's motivations seem to be founded in his youth according to Smit (2019). Even though some events about Polman's time before Unilever get covered in the great fight, his focus on sustainability and altruism does not get mentioned before. However, Polman's altruism and aim to help as much people as possible all the while implementing the USLP and reaching corporate goals are the guideline of the book. Polman does not see his orthodox methods of governance as altruism, but as making sense on a business level scale (Smit, 2019). To him the reason that bankers and multinationals are losing public trust is because they are not working for the community but solely for the 'winners. Obviously, this led to such a weak position that the company almost fell prey to a hostile takeover. That wake-up call had led to Polman's altruistic motives to get diverted for a while, but he remains convinced that solving the sustainability issue, and creating a more sustainable business is the future.

4.2.1.2: Demonstrating integrity

One of the most documented events in Polman's time as CEO at Unilever was the hostile takeover attempt by Kraft-Heinz. Kraft-Heinz did offer 134 billion dollars to buy out Unilever and have a majority of shares (NOS, 2017d). They offered 200 million dollars to Polman if he could convince the shareholders to sell their shares to them (Smit, 2019). Polman refused this money because he felt like the profit driven strategy employed by Kraft-Heinz is not the direction which will be most beneficial for the planet and would vaporise his life work (Smit, 2019). But because of the offer on the table, Polman had to change his course to increase profitability in the short term (NOS, 2017b). Additionally, Polman decided that sell the butter and margarine division that founded the company over 100 years ago, because it was not profitable enough (Smit, 2019).

That Polman refused the 200 million personal cheques can be classified as a demonstration of integrity. Technically this hostile takeover attempt is not a bribe, but Polman remained true to Unilever anyhow. Later in 2018, Dutch societal discussion broke out surrounding the salary that the top of big publicly traded companies receive. Polman was by far the highest earning CEO of the lot, with a salary that was 292 times as high as the lowest paid employee of Unilever (NOS, 2018a)

Polman's influence on his followers can be described as financial focus in the eyes of the public, which is inherent to the position as CEO. The media paints a picture of Polman being mainly concerned with the stock prizes, profit and growth of Unilever. The profit of the Unilever gained a lot of attention after 2017 due to the hostile takeover attempt, and the profits soared. Unilever's profit had increased 51,2% in 2018 compared to 2017, a staggering 9,8 billion Euro (de Waard, 2019). This was proof that Unilever did survive the attempt and was financially sound.

4.2.1.3: High ethical standards

In the media Paul Polman's altruistic actions or his foundation do not find their way to the eyes of the public all too often. Where it becomes apparent that Polman is aware of ethical norms within western society is when there are political difficulties. For example, when Russia invaded Crimea Polman did not find it a good idea to get seen with Putin at that time (NOS, 2014). Even though this was not an exception and more CEO's have declined to come to the international economic forum (NOS, 2014), it is ethically the right decision.

Sometimes Polman did see the need to go against western ethical norms, and not respect them too much. For example, when the Kraft-Heinz offer came in Polman stirred up a public debate surrounding the hostile takeover. Which, if Kraft-Heinz went through with it, would have been a long, slow and dreadful process (NOS, 2017a). Polman would do a lot to earn a more favourable position for

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Unilever, as became clear when he started blaming the Dutch political debate around the abolishment of dividend taxes. The enormous resistance in the Dutch politics would block the moving of the headquarters to Rotterdam, with London gaining a more favourable position in the eyes of the shareholders (Klok, 2018).

The confidence, trustworthiness, and personal morality in the media of Polman, seem to be mainly fixated on the most influential Dutchman and his consistent high position in these rankings. The media does describe him here as being committed to improving the ecological footprint of Unilever. There are also negatives to mention, main focussed on the high wage that Unilever is paying its CEO (NOS, 2017c). That high wage actually got raised from 11,3 to 13,7 million Euro, which was controversial because 40% of the votes were against this increase (NOS, 2018c). Polman didn't participate in the debate (NOS, 2018c).

4.2.1.4: Consideration & fair treatment of employees

The way that Polman treats his employees and fellow executives is something not really covered in the mainstream news. Smit however does go into debt on how Polman created his image when he first spoke to the Unilever top at one of the so-called 'O be joyful' meetings (Smit, 2019). Polman is described as confronting the Unilever top, who were relatively satisfied with the course that was set out (Smit, 2019). Polman laid into them and asked them where their entrepreneurship was, where their ambition was and stating that the company was not on a healthy course if it keeps running like a financial firm. After some of those confronting messages Polman decided to also pay tribute to the potential that Unilever housed. Promising that he will do everything in his power to convey the Unilever DNA to the world (Smit, 2019).

The way Polman finds a way to resolve conflict is alluded to in the media. Even though the hostile takeover attempt by Kraft-Heinz is not an internal conflict, Polman resolved this conflict by defending Unilever. Polman had hired the best lawyers, bankers, and external advisors to prevent the takeover and prepare the defence of Unilever (NOS, 2017b)

4.2.1.5: Ethical accountability for employees

As CEO of a multinational, it would be impossible to not take any responsibility for the actions taken by Unilever. So Polman did take responsibility whenever needed. Very early in his 10 years as CEO Polman wanted to get rid of the margarine-based brands which were not profitable enough, and not in-line with the idea Polman had about the future of Unilever (Smit, 2019). Polman stated that he wanted Unilever to grow in developing parts of the world (as did his predecessors), but that these parts of the world hardly ever used products like margarine and butter (Smit, 2019). However, this was met

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with a lot of resistance internally because employees felt like these divisions defined the Unilever cultural values. However, in 2017, after the hostile takeover attempt Polman was able to get rid of these poor performing divisions, and he took his responsibility (NOS, 2017d).

The ethical premiss that Polman attempts to set gets picked up by the media, but this does not mean that the media is overly positive or negative about his ethical premiss. Polman spoke out against the short-term focus of Dutch financial institutions. He argues that Dutch companies and shareholders would all benefit if more money would pour into Dutch companies that wanted to invest in the longer-term (NOS, 2017e). Besides Polman's critique on the financial institutions, Polman also gets covered as very influential and as 'the odd one out' compared to his peers. The media seems interested in his message. Smit (2019) states that Polman makes alliances with multiple NGO's to adhere to his calling to create a better world.

4.2.2: How does popular media depict Rijkman Groenink

In this paragraph Rijkman Groenink will be described based on the theoretical items as they are formulated in the theoretical framework through popular media.

4.2.2.1: Altruism

The popular media does not paint a flattering image of Groenink. Partly because of media coverage Groenink grew to a national symbol of greed and the downfall of a once proud bank. The media does not cover any altruism by Groenink while he is at ABN AMRO. The opposite is rather true, the media is very negative towards Groenink from an altruism point of view. He depicted as the greedy banker that sold out rather than fight for the cause of the ABN AMRO (Wagendorp, 2013).

Jeroen Smit, author of 'the perfect prey', said in an interview that in his opinion Groenink did not sell ABN AMRO for the monetary reward. Smit believes that Groenink is a man of many capabilities and hopes he is able to utilize these capabilities at his new supervisory board position at ANP (Hendricksen, 2012).

4.2.2.2: Demonstrating integrity

Groenink does not seem to be able to gain an image in the popular media which actually matches the way he himself would describe his integrity. The media does not view Groenink as integer. He is viewed and portrayed as a man who puts his own honesty and sincerity above the interests of actual clients of ABN AMRO (Smit, 2008).

4.2.2.3: High ethical standards

The media seems to agree that Groenink was very aware of the ethical norms present in Dutch society, but that he prefers a big pay-out rather than a high ethical premiss for interested followers to follow. Especially his personal morality is being questioned by a multitude of journalists. In hindsight Groenink said he should have stepped down as chairman and not have taken responsibility for the hostile takeover (Groenink, 2010).

Even though Smit (2008) seems to be interested in pointing out the failure in leadership by Groenink, the perfect prey also puts some credit to the honesty, confidence, and personal morality of Groenink. For example, the fact that Groenink is able to unite the earlier scattered business units to not give up their trust in him and his leadership (Smit, 2008). He promised improved results and a healthy bank before he would step down as chairman. This would later not turn out to be true, but the trust and confidence in Groenink was present (Smit, 2008).

4.2.2.4: Consideration & fair treatment of employees

Groenink is portrayed as a leader which failed to listen to and properly treat his employees like a leader should do (Smit, 2008). In the popular media the ability to resolve conflict within the various boards of the bank has led to disharmony in the top of ABN AMRO. Smit describes the various boards as 'mutinous', which was a direct catalyser of the downfall of ABN AMRO. Groenink as a leader, in the light of the events, was unable to dissolve the tension between the boards, and individual members. Groenink actually worsens the conflicts by scolding individuals that made decisions that Groenink saw as weakening the position of ABN AMRO.

4.2.2.5: Ethical accountability for employees

The way that Groenink is portrayed with ethical accountability in popular media is not too positive. Groenink is often portrayed as the figurehead of greedy bankers and the start of the 2008 crisis in the Netherlands. This does not allow an ethical premiss to be determined that allows followers to be positively influenced by. Furthermore, Groenink does not seem to be repercussion unethical behaviour according to media, although he is mostly covered as being unethical himself (NOS, 2010). The popular media does mention Groenink being strictly operating within the rules of the law, which can be considered as an ethical premiss. But this does also seem to be logical because such a large financial institution cannot be found with illegal operations without suffering an enormous reputation loss.

Chapter five: Conclusion and discussion

This chapter will discuss the conclusion based on the presented results, and the discussion in which advice for ethical leaders based on the results is discussed and the direction future research could go in.

5.1: Conclusion

Whether or not a leader can be seen as an ethically good leader is not to be decided within theory and academia but is legitimized by the follower perception of said leader. The morality of ethical leadership in theory is based on the positive aspects of leadership and is adhering to western standards of ethics. Theorists have an incentive to portray their concepts as being morally and practically superior to other, outdated concepts because this would lead to more recognition and prestige within the academic field.

The way that Dutch business leaders are able to utilize certain aspects of ethical leadership is not necessarily with malicious intent. The fact remains that society rewards people or organisations that have a positive image. So, leaders (ethical or not) have economic incentive to create a façade that would financially rewarding, because a positive public image usually creates opportunities to improve the business result. Leaders like Polman and Groenink try their very hardest to be seen as morally righteous by utilising language games to further their image, but they both partook actions that were questionable from a moral point of view. In both cases there was a discrepancy between the communication towards the outside and towards the inside of the organisation. Where the outside often could expect positive messages, the internal communication between the board and top is grimmer and a source for discontent in the top.

Ethical leadership theory can be exploited by leaders that are able to convince their followers that they are actually ethically just, whilst acting unethical away from the media's spotlight. Altruistic, honest and integer acts do benefit the follower's perception, especially now that society wants big multinationals to start participating in the fight against climate change. This concept is theoretically based on the same idea's as 'greenwashing', where companies pretend to be more sustainable than they actually are. Ethical leadership can provide the same platform for unmoral business leaders. Polman is a leader who is actually utilizing ethical leadership but is also conveying a message to the world which is not conform to reality. Polman himself is portraying his leadership as being visionary and future proof, however the public image of Polman begged the differ. The popular media were not too impressed by the USLP, and the goals reached during this program. Also, more negative publications arrived when a light was shed on the wage and bonuses Polman received, and how these bonuses are not particularly

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in line with the high ethical standards Polman was trying to portray. Nevertheless, Polman is still seen as a business leader that tried his hardest but was caught up by more profit driven businesses.

5.2: Discussion

Based on the results some recommendations will be written for direction of future research into ethical leadership and its possible utilisation by influential leaders. Additionally, a short recommendation for business leaders who have an interest in ethical leadership is given.

5.2.1: Recommendations future research

Since the most popular publications and theory in the field of leadership tend to focus on the positive side of the concept, future research into the more unexplored negative side could prove fruitful. It would be ignorant to not look at the 'dark' side of leadership because it has caused quite the problems in the past. Especially in politics and governments. More knowledge on how to handle ethical bad leaders will provide more tools on how to handle them, and possibly avoid conflicts between nations. The prime example of a morally bad leader (from a western point of view) as of 2022 in global politics would be Putin. It is unlikely that more knowledge on how to treat leaders like him would have stopped the conflict in Ukraine, but it could have prepared the western world better.

The concept of ethical leadership, and its potential to create ethical facades could be taken a closer look at using quantitative research methods. This would increase the scope of the research by an extensive bit. Currently no such research does exist yet. If done properly research could provide antecedents to spot potential un-ethical leadership or leadership trying to build a façade.

5.2.2: Recommendations for leaders

Leaders that aspire to be ethical must pay close attention to their relationship with their followers. It is of large importance that the followers do see the leader as being altruistic, honest and integer. These attributes seem to be detrimental, but all attributes of ethical leadership should be considered, which mostly comes natural in Dutch society. However, if the followers think that a leader is selfish, insincere, or not integer the reputation will dwindle quite fast. Groenink was not seen as an altruistic, honest and integer leader, which demolished his reputation as a banker and active leader in that field.

Chapter six: Research limitations & self-reflection

This chapter will go in debt on the limitations of this research and the self-reflection of the researcher during the process.

6.1: Research limitations

The result of this research is based on theory, supported by two completely different leaders. Therefore, it is impossible to generalise this research over a larger population. More and extensive research into ethical leadership would be needed before it is possible to generalise the findings. However, it must be said that it would be unrealistic to take such an indebt look into more influential business leaders because of the scale of the thesis project.

Another research limitation is the number of researchers, the validity and reliability of the research should, and could be improved upon with an increased number of researchers. For example, the coding process would be significantly more robust if the data was interpreted by multiple researchers. But since master's thesis are usually written alone, there is little chance of this changing in the future even though it could be beneficial.

6.2: Self reflection

During the process of the master's thesis, I found myself in certain troubles in regard to the deadlines and process. This trouble would have been easily preventable if I would have taken a sharper look at the deadlines as officially stated by the institution. Furthermore, I should have been clearer in communications between myself and my supervisors, because that would have provided me with a lot less stress.

I did find qualities in myself which helped me to successfully finish the thesis on the stated deadline. I am able to perform under pressure without losing the overview of what still needs to happen. Not everything during the process went as it should have gone, but I was able to adopt my strategy and continued.

During the process I may have focused too much on the theoretical side of ethical leadership. This hampered my ability to properly gather some results as I would have liked it. However, this does not mean I am unhappy with the results, but as I see it there could be room for improvement still.

The master's thesis project has served me well to gain insight into my own strengths and weaknesses. These insights have led me to decide on what I want from my future. I have decided to enrol myself in an additional master's program at Utrecht University where they hopefully will accept me. Besides the additional master I am leaning towards a career in consultancy in one way or another, but I am always open for whatever life throws my way.

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Appendices

Appendix 1: Research integrity form

Research Integrity Form - Master thesis

Name: Valentijn Ruiter	Student number: S1028341
RU e-mail address: Valentijn.ruiter@ru.nl	Master specialisation: Strategic management

Thesis title: Ethical leadership: the ifs and buts of a growing concept
Brief description of the study: <p>Abstract:</p> <p>The field of ethical leadership is fixated on the positive sides of ethical leadership, while business leaders often do portray these positive qualities, there are leaders that are less interested in ethicality. Theory dictates that these leaders should be deemed as tyrants and are no leader at all.</p> <p>The goal of this study is to contribute to the ethical leadership debate by providing insight in the discrepancy present between the way business leaders create an image of themselves, and how popular media portrays them, to ultimately help the understanding of the significance public images have. To achieve this goal the following question has been formulated: <i>Why do leadership theories portray ethical leadership as morally good and how do Dutch business leaders try to exploit ethical leadership attributes?</i></p> <p>To answer this question, two major business leaders have been analysed. These leaders were selected based on their influence on Dutch businesses, their apparent morality and business events. The result show that attributes such as altruism, honesty, and integrity are vital to retain an ethical public image.</p> <p>Based on the results it is recommended that these attributes are carefully looked after by business leaders, to increase the value given to the business while staying away from press. Future research into ethical leadership could try to map the phenomenon of leaders building a façade based on attributes of ethical leadership.</p>

It is my responsibility to follow the university's code of academic integrity and any relevant academic or professional guidelines in the conduct of my study. This includes:

- providing original work or proper use of references;
- providing appropriate information to all involved in my study;
- requesting informed consent from participants;
- transparency in the way data is processed and represented;

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- ensuring confidentiality in the storage and use of data;

If there is any significant change in the question, design or conduct over the course of the research, I will complete another Research Integrity Form.

Breaches of the code of conduct with respect to academic integrity (as described / referred to in the thesis handbook) should and will be forwarded to the examination board. Acting contrary to the code of conduct can result in declaring the thesis invalid

Student's Signature:



Date:

To be signed by supervisor

I have instructed the student about ethical issues related to their specific study. I hereby declare that I will challenge him / her on ethical aspects through their investigation and to act on any violations that I may encounter.

Supervisor's Signature: _____



15-07-2022

Date: _____

Appendix 2: Operationalisation

Dimension		Item
Altruism		Actions for others
		No prevalent egoism
Demonstrating integrity		Honest
		Sincere
		Does not take bribes
		Influence on followers
High ethical standards		Aware of ethical norms
		Respectful for norms
		Confidence
		Trustworthy
		Personal morality
Consideration & fair treatment of employees		Aware of ethical norms (double?!)
		Awareness of the local law
		Individual treatment of each employee
		Conflict resolution skills
Ethical accountability for employees		Taking responsibility
		Rising to the task
		Setting a clear ethical premiss
		Repercussions for unethical behaviour of employees

Appendix 3: Qualitative data

Paul Polman

2009 annual report

4.2.1: Altruism

Actions for others -We continued to take the lead in driving sustainability, especially in moving to sustainable palm oil, converting to environmentally-friendly (HC) refrigerants in our ice cream freezers and in supporting smallholder farming.
No prevalent egoism

4.2.2: Demonstrating integrity

Honest The organisation rose to the challenge, showing its competitive strength in managing change. I am proud to work with a strong leadership team and a dedicated group of colleagues throughout the world.
Sincere
Does not take bribes
Influence on followers we lead the industry in the move to sustainable sourcing of commodities such as palm oil and tea. In fact we have given a firm commitment that by 2015 all of our supplies of palm oil and tea will come from certified sustainable sources.

4.2.3: High ethical standards

Aware of ethical norms Leadership like this explains why, for the 11th year running, Unilever was sector leader in the Dow Jones Sustainability Indexes – a feat unmatched by any other company Consumers will also have to change their habits
Respectful for norms
Confidence
Trustworthy
Personal morality

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law
Individual treatment of each employee we increased support behind our brands and invested in R&D and people
Conflict resolution skills

4.2.5: Ethical accountability for employees

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Taking responsibility We start from a strong base of values and principles, which have served us well over the years: integrity, trust, investing in people, doing the right thing for the long term.
Rising to the task
Setting a clear ethical premiss
Repercussions for unethical behaviour of employees

Annual report 2010

4.2.1: Altruism

<p>Actions for others In addition to halving our overall environmental impact, the Unilever Sustainable Living Plan (the Plan) commits us to helping more than a billion people to improve their health and well-being and to sourcing 100% of our agriculturally-based materials sustainably</p>
<p>No prevalent egoism These are not acts of charity or a tick in the box for corporate responsibility. The Plan makes sound business sense. As an integral part of our business model, it will enable us to accelerate innovation, ensure security of resources, reduce overall costs and build sustainability into our brand propositions, ultimately winning consumer preference and loyalty well into the future.</p>

4.2.2: Demonstrating integrity

<p>Honest These are not acts of charity or a tick in the box for corporate responsibility. The Plan makes sound business sense. As an integral part of our business model, it will enable us to accelerate innovation, ensure security of resources, reduce overall costs and build sustainability into our brand propositions, ultimately winning consumer preference and loyalty well into the future.</p>
<p>Sincere</p>
<p>Does not take bribes</p>
<p>Influence on followers Despite this backdrop, we achieved volume growth of 5.8% in 2010, significantly higher than growth in the previous year and Unilever’s best volume growth performance for more than 30 years.</p>

4.2.3: High ethical standards

<p>Aware of ethical norms In an increasingly resource constrained world, this decoupling of growth from the impact on the planet is the growth model that consumers will ultimately demand</p>
<p>Respectful for norms</p>
<p>Confidence</p>
<p>Trustworthy</p>
<p>Personal morality</p>

4.2.4: Consideration & fair treatment of employees

<p>Aware of ethical norms (double?!)</p>
<p>Awareness of the local law</p>
<p>Individual treatment of each employee Employee engagement reached its highest level; a new compensation scheme brought a sharper focus on performance and the long term; and 100 of our most senior managers went through a tailored leadership development programme, which is now being rolled out to the next 500 managers.</p>
<p>Conflict resolution skills</p>

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4.2.5: Ethical accountability for employees

Taking responsibility
Rising to the task I have every confidence in the 167,000 wonderful men and women of Unilever.
Setting a clear ethical premiss Winning in today's competitive markets requires the best people, motivated to succeed and equipped with the right capabilities and the best training.
Repercussions for unethical behaviour of employees

Annual report 2013

4.2.1: Altruism

Actions for others
No prevalent egoism

4.2.2: Demonstrating integrity

Honest
Sincere However, the scale of the challenges we are trying to tackle through the USLP – whether food security, climate change, sanitation, job creation or the many others – is just too great for one organisation to address alone, which is why we are so pleased that our approach is gaining support from a growing number of external organisations, many of which we are fortunate to partner with.
Does not take bribes
Influence on followers - Over the last five years, we have established a simple framework for driving long-term success – to grow ahead of our markets, expand our margin and deliver strong cash flow.

4.2.3: High ethical standards

Aware of ethical norms
Respectful for norms By developing strong social missions our brands are showing that they can make a real difference to people's lives while at the same time growing our business
Confidence
Trustworthy
Personal morality

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law
Individual treatment of each employee
Conflict resolution skills

4.2.5: Ethical accountability for employees

Taking responsibility At Unilever we don't just want to be a part of this, we want to lead actively in the areas related to our business. That is what the USLP is all about and I want to thank all of our employees, business partners and others for the remarkable contribution they made again in 2013 towards this goal.
Rising to the task
Setting a clear ethical premiss

Ethical leadership: the ifs and buts of a growing concept

Valentijn Ruiters (2022)

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Committing to sustainability with Unilever CEO Paul Polman

Committing to sustainability with Unilever CEO Paul Polman. (2014, May 16). [Video]. YouTube. <https://www.youtube.com/watch?v=nShlnBJko5s>

4.2.1: Altruism

Actions for others (USLP) “which basically says: double our turnover and reduce in absolute environmental impact and increase the social impact”
No prevalent egoism “The circular economy... it is not only a business imperative, it is a imperative to make this a more inclusive world for all of us” (2.45)

4.2.2: Demonstrating integrity

Honest “these issues are not that simple ofcourse, otherwise someone would have done it” (0.26)
Sincere We have measured this against a benchmark of 8000 other companies and we have never seen such a big jump. People are proud to
Does not take bribes
Influence on followers “We need longer term solutions” (

4.2.3: High ethical standards

Aware of ethical norms “If you are in a business like ours. Lets say the food industry, many people would say that if you don’t tackle these issues you would not be in business in the first place (0.45)”
Respectful for norms
Confidence
Trustworthy
Personal morality “The issues that we face, of poverty, of climate change, of leaving too many people behind in the development goals are issues obviously of enormous proportions (0.18)”

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law
Individual treatment of each employee
Conflict resolution skills

4.2.5: Ethical accountability for employees

Taking responsibility

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We don't pay the same salary as the financial sector, I can tell you. But we have a engagement score and a motivation that has gone up enormously over the last 4/5 years (3.16)"

Rising to the task

Due to our model of more transparency we build up more trust with our stakeholders. With our partners in the value chain that we worked with. But what is very clear is that it is first and foremost very motivational for our employees. (3.08)"

"People are proud to work on something where they actually make a difference in life" (3.26)

Setting a clear ethical premiss

"I think we are getting a great performance out of the company, the extra mile that makes the difference between a good company and a great company (3.58) "

Repercussions for unethical behaviour of employees

Dialoog met Paul Polman

Source: https://www.youtube.com/watch?v=h73pgElSwd8&t=415s&ab_channel=GemeenteNijmegen

4.2.1: Altruïsm

Actions for others

Op dit moment ben ik in een goede positie met Unilever omdat je veel invloed kan hebben over veel mensen, als je dat zou beslissen. (7:34)

We hebben ons plastic verbruik met 30% verminderd (28:40)

Wij van unilever zijn nu bezig met het integreren van vluchtelingen in ons bedrijf, maar we zijn meer bezig met het krijgen van verblijfsvergunningen en zorgen dat ze kunnen blijven dan dat ze werken (37:15)

No prevalent egoism

... Dan moet je dat ook doen" (7:35)

Dan merk je ook hoe gelukkig jezelf bent, maar dat het ook jouw doel is om daar iets aan te doen (11:20)

4.2.2: Demonstrating integrity

Honest

Mijn vader zei altijd: vergeet je huisnummer niet. En mijn huisnummer was een goed huisnummer (8:38)

... toevallig was het nummer 13

Het eerst wat een bedrijf moet doen is het hebben van een goed social contract (35:10)

Een goed sociaal contract is voor veel bedrijven niet helemaal duidelijk, maar we zijn er hard mee bezig dat omhoog te werken (35:20)

Sincere

Ik heb geluk gehad dat ik geboren ben waar ik geboren ben, maar dat was niet mijn keus. (8:22)

Wij hebben er natuurlijk geen profijt bij dat wij de enige belasting betaler zijn, en alle andere betalen geen belasting (36:05)

Does not take bribes

Bedrijven moeten niet meewerken aan corruptie bijvoorbeeld (34:55) Als een land corrupt is, betekent dat ook dat er andere mensen zijn die hun corrupt maken.

Influence on followers

De mensen die mij echt inspireren zijn de mensen waar je te weinig over hoort. Bijvoorbeeld de mensen die naar West-Afrika gingen om Ebola aan te pakken, en waar een behoorlijk percentage toch zelf het leven van verloren heeft (12:27)

Waar wij mee bezig zijn op dit moment is om meer mensen op korte termijn van gedrag te laten veranderen. De financiële markt is de laatste 10 jaar de verkeerde kant op gegaan.(19:30)

4.2.3: High ethical standards

Aware of ethical norms

Als ik kan aantonen dat het model van groei ten vragen staat. Als ik kan aantonen dat er een ander model is die beter is die meer waarde creëert voor iedereen dan is dat ook een goede denkrichting. (8:00)

In al onze fabrieken wilde we geen afval hebben, want de natuur kent geen afval (26:30)

Ethical leadership: the ifs and buts of a growing concept

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<p>Respectful for norms Je hebt geluk als je kunt werken voor een bedrijf of stichting of instelling waar de waardes hetzelfde zijn als jou waardes, dan voel je je thuis (13:30) Ik had geluk dat unilever vanaf zijn geboorte eigenlijk vrij goede waardes had. De sterkste waardes komen van de engelse kant (14:00)</p>
<p>Confidence Long term vs short term investments (19:00) (pas op, dit is geen directe quote) Nu hebben we de hele industrie samen gebracht, alle grote bedrijven... .. en hebben we gezegd, hoe kunnen we met landen gaan werken om bijvoorbeeld recycling systemen op te zetten... Zodat je een industrie norm veranderd anders wordt uiteindelijk de hele industrie aangevallen (29:10)</p>
<p>Trustworthy (over waardes, shared prosperity) je gaat terug in de geschiedenis van Unilever, en je ziet dat toch terug komen: Doing well by doing good. Dit is een beetje een onderdeel van het DNA</p>
<p>Personal morality “We hebben een tijdje in newcastle gewoond, en daar heb ik geleerd wat het betekende als je nooit je ouders hebt zien werken (9:50) Ik heb daar een tijdje gewerkt met een bedrijf dat vrij groot was, en heb daar geleerd dat je niet kan functioneren in een maatschappij die zelf niet functioneert” (10:15)</p>

4.2.4: Consideration & fair treatment of employees

<p>Aware of ethical norms (double?!) Awareness of the local law Waar veel landen het moeilijk hebben, zijn ook de landen waar de governance niet werkt (34:40) Wat wij als unilever, samen met andere bedrijven, de tax inspectors aan het trainen bijvoorbeeld hoe ze het beter kunnen doen (36:02) Het integreren van mensen in onze value chain en er voor zorgen dat de economie omhoog gaat is een belangrijke bijdrage die je kunt doen (37:00)</p>
<p>Individual treatment of each employee Unilever zit in 190 landen, ik bezoek veel de ontwikkelingslanden en maak er een gewoonte van de consument zelf te bezoeken, in huis of in de omgeving, zoals onze refugee camps en alles. (11:10)</p>
<p>Conflict resolution skills</p>

4.2.5: Ethical accountability for employees

<p>Taking responsibility Hoe meer je helpt die oplossingen te vinden, dat is niet alleen beter voor die personen, of de samenleving maar uiteindelijk meestal ook voor Unilever</p>
<p>Rising to the task Mijn vrouw en ik hebben een stichting in Afrika voor doven... dan zie je toch mensen die werken met blinden en doofstomme voor een salaris waar je bijna niet voor kunt leven. Dat zijn toch mensen die zichzelf ter beschikking stellen voor andere Hoe integreer je Doing well by doing good in de bedrijfsstrategie? (14:50)</p>
<p>Setting a clear ethical premiss De echte leiders of helden in de wereld zijn mensen die we te weinig noemen maar het meest nodig hebben, om eerlijk te zijn (12:57)</p>

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Omdat er meer onzekerheid in de wereld is, zijn bedrijven die op de lange termijn groeien, de toekomstige groei wordt te veel gediscoupt (18:30)

Wij hebben 70% van onze aandeelhouders die al 6 jaar of langer in Unilever zijn. Wij hebben kwartaalcijfers afgeschaft, en kwartaal commentaar. Dus als je dat doet praat je over langere termijn met je aandeelhouders (21:40)

Repercussions for unethical behaviour of employees

Je moet laten zien dat er goede resultaten zijn te krijgen terwijl je het bedrijfsmodel verandert, door aan te tonen dat de veranderingen die je aan het doen bent de resultaten zijn op lange termijn. (22:40)

Wij zijn vrij kieskeurig met de suppliers met wat we willen hebben, maar ook om wat we ze willen laten doen. Want de reputatie in de value chain is in feiten onze reputatie. (26:00)

RIJKMAN GROENINK

Annual report 2002

4.2.1: Altruism

Actions for others
No prevalent egoism

4.2.2: Demonstrating integrity

Honest
Sincere
Does not take bribes
Influence on followers Moreover, we plan to change our position under Dutch company law to allow shareholders a greater say in the governance of the company and to strike a better balance between the shareholders, the Supervisory Board and the Managing Board.

4.2.3: High ethical standards

Aware of ethical norms Likely changes will include how the Supervisory Board and the Managing Board are nominated and appointed, and the abolition of the priority share. We will put the plan to you at the annual shareholders' meeting.
Respectful for norms
Confidence
Trustworthy
Personal morality

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law Significant corporate failures drew attention to corporate governance and sustainability. One result was the Sarbanes-Oxley Act in the United States.
Individual treatment of each employee
Conflict resolution skills

4.2.5: Ethical accountability for employees

Taking responsibility Overall, our performance is testimony to the success of our business model and restructuring, and to the sheer determination of our employees
Rising to the task
Setting a clear ethical premiss We have therefore initiated a corporate branding process to ensure that all employees live our values and principles in their daily work and that these are evident to the outside world

Ethical leadership: the ifs and buts of a growing concept

Valentijn Ruiters (2022)

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Annual report 2003 en 2004

4.2.1: Altruism

Actions for others
No prevalent egoism

4.2.2: Demonstrating integrity

Honest We did not make it into the top five of our selected peer group. There are three main reasons for this. First, we faced greater challenges in the businesses over the four-year cycle than we had anticipated, and as a consequence did not generate sufficient returns. Second, we underestimated the impact of the required restructuring programmes on our businesses. And third, the targets we set were, with hindsight, too ambitious. (2004)
Sincere Integrity and compliance are of paramount importance to us and to the entire industry, thereby helping us to live up to the role that authorities and the public expect from us. This safeguards our reputation, which is our licence to operate.
Does not take bribes It is very important to emphasise that reaching our financial goals has not been, and will never be, at the expense of non-compliance with regulatory rules and regulations.
Influence on followers Our main target for the coming four years will be based on an average Return on Equity over the period from 1 January 2005 to 31 December 2008. We will continue to pursue our ambition of being in the top five of our selected peer group in terms of total return to shareholders. (2004)

4.2.3: High ethical standards

Aware of ethical norms Our governance model was already very much in line with the best practice provisions of the code. However, we will make one important change, which is withdrawing our defence mechanism by cancelling the Dutch preference shares. (2003)
Respectful for norms
Confidence The refinements in our strategy, combined with our revenue and cost management initiatives, will contribute to the realisation of our targets for the next four years
Trustworthy
Personal morality The operating result exceeded EUR 6 billion for the first time in our history, driven by higher revenue and stringent cost control across all Strategic Business Units. (2003)

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law It is very important to emphasise that reaching our financial goals has not been, and will never be, at the expense of non-compliance with regulatory rules and regulations.

Ethical leadership: the ifs and buts of a growing concept

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Individual treatment of each employee
Conflict resolution skills

4.2.5: Ethical accountability for employees

<p>Taking responsibility We focus on those segments of our client base where we offer a distinctive service and where we capitalise on our local brand and local relationships while also leveraging our international products and brand in an efficient way. In combination with our extensive and competitive product suite and sector knowledge, it is clear that we are one of the few banks in the world that can deliver on all of these features, in many cases uniquely so</p>
<p>Rising to the task These very good results are due first and foremost to our professional and committed staff. (2003) We reached our goal in that we did many things right to achieve this improvement. As our Managing for Value principles became embedded in our organisation, we created a more focused business through selling non-core activities such as LeasePlan Corporation and Bank of Asia. (2004)</p>
<p>Setting a clear ethical premiss</p>
<p>Repercussions for unethical behaviour of employees</p>

ANNUAL REPORT 2005

4.2.1: Altruism

Actions for others
No prevalent egoism

4.2.2: Demonstrating integrity

Honest Bank regulators in the US and the Netherlands were continuously informed about these actions
Sincere
Does not take bribes
Influence on followers

4.2.3: High ethical standards

Aware of ethical norms
Respectful for norms
Confidence
Trustworthy
Personal morality

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law
Individual treatment of each employee To support this ambition, the Managing Board is very happy that it has been joined from 1 January 2006 by three new colleagues: Huibert Boumeester, Piero Overmars and Ron Teerlink. Their presence on the Managing Board will help us to optimise the execution of our mid-market strategy in the coming years and to capitalise on the capabilities available across the bank to better serve all our clients.
Conflict resolution skills Based on these Orders, ABN AMRO will have to further improve its oversight and compliance programmes. The right way forward is to accept full responsibility, take corrective action, and embed a pro-active culture of compliance and full reporting to the regulators.

4.2.5: Ethical accountability for employees

Taking responsibility s. The GBC coordinates on an operational level while the Managing Board retains full responsibility for setting the Group's strategy and for managing its performance.
Rising to the task
Setting a clear ethical premiss This is what we have done and will continue to do. For ABN AMRO, nothing short of the highest standards of compliance is acceptable.
Repercussions for unethical behaviour of employees

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Interview met BNR 2010

Source: https://www.youtube.com/watch?v=CqmfIACN3A&ab_channel=Jan-WillemdLange

4.2.1: Altruism

Actions for others
No prevalent egoism

4.2.2: Demonstrating integrity

Honest
Sincere
Does not take bribes
Influence on followers

4.2.3: High ethical standards

Aware of ethical norms
Respectful for norms
Confidence
Trustworthy
Personal morality

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law
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Conflict resolution skills

4.2.5: Ethical accountability for employees

Taking responsibility
Rising to the task
Setting a clear ethical premiss
Repercussions for unethical behaviour of employees

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Source: https://www.youtube.com/watch?v=BvY09I9YIJQ&ab_channel=Peter55434

4.2.1: Altruism

Actions for others
No prevalent egoism

4.2.2: Demonstrating integrity

Honest
Sincere
Does not take bribes
Influence on followers

4.2.3: High ethical standards

Aware of ethical norms
Respectful for norms
Confidence
Trustworthy
Personal morality In my believe, the Dutch Bank (Nederlandsche bank) should have given out a negative advice on the hostile takeover of ABN back in 2007. That was my believe with the knowledge I had back then.

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law
Individual treatment of each employee
Conflict resolution skills

4.2.5: Ethical accountability for employees

Taking responsibility My experience in the banking world, which is extensive. I have been in conversations with other banks to buy them out. In these experiences it became apparent that European supervision does not allow or want hostile takeovers of their banks. And to this date there hasn't been an example except in the Netherlands.
Rising to the task
Setting a clear ethical premiss
Repercussions for unethical behaviour of employees

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Bij een programma

Source: https://www.youtube.com/watch?v=JnuVYa_mXOs&ab_channel=WaarinHolland

4.2.1: Altruism

Actions for others
No prevalent egoism

4.2.2: Demonstrating integrity

Honest
Sincere I had a salary of 900.000 euros, and a bonus of 61.000 in 2001. (0:49) If you have an option deal, you are naturally going to be working harder for the stock prize of the bank... <i>“No that was never my experience or my personal approach to it. Look, we discussed with each other what the goals of the company are. For me the goal was to ensure the long-term survival of the company”</i> <i>“It would be ridiculous if you didn’t have a financial incentive for the banks stock prize” (1:20)</i>
Does not take bribes Wwre you able to spent all your money? “No luckily not, I still have it” Yes but ofcourse something else was added to that <i>“Yes, later on some money was added to that ofcourse” (1:00)</i> <i>“It would be ridiculous if you didn’t have a financial incentive for the banks stock prize” (1:20)</i>
Influence on followers

4.2.3: High ethical standards

Aware of ethical norms
Respectful for norms
Confidence
Trustworthy
Personal morality

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
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4.2.5: Ethical accountability for employees

Taking responsibility
Rising to the task
Setting a clear ethical premiss
Repercussions for unethical behaviour of employees

Ethical leadership: the ifs and buts of a growing concept

Valentijn Ruiters (2022)

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Paul Polman in popular media:

4.2.1: Altruism

<p>Actions for others Sijbesma wordt samen met Paul Polman van Unilever gezien als voorvechter in het klimaatdebat. (https://nos.nl/nieuwsuur/artikel/2014964-bedrijfsleven-in-debat-over-het-klimaat) Trouw publiceert de lijst voor de vijfde keer. Dertien experts kozen de lijst uit een groslijst van 400 namen. Op plaats twee en drie staan net als vorig jaar Unilever-topman Paul Polman en ondernemer Maurits Groen, die een solar ledlamp ontwikkelde. https://nos.nl/artikel/560678-top-duurzame-top-100-onveranderd</p>
<p>No prevalent egoism Het personeel kon tegen hetzelfde salaris in andere vestigingen van Unilever aan de slag. 'We hebben meer gedaan dan we wettelijk moesten doen', zegt Polman in Le Figaro. https://nos.nl/artikel/408653-topman-unilever-boos-op-fransen</p>

4.2.2: Demonstrating integrity

<p>Honest</p>
<p>Sincere</p>
<p>Does not take bribes Ze schrokken zich rot bij Unilever toen concurrent Kraft Heinz in februari met 134 miljard euro op de stoep stond. De Amerikanen wilden het voedings- en wasmiddelenconcern overnemen, maar Unilever wees het bod meteen af. De aandeelhouders waren echter minder afwijzend. https://nos.nl/artikel/2166909-unilever-is-straks-misschien-niet-meer-nederlands Koploper is Unilever-topman Paul Polman. Hij heeft een aandelenpakket dat 44,3 miljoen euro waard is, dat is ruim 35 keer zijn basissalaris. https://nos.nl/artikel/2163573-topbestuurders-aex-verdienden-gemiddeld-5-miljoen-euro Een deel van de Angelsaksische aandeelhouders keert zich tegen de verhuizing van het hoofdkantoor. Ook is er kritiek op de hogere beloning van topman Paul Polman. https://nos.nl/artikel/2228068-unilever-paait-aandeelhouders-met-een-hogere-winstuitkering "Polman krijgt tien miljoen euro per jaar. Unilever is een wereldwijd concern, en de verdiensten van een theeplukker in India zijn natuurlijk relatief laag. Daardoor is dat getal van 292 zo hoog." https://nos.nl/artikel/2223934-unilever-baas-verdiend-292-keer-zo-veel-als-gewone-werknemer</p>
<p>Influence on followers Kosten besparen en efficiënter werken blijft geboden. "In Europa daalt de bevolking en groeit de economie niet. Dan moet je je aanpassen en verdwijnen er banen. Als de Nederlanders allemaal besluiten om in discounters te gaan kopen omdat de prijs laag is moeten wij toch zorgen dat we competitief blijven," zegt Polman. https://nos.nl/artikel/2014290-omzet-daalt-maar-winst-stijgt-bij-unilever</p>

4.2.3: High ethical standards

<p>Aware of ethical norms Paul Polman, de topman van Unilever is verhinderd. Te druk. De topmannen van Siemens, Deutsche Bank, Eon, Pepsico, Statoil en Citigroup hebben afgezegd of sturen een lagere directeur. Shell, Philips en Heineken zijn wel van plan om te gaan. https://nos.nl/artikel/650222-topmannen-ontlopen-poetin</p>

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<p>Respectful for norms</p> <p>De grootaandeelhouders van Kraft Heinz, investeringsmaatschappij 3G en superbelegger Warren Buffett (met bijna de helft van de aandelen in handen), besloten zondag het bod terug te trekken. Het publieke debat over de overname in media, analisten, vakbonden en zelfs in Britse regeringskringen, aangevoerd door Unilever-topman Paul Polman, zou meer kwaad dan goed doen.</p> <p>https://nos.nl/artikel/2159162-unilever-en-kraft-heinz-de-kater-na-een-dronken-weekend</p>
<p>Confidence</p> <p>Trustworthy</p> <p>De nummer twee op de lijst is Paul Polman, topman van voedingsmultinational Unilever. Hij staat ook bekend als duurzame zakenman. Polman wordt gevolgd door Klaas Knot, president van De Nederlandsche Bank.</p> <p>https://nos.nl/artikel/2148772-hans-wijers-blijft-invloedrijkste-nederlander</p>
<p>Personal morality</p> <p>Het komt erop neer dat zijn beloning van 11,3 miljoen euro stijgt tot maximaal 13,7 miljoen..... Polman zelf heeft eerder gezegd dat salaris helemaal niet belangrijk is voor hem. Hij schaamde zich over zijn salaris, zei hij eerder tegen de Amerikaanse krant The Washington Post. Vandaag mengde hij zich niet in de discussie.</p> <p>https://nos.nl/artikel/2230197-unilever-topman-paul-polman-gaat-fors-meer-verdienen</p>

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law
Individual treatment of each employee
<p>Conflict resolution skills</p> <p>In een reconstructie in de Financial Times blijkt dat Kraft op 10 februari het bod deed. Bestuursvoorzitter Paul Polman stelde direct alles in het werk om dat te verhinderen en huurde juristen, zakenbanken en adviseurs in.</p> <p>https://nos.nl/artikel/2159497-unilever-komt-met-plannen-om-sneller-meer-winst-te-maken</p>

4.2.5: Ethical accountability for employees

<p>Taking responsibility</p> <p>Bestuursvoorzitter Paul Polman wil om te beginnen af van de margarine-tak. Daarmee staan oer-Hollandse merken als Becel, Blue Band en Zeeuws Meisje in de etalage.</p> <p>https://nos.nl/artikel/2166909-unilever-is-straks-misschien-niet-meer-nederlands</p>
<p>Rising to the task</p> <p>Setting a clear ethical premiss</p> <p>Polman suggereerde dat bedrijven beter beschermd zijn tegen vijandelijke overnames als Nederlandse beleggers meer aandelen in handen hebben. Dat zou zijn omdat Nederlandse institutionele beleggers zich meer richten op investeringen voor de lange termijn.</p> <p>https://nos.nl/artikel/2170338-topman-unilever-koop-nederlandse-aandelen-dan-helpen-wij-elkaar</p>
Repercussions for unethical behaviour of employees

Ethical leadership: the ifs and buts of a growing concept

Valentijn Ruiter (2022)

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Volkskrant

4.2.1: Altruïsm

Actions for others
No prevalent egoism Werkt op verzoek van VN-secretaris-generaal Ban Ki-moon mee aan formulering van nieuwe Sustainable Development Goals. Mede-oprichter van de Dutch Sustainable Growth Coalition. https://www.volkskrant.nl/nieuws-achtergrond/de-volledige-volkskrant-top-200-van-invloedrijkste-nederlanders-2017~bee7bd18/ Dekker, W. (2017, December 16). De volledige Volkskrant Top 200 van invloedrijkste Nederlanders 2017. <i>de Volkskrant</i> . Retrieved June 7, 2022, from https://www.volkskrant.nl/nieuws-achtergrond/de-volledige-volkskrant-top-200-van-invloedrijkste-nederlanders-2017~bee7bd18/

4.2.2: Demonstrating integrity

Honest
Sincere
Does not take bribes
Influence on followers De boel bij Unilever is niettemin financieel op orde. De winst van het concern bedroeg in 2018 9,8 miljard euro, een stijging van 51,2 procent vergeleken met 2017. https://www.volkskrant.nl/economie/een-overname-waarbij-de-prooi-ineens-de-jager-is-geworden-en-de-jager-de-prooi~b7ae3a09/ de Waard, P. (2019, February 25). Een overname waarbij de prooi ineens de jager is geworden en de jager de prooi. <i>de Volkskrant</i> . Retrieved June 7, 2022, from https://www.volkskrant.nl/economie/een-overname-waarbij-de-prooi-ineens-de-jager-is-geworden-en-de-jager-de-prooi~b7ae3a09/ Hetzelfde gebeurde bij Unilever. De Nederlands/Britse multinational wilde de beloning van topman Paul Polman optrekken van 11,3 miljoen naar maximaal 13,7 miljoen euro. Dat vonden veel beleggers te gortig; 43 procent stemde tegen. Dat is ongebruikelijk veel, want meestal worden voorstellen op aandeelhoudersvergaderingen met 95 procent of meer aangenomen. Ook het administratiekantoor van Unilever stemde ondanks de kritiek in met de sterk verhoogde beloning voor Polman. https://www.volkskrant.nl/economie/groeiend-verzet-grote-beleggers-tegen-topinkomens-bedrijven~bb5691fd/ Dekker, W. (2018, July 6). Groeiend verzet grote beleggers tegen topinkomens bedrijven De Volkskrant. <i>de Volkskrant</i> . Retrieved June 8, 2022, from https://www.volkskrant.nl/economie/groeiend-verzet-grote-beleggers-tegen-topinkomens-bedrijven~bb5691fd/

4.2.3: High ethical standards

Aware of ethical norms En daarnaast zou Unilever de tweeledige structuur met hoofdkantoren en aparte beursnoteringen in Groot-Brittannië en Nederland aanpakken. Er moest een hoofdkantoor komen en na een dividendlokkertje van Rutte werd gekozen voor Nederland. Dat laatste ging niet door, vanwege de grote maatschappelijke verontwaardiging en politiek verzet.

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<https://www.volkskrant.nl/economie/een-overname-waarbij-de-prooi-ineens-de-jager-is-geworden-en-de-jager-de-prooi~b7ae3a09/>

de Waard, P. (2019, February 25). Een overname waarbij de prooi ineens de jager is geworden en de jager de prooi. *de Volkskrant*. Retrieved June 7, 2022, from <https://www.volkskrant.nl/economie/een-overname-waarbij-de-prooi-ineens-de-jager-is-geworden-en-de-jager-de-prooi~b7ae3a09/>

Respectful for norms

Paul Polman, bestuursvoorzitter van Unilever, geeft de schuld aan het Nederlandse politieke debat. Doordat er zoveel weerstand was, zouden zijn aandeelhouders kopschuw zijn geworden. Het is een armzalige poging de schuld af te schuiven.

<https://www.volkskrant.nl/columns-opinie/nederland-mag-de-britse-aandeelhouders-van-unilever-dankbaar-zijn~b315859b/>

Klok, P. (2018, October 5). Nederland mag de Britse aandeelhouders van Unilever dankbaar zijn. *de Volkskrant*. Retrieved June 8, 2022, from <https://www.volkskrant.nl/columns-opinie/nederland-mag-de-britse-aandeelhouders-van-unilever-dankbaar-zijn~b315859b/>

Confidence

Trustworthy

Personal morality

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)

Awareness of the local law

Individual treatment of each employee

Conflict resolution skills

4.2.5: Ethical accountability for employees

Taking responsibility

De Britse aandeelhouders maakten zich vooral zorgen over het feit dat het Unilever-aandeel uit de beursindex FTSE100 zou vallen en ze waren bang dat Unilever voor Nederland koos om zich beter te kunnen beschermen tegen vijandige overnames. Beide hebben een negatief effect op de waarde van de aandelen. Polman had dit kunnen zien aankomen, de schuld ligt dus vooral bij hemzelf.

<https://www.volkskrant.nl/columns-opinie/nederland-mag-de-britse-aandeelhouders-van-unilever-dankbaar-zijn~b315859b/>

Klok, P. (2018, October 5). Nederland mag de Britse aandeelhouders van Unilever dankbaar zijn. *de Volkskrant*. Retrieved June 8, 2022, from <https://www.volkskrant.nl/columns-opinie/nederland-mag-de-britse-aandeelhouders-van-unilever-dankbaar-zijn~b315859b/>

Rising to the task

Bedrijfseconoom, sinds 2009 succesvol aan het roer bij de voedingsmiddelen- en cosmeticamultinational. Maakte een moeilijk jaar door nadat activistische aandeelhouders Unilever op de korrel namen en aandrongen op het afstoten van de voedingsmiddelenpoot en het afschaffen van de Brits-Nederlandse bestuursstructuur teneinde de beurskoers op te jagen

<https://www.volkskrant.nl/nieuws-achtergrond/de-volledige-volkskrant-top-200-van-invloedrijkste-nederlanders-2017~bee7bd18/>

Dekker, W. (2017, December 16). De volledige Volkskrant Top 200 van invloedrijkste Nederlanders 2017. *de Volkskrant*. Retrieved June 7, 2022, from <https://www.volkskrant.nl/nieuws-achtergrond/de-volledige-volkskrant-top-200-van-invloedrijkste-nederlanders-2017~bee7bd18/>

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Setting a clear ethical premiss
Repercussions for unethical behaviour of employees

RIJKMAN GROENINK NIEUWS

4.2.1: Altruism

Actions for others
No prevalent egoism Bankbestuurders met grote ideeën: bij ABN Amro zat er destijds ook zo eentje, Rijkman Groenink. De reparatie van zijn megalomane dromen kostte de belastingbetaler tot dusver 32 miljard - Groenink reisde met 25 miljoen afzwaai-premie naar Toscane. (Opposities!!) https://www.volkskrant.nl/nieuws-achtergrond/bankbestuurders-met-grote-ideeen-bij-abn-amro-zat-er-destijds-ook-zo-eentje~b7b8f4b9/ Wagendorp, B. (2013, February 2). "Bankbestuurders met grote ideeën: bij ABN Amro zat er destijds ook zo eentje." de Volkskrant. Retrieved June 7, 2022, from https://www.volkskrant.nl/nieuws-achtergrond/bankbestuurders-met-grote-ideeen-bij-abn-amro-zat-er-destijds-ook-zo-eentje~b7b8f4b9

4.2.2: Demonstrating integrity

Honest Ik heb al talloze keren uitgelegd dat de verkoop van ABN Amro niet om hebzucht ging. Het ging Groenink niet om het geld. Ik ben blij voor hem dat hij nu de kans krijgt zijn capaciteiten weer in te zetten. Good for him. https://www.volkskrant.nl/nieuws-achtergrond/interview-jeroen-smit-auteur-de-prooi~bfba6af8/ Hendriksen, S. (2012, June 28). <i>Interview Jeroen Smit, Auteur De Prooi De Volkskrant</i> . de Volkskrant. Retrieved June 8, 2022, from https://www.volkskrant.nl/nieuws-achtergrond/interview-jeroen-smit-auteur-de-prooi~bfba6af8/
Sincere
Does not take bribes
Influence on followers

4.2.3: High ethical standards

Aware of ethical norms
Respectful for norms
Confidence
Trustworthy
Personal morality https://nos.nl/artikel/133913-groenink-staat-kon-30-miljard-besparen NOS. (2010, February 3). <i>Groenink: staat kon 30 miljard besparen</i> . Retrieved June 8, 2022, from https://nos.nl/artikel/133913-groenink-staat-kon-30-miljard-besparen

4.2.4: Consideration & fair treatment of employees

Aware of ethical norms (double?!)
Awareness of the local law
Individual treatment of each employee
Conflict resolution skills

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4.2.5: Ethical accountability for employees

Taking responsibility
Rising to the task
Setting a clear ethical premiss
Repercussions for unethical behaviour of employees

