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Selart, Marcus

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Ethical Decision-Making and Leadership Stress



Marcus Selart
Norwegian School of Economics, Bergen,
Norway

Synonyms

Business ethics; Decision-making; Leadership;
Organizations; Stress

Introduction

The theme of this entry is how ethical decision-making is influenced by leadership stress. From a traditional point of view, stress is seen as a potential threat to leaders' ethical decisions (Selart and Johansen 2011). There is substantial evidence suggesting that stress has a negative impact on leaders' cognition and information processing, leading to errors and biases in their decision-making. However, it must be pointed out that in many types of professions (e.g., chief pilots, chief surgeons, and chief fire officers) leaders are more or less bound to develop advanced levels of stress tolerance in order to function ethically. This implies that stress does not always have to result in unethical decisions among leaders (Klein 1996).

The structure of this entry is organized such that its first part is devoted to clarification of the relationship between ethical decision-making and leadership, while the second part is focused on how stress adds to this relationship.

The Relationship Between Ethical Decision-Making and Leadership

Ethical decision-making in leadership is to a large extent focused on the process by which leaders recognize and respond to ethical dilemmas. As a consequence, when leaders demonstrate certain kinds of decision behaviors, they are often seen as moral persons. However, research reveals that leaders who look upon themselves as moral persons are more likely to make ethical decisions rather than others. A leader that self-identifies as ethical will therefore normally have a higher degree of moral awareness, or the capacity to recognize the ethical dimension of a decision. Such a moral leader has a natural ability to take into account relevant ethical aspects of a decision or recognize what ethical issues are in need of further consideration (Detert et al. 2008). A consequence of this is that a leader's moral normally has an impact on how alternatives are selected in the decision-making process. This requires that a leader with a high moral awareness is able to recognize biases that lead to unethical outcomes and hence avoid those. This is important since biases or judgment errors are found to be the major sources for unethical behavior (Kish-Gephart et al. 2010). Nevertheless, recent research

reveals that a leader sometimes needs more than a strong moral character in order to be able to make ethical decisions in uncertain and ambiguous contexts. Skills based on professional experience are thus needed in order to make the necessary sense-making required in ethical dilemmas.

How Stress Impacts the Relationship

There is much research suggesting a strong connection between stress and ethical decision-making among leaders. For instance, it has been found that ethical decision-making is negatively affected by time pressure and stress (Svenson and Maule 1993) and that almost half of all leaders report performance of unethical and illegal activities due to job pressure (Selart and Johansen 2011). Among leaders, high levels of stress may cause a breakdown in perceptual accuracy and an inability to focus on relevant environmental information (Keinan 1987; Christensen and Kohls 2003). Moreover, stress has been found to deplete leaders' attentional resources (Chajut and Algom 2003; Ganster 2005), and progressively reduce the range of cues utilized in a task. Several studies also suggest that stress impairs leaders' memory-retrieval. There are also findings indicating that stress have a negative impact on leaders' ability to gather information, which impairs their capacity for using their working memory. In addition, stress makes it generally harder for leaders to concentrate on a current task (Christensen and Kohls 2003). Recent findings indicate that while stress sometimes has little influence on leaders' recognition of moral issues, it generally shows a negative effect on the establishment of moral intent (Selart and Johansen 2011).

However, there is also research proposing a connection between leaders' stress tolerance and their ability to avoid errors. High stress tolerance has, for instance, proved very helpful to leaders when they are trying to adapt to hectic environments, long hours, and organizational requirements. There is also research indicating that stress does not necessarily lead to unethical decisions (Klein 1996). Some categories of leaders must be able to work under constant stress to be able to fulfill their tasks, such as chief pilots, chief

surgeons, and chief fire officers. Moreover, it has been found that leaders holding powerful positions in organizations most often reveal a high degree of stress tolerance due to perceived control (Sherman et al. 2012).

Cross-References

- [Applied Ethics](#)
- [Ethical Decision-Making](#)
- [Ethical Dilemmas](#)
- [Ethical Leadership](#)
- [Leadership](#)
- [Leadership and Ethics](#)
- [Moral Decision-Making](#)
- [Moral Stress](#)

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