E-ethical leadership for virtual project teams

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Abstract

This paper presents a review of current literature on ethical theories as they relate to ethical leadership in the virtual business environment (e-ethics) and virtual project leadership. Ethical theories are reviewed in relation to virtual project management, such as participative management, Theory Y, and its relationship to utilitarianism; Kantian ethics, motivation, and trust; communitarian ethics, ethic of care and egalitarianism; Stakeholder Theory; and the use of political tactics. Challenges to e-ethical leadership are presented and responses to these issues discussed. The conclusion presents four propositions for future research. The purpose of this paper is to identify secondary literature on e-ethics and how this new area of business ethics may affect the leaders of virtual project teams.
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1. Introduction

The need for ethical leadership in project teams has always been important in organizations, but the need for ethical leadership in virtual project teams has become increasing relevant as businesses move toward more non-traditional and international work environments. The term e-ethics describes ethical leadership in the virtual business environment. Ethical issues for virtual team management may be different from traditional project team management, and how they might be different is still an emerging study. Virtual project teams are increasing in business today, and understanding ethical management of virtual teams is an important part of the new e-business ethics.

This paper defines virtual teams, the project manager's role as an ethical manager and leader, and the ethical responsibilities of the project manager to lay a foundation for a discussion on e-ethical project management. Ethical theories are discussed in relation to virtual project management, such as participative management, Theory Y, and its relationship to utilitarianism; Kantian ethics, motivation, and trust; communitarian ethics, ethic of care and egalitarianism; Stakeholder Theory; and the use of political tactics. Several issues surface under the topic of e-ethical leadership for virtual project teams. Among these are: unethical use of sensitive material; unethical behaviors; superficial codes of conduct; ethic of care and developing a caring environment; social isolation in the virtual community; and the lack of stakeholder involvement or dissatisfied stakeholders in project work. Responses to these issues are discussed and four recommendations for future research are made.

1.1. Definition of the virtual team

Virtual teams reflect the ever-increasing non-traditional work environments of the 21st century. According to Hertel et al. [1], virtual teams are work groups with members collaborating from geographically distant locations, using electronic communication media, and reflecting recent trends of globalization and interdependent teamwork. Fernback [2] suggests that computer-mediated communications, such as project team work, "can assert victory in humanity's ancient struggle with nature by overcoming

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the constraints of geographical boundaries ..." (p. 39). Ariss et al. [3] further define the virtual team as a group of skilled individuals who "communicate via computer, phone, fax and video-conference" (p. 22). Worldwide, North America is the most active in e-business, according to McClenahen and Jusko [4]. Ethical virtual project management has become increasingly important as the trend in virtual work teams continues.

1.2. The project manager's role as both the ethical manager and ethical leader

Project managers are often required to be both managers and leaders. Managers initiate (project initiation), administer (project planning and scope management), improve efficiency (time, cost, quality and resource management) and control (risk monitoring and procurement management) project work. Leaders innovate (project initiating processes), take risks (risk management), provide vision and direction (communication, strategies development, and goal setting) and motivate (align resources, help overcome political, bureaucratic, and resource barriers) project team members [5]. Many of these tasks involve balancing ethical issues for the team – such as risk management, stakeholder management and resource management. Flannes and Levin [6] describe the different roles and leadership skills needed by project managers. The four roles they suggest are leader, manager, facilitator and mentor/coach. In addition to playing multiple roles, project managers, according to Verma [7], must be able to "get things done well through others" (p. 145).

General management literature shows that the manager's leadership style and competence has a direct and measurable impact on the organization's performance [8]. Hertel et al.'s [1] study correlated team effectiveness to management practices related to goal, task, and outcome interdependence. They found that the more ethical and effective the leadership of the team, the higher the quality of goal setting processes, task interdependence and the project deliverable.

1.3. Ethical responsibilities of the project manager

Ethical problems can often be traced to dysfunctional project leadership and project managers are responsible for routinely reviewing the project processes for ethical challenges [9]. Kliem [10] suggests that project managers must emphasize ethical behavior in all dealings with stakeholders and reduce or eliminate any conditions that might encourage unethical behavior in project work. In addition, Kliem proposes that the project manager is responsible for creating a positive atmosphere and should encourage accountability for results. Project managers, he insists, must "focus on doing the right things rather than doing things right" [10, p. 177]. Verma [7] re-states this as "leadership focuses on effectiveness (doing the right things) where managership focuses on efficiency (doing the things

right)" (p. 218–219). As with all business, unethical behavior in project management carries with it costs, both hidden and immediate [9]. Ethical leadership in virtual project teams, therefore, is ultimately the responsibility of the project manager.

2. Ethical theories as they relate to virtual project management

2.1. Participative management, Theory Y, and the relationship to utilitarianism

A traditional ethical management approach relies upon the right to participate and the right to participative leadership, both important aspects of interdependence in project teamwork. Interdependence, according to Scott and Davis [11], involves the elements of the work, and how changes in any element may affect another area. Participative leadership depends heavily upon having Theory Y project team members. Theory Y employees, according to McGregor [12], prefer to accept responsibility for their work, support the organization and its goals, and have the ability to analyze the best methods by which to achieve those goals. Generally, individuals chosen for project work (work that involves analysis, design, development, implementation and evaluation) are those who are well suited to participative management and have a basic Theory Y inclination. Project managers with project teams that exhibit Theory Y behaviors could use a participative leadership style. This would include delegating decisions and expanding job responsibilities within the team as needed.

Participative leadership may be considered a utilitarian-type style of leadership because it increases worker satisfaction, therefore increasing the possibility for better performance and productivity, making a more productive organization [13]. Utilitarian theory, a consequential theory of ethics, emphasizes that one should do good or right for the greatest number of people as determined by the consequences of the action [14]. If participative leadership is used with employees who exhibit behaviors that McGregor [12] states are Theory Y behaviors and in the right organizational context, then managers could be considered managing ethically. The increase in worker satisfaction and resultant organizational performance should indicate that this style of management will reflect increased benefits to society, maximize utility, and positively influence economics [13]. A participative utilitarianism approach reflects the leader's ability to produce benefits for the virtual workers, the organization (including efficiencies of human resources), and, ultimately, society.

Participative management as a management theory includes the rights of the employees to be included in the decision-making processes through discussion, consultation or participation [13]. It is based on the basic theory of the principle of equal liberty, which states that an individual's liberty must be equal to others and must be protected [15]. Rawls' principle of fair equality of