Responsible Leadership - A Brief Review of Literature

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ABSTRACT: The growing research on corporate responsibility and focus on sustainable business activities gave rise to responsible leadership (RL) research. With its roots embedded in social relations and ethics fields, the concept of RL has mushroomed considerably over the last decade. This research note serves as a central point to outline the current state of research into RL. Notably, we would summarize the evolution of RL and map it against the multiple levels of analysis. Based on this analysis, we would further delineate the key research gaps and future research directions that researchers could note.

KEYWORDS: responsible tourism; responsible leadership

Introduction

The growing research on corporate responsibility and focus on sustainable business activities gave rise to responsible leadership (RL) research. With its roots embedded in the fields of social-relational and ethics, RL has mushroomed considerably over the last decade, prompting the appearance of not only special issues and books but also systematic literature reviews and commentaries in various journals (e.g. Flocy, 2017; Greige Frangieh & Khayr Yaacoub, 2017; James & Priyadarshini, 2021; Marques, Reis, & Gomes, 2018; Miska & Mendenhall, 2015; Pless, Sengupta, Wheeler, & Maak, 2021).

The growing focus on RL has undoubtedly provided insights into RL and demarcated RL from other disciplines of leadership. However, the diversity in its paradigmatic and conceptual orientations has introduced more confusion and ambiguities into its definition, theoretical development and conceptual developments (Miska & Mendenhall, 2015). According to Waldman and Balven (2014), such variety runs the risk of jeopardisation the positioning of RL within the larger body of knowledge in leadership studies.

Given these potential hazards, this research note serves as a central point to outline the current research into RL. Mainly, we would summarize the evolution of RL and map it against the multiple levels of analysis. Based on this analysis, we would further delineate the key research gaps and future research directions that researchers could note. As such, I hope this research note will contribute to the literature on RL by strengthening the conceptual foundations.
Different Frames of Responsible Leadership

Maak and Pless (2006, p. 99) introduced RL into the research community, which outlines it as a “social-relational and ethical phenomenon, which occurs in social processes of interaction”. In other words, RL originated as a phenomenon that involved several stakeholders against multiple cultures and markets. Hence, a responsible leader is about establishing a mutually beneficial relationship between stakeholders. Such a relationship is an ongoing journey that requires adaptation, whether human-centric or nature-centric (Greige Frangieh & Khayr Yaacoub, 2017). RL evolves each time a variable is introduced in the balanced interests of all stakeholders and is manifested as economic gains, responsibility towards the community, environmental well-being, and the equal distribution of resources (Zhang, Nurul, Wening, Oum, & Khun, 2022). From the different pieces of literature, we can see that RL can be seen from three different approaches:

*Traditionalist approach.* In its primitive form, the Globally Responsible Leadership Initiative (GRLI) highlighted that RL is about aligning with the shareholders’ needs (GRLI, 2022). This approach reflects the neo-classical thinking that leaders are not responsible for externalities they produce, including pollution, waste, and labour exploitation. Any form of accountability to its externalities is driven mainly by necessity seeking to minimize harms to corporate commerce (e.g. legal compliance).

*Relational approach.* Maak and Pless (2006) further reiterated shifting it to the relational aspects of RL, describing it as building and cultivating trusting relationships with internal and external stakeholders to achieve accepted meaningful shared business values. Therefore, RL is about the leaders’ ability to maneuver the different stakeholders’ interests across multiple contexts.

*Holistic approach.* Taking together the former two frames, the final perspective represents an emerging frame of holistic character, where the focus is on working with stakeholders to exercise collective responsibility (GRLI, 2022). As such, this perspective revolves around the notion of leading-in-partnership and its corollaries of co-determination and co-creation, where the central tenet is to create economic and societal progress in a globally responsible and sustainable way (GRLI, 2022).

From the above, it is evident that RL is a result of dynamic interactions between business and society in economic (financial), sociopolitical (stakeholders’ relationships), ecological (natural systems) and moral spheres (business impacts). While each sphere seems to be independent, they are not mutually exclusive. Sustainability analyses must focus on the interfaces, interactions and interdependencies across the four spheres (see Figure 1).
Based on the different frames and the four spheres of interactions, GRLI (2022) provides us with a way to classify RL along a 3x4 matrix (see Table 1). This matrix provides an accessible overview of the different characteristics of RL along the continuum of the traditionist approach to the holistic approach subjecting to the dynamistic interaction of the four spheres.

Table 1. Responsible Leadership 3 X 4 Framing Matrix

<table>
<thead>
<tr>
<th></th>
<th>Traditionalist</th>
<th>Relational</th>
<th>Holistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Profit maximization</td>
<td>Value creation</td>
<td>Total wealth creation</td>
</tr>
<tr>
<td>Socio Political</td>
<td>Legal compliance Shareholders</td>
<td>Legitimacy Stakeholders</td>
<td>Partnership social contract</td>
</tr>
<tr>
<td>Ecological</td>
<td>Externalities</td>
<td>Impacts</td>
<td>Sustainability</td>
</tr>
<tr>
<td>Moral</td>
<td>Minimize harm to shareholders</td>
<td>Balance interests and harms.</td>
<td>Do good Repair and enrich</td>
</tr>
</tbody>
</table>

Adopted from GRLI (2022)

Comparison of Responsible Leadership with Other Forms of Leadership

Subsequent works by different scholars further drew more RL classification against the different leadership forms. While there are distinct differences, it is also important to note that overlaps do occur across the different leadership styles. In this regard, Carter and Greer (2013) have developed a model to delineate RL from other leadership styles (see Figure 2). Carter and Greer (2013) reveal that leadership styles can be seen from (a) the range of stakeholders who leaders view as salient and (b) the breadth of performance outcomes. The size of the ovals in Figure 2 represents the degree to which scholars have devoted attention to multiple stakeholders and various performance outcome relationships.
Based on this understanding, we can see that transactional leaders focus on the social exchanges between the actors and prioritize the mutual benefits that the transaction manifests (Birtch, Chiang, & Van Esch, 2015). On the other hand, transformational leaders encourage their followers to work for the organisation’s benefit and inspire them to follow a transforming vision (Cleavenger & Munyon, 2013). Carter and Greer (2013) analysis also see that charismatic leadership is like transformational leadership as it involves self-sacrifice for the greater good. Authentic leaders focus on relationships with a moral perspective and focus on long-term outcomes (Maher, Mahmoud, & Hefny, 2017). Servant leaders emphasise the need of the followers above themselves but also lead with concern for the community or societal expectations (Cai, Lysova, Khapova, & Bossink, 2018). Finally, responsible leaders consider the needs of multiple stakeholders and focus on the triple-bottom-line measures of performance (Greige Frangieh & Khayr Yaacoub, 2017).

Characteristics of Responsible Leadership

Putting the above perspectives together, we could identify four critical characteristics of RL.

*The impact of RL goes beyond the corporate domain.* The need for responsible leadership is prevalent in almost domain of our life. The prolific failures of government leaders in the face of the COVID-19 pandemic to business leaders using unorthodox means to maximize their wealth highlight that irresponsible leaders create consequences beyond corporate domains (Shonk, 2020). With the further blurring of lines across different domains due to globalization and the growth of information technology, corporate leaders must realize that their actions and decisions reflect relational dynamics between them and stakeholders both inside and outside of organizations (Cheng, Wei, & Lin, 2019).
**Responsible leaders adopt a global mentality.** The modern leadership challenge is no longer “business as usual”. Following the earlier arguments, the increased pressures of globalization, growing demands and expectations from diverse ranges of stakeholders, the tightening and increased mobility of the labour pool, and increased risks and opportunities are causing leaders to ask if there is a better way to cope with complexity. In this regard, Oasis (2022) has highlighted that leaders worldwide are embedding a global lens to their fabric of business in dealing with this volatile, uncertain, complex and ambiguous environment. To that end, the journey to global responsibility involves challenges most organizations have never experienced. Facing these challenges requires leaders to be agile, think in new ways, ask the right questions and be comfortable not having all the answers.

**Responsible leaders are accountable to societies around the globe.** In that sense, the leadership of global responsibility goes beyond setting a vision and goals (Wang, Shen, Chen, & Carmeli, 2021). The crux is to create alignment and maintain commitment, such as the configuration of resources, development of supporting policies, implementation of globally responsible decision-making criteria, setting personal examples, stakeholder engagement and alliances, and developing a globally responsible mindset. This proposition aligns with the stakeholder theory stating that leaders in organizations are responsible for a broader set of stakeholders (Maak & Pless, 2006). Therefore, leaders who are responsible have been described as curators of relationships that are not limited to shareholders, employees, customers, communities, and suppliers (Doh & Quigley, 2014). This understanding differs from the fiduciary orientation prevalent within economic views, where proponents purported that a psychological contract exists only between the leadership in an organization and the shareholders of that organization, not the stakeholders (Greige Frangieh & Khayr Yaacoub, 2017). Hence, we can also conclude that RL addresses problems based on the commitment to delivering market and social value.

**Putting ethics at the centre of responsible leaders’ thoughts, words, and deeds.** RL is a multidisciplinary construct rooted in leadership ethics, developmental psychology, psychoanalysis, stakeholder theory and systems theory (Pless & Maak, 2011). Greige Frangieh and Khayr Yaacoub (2017) further explained that RL is an evolving concept at the juncture of studies in ethics, leadership and CSR. Putting these into perspectives, these views converge to the perspective that responsible leaders use their ethical reasoning and moral imagination to make moral decisions, consider their effects on others and use their powers to reach legitimate ends through acceptable means (Haque, 2021; James & Priyadarshini, 2021; Pless et al., 2021). However, it is also essential to be clear that ethics does not mean affiliating to spirituality or religiosity. It is more geared toward the “specific concerns of others, an obligation to act on those standards and to be accountable for the consequences of one’s actions” (Waldman & Galvin, 2008, p. 327)

**Responsible Leadership Orientations**

Based on the tenets mentioned above, Pless, Maak, and Waldman (2012) further develop four orientations of RL (see Figure 3). Based on the two dimensions, business leaders can choose to focus on having a narrow focus to focus on a single constituent group or a broad focus on trying to understand and deal with multiple groups of respondents. At the same time, the classification involves differences in accountability, where business owners can choose from complete accountability to shareholders to go beyond it to consider the larger community.
Therefore, this matrix creates four different RL orientations of (1) traditional economist, (2) opportunity seeker, (3) integrator (4) idealist.

**Figure 3. Matrix of responsible leadership orientations**

![Figure 3](image)

*Adopted from Pless et al. (2012)*

**Traditional economist.** This type of responsible leader is likely to be risk-averse, highly rational and analytic, and possibly quite autocratic in approach (Pless et al., 2012). Naturally, any initiatives would be determined on a strictly cost-benefit basis, with compliance with industry norms being the driving force.

**Opportunity Seeker.** Like the traditional economist, this type of responsible leader may have the same purpose of achieving a financial outcome. Still, unlike the former orientation, they tend to take a slightly longer-term approach to achieve an edge over their competitors (Pless et al., 2012). These edges could be new market opportunities, better reputation, or customer loyalty. End of the day, an opportunity seeker sees initiatives as an excellent tool to further its brand name among the stakeholders (Waldman & Balven, 2014).

**Integrator.** RL of this orientation seeks to incorporate broader perspectives into business opportunities. The integrator’s stronger sense of accountability means they try to deliver on multiple bottom lines, responding to the aims of all stakeholders, not just those interested in the economic bottom line (Waldman, Siegel, & Stahl, 2019).

**Idealist.** An idealistic approach to RL occurs predominantly among leaders who act as social entrepreneurs (Waldman & Balven, 2014). They are driven by solid ethical intentions, seeing
the company as a means, not an end, to allow them to tackle social problems or respond to environmental needs, even if that is at the cost of business growth (Pless et al., 2012).

**Short Cases of Responsible Leaders in the Tourism and Hospitality Industry**

Pless et al. (2012) highlighted that deciding to be an RL is not like flipping a coin. Instead, it is a positioning that varies according to the breadth of the constituent group focus and degree of accountability. Organizations must decide which spectrum of RL it wants to be. Depending on the orientation adopted, it would have a differential impact on how an organization perceives the initiatives, their configuration, and how it is implemented. The following section will outline two short cases of RL’s implementation in the tourism and hospitality industry.

*Overview*

The tourism industry is a dynamic global industry which has grown and changed dramatically over the past 20 years (Tan, Hii, Zhu, Leong, & Lin, 2022; Zhang et al., 2022). Many countries, such as Singapore, have relied on tourism for their gross domestic product and job creation. For some, tourism is essential in reinforcing countries’ status as vibrant global cities magnets for capital, businesses and talent. While supporting the destination stakeholders’ economic, social, and environmental considerations, there has been an increasing call to offer responsible tourism movements beyond benefiting only the shareholders. Within such initiatives lies RL.

*Case 1 - Gardens by the Bay in Singapore.*

The Gardens by the Bay (GBTB) in Singapore is a national garden, and premier horticultural attraction developed to showcase horticulture and garden artistry that would not be commonly seen in this region (GBTB, 2022). Since its establishment, GBTB has attracted local and international tourists. During the pre-pandemic, GBTB welcomed more than 13 million visitors through its gates (GBTB, 2022). It is not surprising that GBTB has been a substantial revenue generator for its shareholders and a highly valued place of attraction by the government. However, when designing the GBTB, the leadership team displayed RL by embedding sustainability and responsible tourism. For instance, the Supertrees act as vertical fern gardens that help regulate heat and provide shade, while some are fitted with solar cells that power the nightly light show (O’connor, 2022). Additionally, the conservatories are a statement in sustainable engineering and apply a suite of cutting-edge technologies for energy-efficient solutions in cooling, which reduces energy consumption by approximately 30% compared to buildings using conventional cooling technologies (GBTB, 2022).

*Case 2 - Taj Hotel in India.*

The Taj Hotels is a chain of luxury hotels and a subsidiary of the Indian Hotels Company Limited, headquartered in Mumbai, India. Incorporated by Jamsetji Tata in 1902, the company is a part of the Tata Group, one of India’s most prominent business conglomerates (Rohit & Anjali, 2011). In 2008, a series of terrorist attacks took place in Mumbai, the Taj Hotel was targeted, and 31 people were killed in a four-day siege (Rohit & Anjali, 2011). After this traumatic incident, the leaders of Taj Hotels extended to all the people affected by
this incident (employees or others) a mentor to cope with the stress. They ensured the children or next of kin of the victims received education for life. The leader also personally visited the families of the deceased to find out how he could help them by asking them, “What can we do?” over and above what he and the Tata group was already doing.

**Multiple Levels of Analysis Within the RL Literature**

Following the growing practitioners’ interest in RL, we must understand the psychological mechanisms involved in manifesting RL. Recent literature converges towards three levels of analysis – micro (individual), meso (organization) and macro (society), which the subsequent paragraphs will have a brief discussion of it.

*Micro level.* In line with the two cases cited earlier, it is evident that RL behaviour resides in individual leaders. Pless et al. (2012) seminal work on the different approaches to RL based on the breadth of constituent groups that managers consider and on their degree of accountability beyond shareholders and business owners is a classic example explaining that individual values are essential towards manifesting RL. Later research has further extended this theme. Researchers have indicated that individuals should possess specific competencies that complement their inherent values while enacting the strategies. For instance, Muff, Liechti, and Dyllick (2020) develop a Competency Assessment for Responsible Leadership (CARL) tool to assess stakeholder engagement, individual and group leadership development, and internal sustainable development transformation work. Expectedly, the CARL online tool serves to systematically analyze and develop RL competencies, both in business and educational practices (Muff et al., 2020).

*Meso level.* At the meso level, scholars are beginning to identify relevant organizational factors that support the manifestations of RL, which includes human resource management, corporate governance and corporate culture. For instance, Lips-Wiersma, Haar, and Wright (2018) examine how the work and the perception of fairness drive RL development. At the same time, corporate culture, such as the availability of volunteering opportunities, community-building initiatives as well as self-development projects, have also been found to be transformative opportunities that can be fully integrated into the organization to develop responsible leaders in a global context (Caligiuri & Thoroughgood, 2015).

*Macro level.* The macro level of analysis resides against RL’s institutional and cultural antecedents. Essentially, we are discussing a society’s political, economic, social, technological and legal aspects that could influence the manifestation of RL. In essence, the macro level is in constant flux, where the dynamics of changing institutional environments often implicate leadership behaviour (Haque, 2021; Maak, Pless, & Wohlgezogen, 2021; Shonk, 2020). A seminal work by Waldman et al. (2006) illustrated that institutional collectivism and power distance predict social responsibility values on the part of top management team members. Collectively, these contributions define the broader institutional level of analysis and establish its influence on managers’ RL in practical terms.

**Future Research Directions**

Still, in the infant stage of discussion, there are gaps in our understanding where we see an opportunity for future researchers to revisit and rethink the concept.
First, the literature on RL lacks a clear definition of the behaviours manifested in leaders (Flocy, 2017). Though studies such as Prinsloo, Beukes, and de Jongh (2006) have indicated that characteristics like authenticity, virtuousness and charisma are required for leaders, there remains a gap in understanding responsible leaders’ behaviour, especially if it involves authority, accountability, and responsibility. For instance, organizations that outsource work to a third-party entity in another country may delegate some authority away, but does that mean absolving leaders in that organization of responsibility and accountability?

Second, research on the antecedents (individual, institutional, and societal) leading to RL and its impact on multiple levels at various domains remains sparse and limited. Besides, few studies attempt to understand the “dark side” of RL. For instance, a responsible business leader does not necessarily result in positive development at the local level (Pless et al., 2021). In a situation of weak institutional contexts, they may intentionally reduce their bottom line to accommodate a lower standard of accountability and responsibility.

Finally, there is an under-representation of literature in Asia. Yet, Asia is the most rapid economic growth of any of the world’s regions and now has a platform at the global level to deliver on its growing international responsibilities in the form of the G20 process. The diversity within Asia, culturally, linguistically, and economically, means that there is no one-size fits all solution, indicating a fascinating laboratory in which various approaches and models can be tested (Tan, Ho, Pidani, & Goveravaram, 2022). There is imperative to strengthen the conceptual and empirical understanding of responsible business leaders’ actions, roles, and related issues within Asia. Without further examination, we will have limited knowledge of how Asia business leadership and society interact to address the global challenges of our time.

References


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