Diploma in

Managing Quality in Higher Education

Contents

QUALITY, ETHICS, AND MORAL LEADERSHIP

The news media have been rife with stories of ethical failures by organisations, business and non-business like. A prominent example was the Enron scandal which came to light in late 2001 as the company applied for bankruptcy.[177] Another serious indictment fell on Arthur Andersen, an accounting firm which went bankrupt after it was accused of fraud and complicity in the Enron debacle. Eventually many other scandals were exposed to the public since 2002. They involved many such big names like WorldCom, Global Crossing, Tyco and Adelphia. Since that time, other corporate names have appeared in the news either for allegedly violating the public trust or for raising questions about ethics.

During the 1980s, American industry was compelled to undergo a painful process of transformation in response to shrinking sales and market shares.[178] Seeking answers for these problems, business firms have come to realise that something must be done about their formal basic values and policy. Over the years, they have built and accrued structures that were big, sluggish, control-based and bureaucratic. This structural phenomenon was not limited to the corporate world alone. Health care, government, and education also faced similar problems. These complex unwieldy structures produced an environment vulnerable to the occurrence of unethical events.

Sheer necessity forced many of those businesses to reinvent themselves to become leaner and more agile organisations. Many jumped on the quality management bandwagon which was an outgrowth of Deming's work in Japan after World War II.[179] The goal was to reinvent the American business firm, revolutionise the American industry and achieve, if not surpass, Japan's economic achievements. Alas, while some successes have been documented, many quality management projects turned out to be embarrassing failures.[180] Some say that the implementation failure rate is high, even as high as 70 percent.[181] The literature is replete with books and articles that cite many reasons for these failures. The most frequently cited reason for the failure is the lack of viable commitment from management.[182] Oftentimes management is reluctant to change their paradigms or old habits. Managers fail to realise that quality improvement starts with them, that they must lead by example if they have to cause others to behave differently. They also fail to understand that quality management requires a change in the roles, responsibilities, and behaviours of every participant in the organisation starting with the leadership.

Unless substantial behavioral change is noticed, quality management will be seen merely as a rhetorical programme instead of being an action-oriented programme. But how is this substantial behavioural change accomplished? If management must lead by example, then they must lead in a way that cultivates a high level of trust and respect from their subordinates. The top leadership of an organisation must model ethical and moral conduct. To sustain the quality initiative in the organisation, top management must demonstrate commitment by displaying consistently high ethical standards and by cultivating a high level of trust and respect from members, based not just on stated values but on their willingness to make personal sacrifices for the sake of upholding these values.[183]

This chapter explores the link between moral leadership and the successful improvement of quality in organisations. How can ethics help an organisation to avoid failures and improve organisational quality? Can quality be achieved or sustained in an immoral, corrupt or dishonest system? Is ethical and moral leadership the most critical variable that leaders must have to influence organisational behaviour and performance?

MORAL LEADERSHIP AND QUALITY MANAGEMENT

Moral leadership is determined by what comes from within a person: what a person is and not adherence to a set of behavioural standard. People can be trained to apply policy and behaviour. This is only half the equation. The moral leader is more than a person who is conditioned to follow rules or policies. Moral leadership is *what one is* as opposed to *what one does*. What one is flows directly from the values he or she possesses. Values are things or principles preferred. The values of an individual, group, or society are standards of desirability and evaluation independent of specific situations. They are what humans want and feel to be the reason for existence. Values regulate the political process and the managerial process and lie at the heart of resource allocations. They are the lenses and filters through which the world is viewed. Codes of ethics created by individuals or organizations come from values. Religions, cultural and social norms, philosophies and legal systems are the sources of values. The bottom line for moral and ethical leadership is doing what is right.

Two weeks before his death on August 18, 2001, Philip B. Crosby, one of America's quality management pioneers, said*, "Quality boils down to one word – integrity".* He made that comment to Hylan Lyon, an Aerospace Technology Working Group colleague of one of the authors of this book, which was shared with the author in Arizona on April 9, 2006. When the father of *Zero Defects, Do It Right First, Quality is Free, The Price of Nonconformance,* who had a full career of quality management leadership, practice, teaching and consulting, makes that one of his last thoughts, it should be taken seriously. With the Enron debacle and other highly-publicised scandals in the recent past, integrity in doing business is becoming a precious commodity. Integrity boils down to honesty – honesty in dealing with customers, employees, suppliers, and other stakeholders. The quality sciences have transformed the world of business over the past sixty years since Dr. W. Edwards Deming and Dr. Joseph Juran taught its principles to Japanese industry following World War II. Continuous improvement is now firmly imbedded in corporate strategy.

Quality management implies a holistic view of the organisation and its relations as well as a procedural approach by continuously developing all activities further to increase customer satisfaction. It claims that customer satisfaction is a central value with absolute priority and assumes that achieving customer satisfaction also implies optimal economic results. Its totality aspect means that all activities of the organisation are included in the optimisation process, whether procedures, staff, management, suppliers, and customers. Its quality aspect refers to the objective of increasing the efficiency and effectiveness of the company operations. Its management component aims at bringing the entire company in line with customer expectations, that is, to produce goods and services adapted to the customer's requirements. It also requires the continuous restructuring of the organisation's procedures and checking for redundancies, inefficient procedures and other deficiencies. The quality management philosophy also implies that the organisation is regarded as a part of society with several interested parties (stakeholders), an idea which provides a starting point for considering the social implications of the organisation's activities.

ETHICS AND FAILURE PREVENTION

In order to understand the relationship between ethics and failure prevention, it is important to understand the three key ethical management models that exist in the organisational world: moral, immoral, and amoral. Moral management conforms to the highest standards of ethical behavior and strives to operate within the confines of sound ethical standards predicated on such norms as fairness, justice, respect for rights, and due process. It seeks out only those economic opportunities that the organisation can pursue within the confines of acceptable ethical behaviour. Immoral management, on the other hand, is focused on exploiting opportunities for organisational or personal gain. It is devoid of ethical principles and implies a positive and active opposition to what is ethical.

In the human rush to classify things as good or bad, moral or immoral, the role that amoral management plays in organisations is often overlooked. Amoral management is not just a middle position between moral and immoral management. Although there is a tendency to position it as such, it is different in nature and kind from the other ethical models. Amoral managers believe that different rules apply in an organisation than in other realms of life; therefore, they do not factor ethical considerations into their actions, decisions, and behaviours. They are "simply casual about, careless about, or inattentive to the fact that their decisions may have negative actions or deleterious effects on others".[184] Perhaps, besides the major ethics scandals seen in recent years, the more serious organisational issue today seems to be amoral management – subscribing to or living out the amoral ethic. While amoral managers seem to be good people, they essentially see the competitive world as ethically neutral. Thus, unless they move toward the moral management ethic, we will continue to see public criticisms hurled upon organisations.

Improving the organisation's ethical climate is essential to avoiding failures in the organisation and enhancing the quality of its operation. This may be accomplished through various means. Of utmost importance is the need for top management leadership. The behaviour of managers has the most important influence on the ethical behavior of their subordinates. Ethics policies are only as valid as the commitment management gives to them. Through its capacity to set up a personal example and shape policy, top management is in the ideal position to provide a highly visible role model for others to follow. Confucius once said that if a prince wants to be called a prince, then he has to act like one.[185] Managers need to communicate, orally or in written form, the importance of ethics to the organisation. They must also be forthright, sincere, and honest in their communication transactions. The communicator should be faithful to detail, should be accurate, and should avoid deception or exaggeration. The ethical manager should also be careful what information to disclose to others.

Managers at all levels should set realistic objectives or goals. Top management must take the lead in institutionalising ethics into the organisation. This is because managers and employees look to them for cues as to what is acceptable practice. Managers must avoid creating situations in which others may perceive a need or an incentive to cut corners or do the wrong thing. They must discipline violators of its accepted ethical norms if they are to bring about an ethical climate that everybody in the organisation will believe in. Strong leadership from the board and the top administrator is still the most powerful force in improving the organisation's ethical climate. One valuable lesson that can be learned from the mega scandals of the 21st century and the passage of the 2002 Sarbanes-Oxley Act is that the board must be involved in the oversight of an organisation's ethics programmes and initiatives.

Ethics programmes are very important. These initiatives often involve developing and disseminating codes of conduct, training on standards of conduct, administering some type of hotline for employees, providing a means to report misconduct, and conducting ethics audits. Codes of conduct are standards of behavior that serve to raise the level of ethical behaviour in the organisation by clarifying what is meant by ethical conduct and encouraging moral behaviour. When codes are implemented forcefully and embedded strongly in the culture, reports of unethical behavior tend to be lower. Ethics training includes the use of ethics codes as training devices, lectures, workshops, seminars, case studies, films, discussions, articles, speeches, and others. If techniques and strategies can be taught for handling a variety of business decisions, the same can be done for predictable ethical decisions or challenges. Whenever they observe a questionable practice, employees should have a way to blow the whistle or to report violators. They should have a way to know exactly what is expected of them and how to respond to ethical violations. Organisations can also employ toll-free numbers whereby employees may call in simply to inquire about ethics matters. The organisation may review the success of its ethics initiatives by conducting an ethics audit.

The organisation must also pay close attention to its ethical decision-making processes. Ethical decision making is a rafter multifaceted process that is complicated by multiple alternatives, mixed outcomes, uncertain and extended consequences, and personal implications.[186] It usually involves a process of stating the problem, analysing the problem, identifying the possible courses of action that might be taken, evaluating these courses of action, deciding the best alternative, and then implementing the chosen course of action. In this process, the individual is asked to identify the action, decision, or behaviour that is being considered and then to articulate all dimensions of the proposed course of action. This course of action is then subjected to an ethics screen, which consists of select standards against which the proposed course of action is to be compared. These standards can be any or a combination of three different approaches: conventional approach, principles approach, and ethical tests approach. Firstly, in the conventional approach to ethics, a decision or practice is compared with the prevailing norms of acceptability. It is called conventional because it is believed that this is the way that a conventional or general society thinks. The major challenge to this approach is whose norms should be used and whose norms should prevail.[187]

Secondly, in the principles approach, managers factor into their proposed actions, decisions, behaviours, and practices a consideration of certain principles or concepts of ethics. An example of this approach is the principle of utilitarianism, developed by Jeremy Bentham[188] and John Stuart Mill,[189]that states that we should always act so as to produce the greatest ratio of good to evil for everyone. Another ethical principle is the golden rule, advocated by both Confucius and Jesus. Confucius admonished: “Do not impose on others what you do not wish for yourself”.[190] Jesus’ version, “Do unto others as you would have them do unto you,” continues to be a basic and strong principle of ethical living and decision making today.

Perhaps it was Peter Drucker who gave us the most concise ethical principle for which leadership is responsible: “primum non nocere” or “Above all, not knowingly to do harm”.[191] This is the basic rule of professional ethics, the basic rule of an ethics of public responsibility. It is the job of managers to scrutinise their deeds, words, and behavior to make sure that they do not knowingly do harm.

Then lastly, the ethical tests approach is more practical in orientation and is useful in helping to clarify the appropriate course of action.[192] Take for example the test of one’s best self where one asks “Is this action or decision I’m getting ready to take compatible with my concept of myself at my best?” This test addresses the notion of the esteem in which we hold ourselves and the kind of person we want to be known as. Of course, this test would not be of much value to those who do not regard themselves in high esteem. But to those who do, this could be a powerful test. Another test, which is considered to be one of the most powerful tests, is the test of making something public. This test addresses the issue of whether one’s action or decision can withstand public disclosure and scrutiny. This test lends further strength to the transparency movement which is permeating business today

It is important to remember that years of successful growth and performance of an organisation, an agency, or an individual can be destroyed by one immoral or unethical act. An organisation that is seen to behave badly would likely lose the esteem and respect of its customers and other stakeholders and so lose sales and profitability. Thus, it is logical to assume that organisational bad behavior can be bad for business.[193] However, the benefits of good behaviour are not guaranteed. While there may be an association between ethical organisational practices and good financial returns, it is not clear whether it is the ethical practices that increase profits. Nevertheless, it does not mean that an organisation should not strive to minimise the potential costs of being found to have acted improperly. It is safe to assume that good ethical practices contribute to higher profits for the organisation in the long-term.

THE COST OF QUALITY

The conventional wisdom of the American world of work was that if you want to raise the quality of a product or service, you must spend more money on it. Dr. W. Edwards Deming, and Dr. Joseph Juran began to challenge that conventional wisdom in the 1950s.[194] Dr. Genichi Taguchi's subsequent research and writings in Japan on the cost of quality completely rendered obsolete the idea that the only way to improve a process was to throw more money on it. Taguchi defined the costs relating to quality as the losses incurred by individuals, organisations, or societies as a result of poor quality. These losses can be measured not only in terms of rejection, scrap, or rework but also in terms of pollution that is added to the environment, products that wear out too quickly, or other adverse effects that may occur.

Taguchi took the concept of what should be measured when determining quality to a new level. The cost of quality is determined by measuring results from existing poor or failed quality. For example, faulty product returns are measurable. Costs of inspection versus including quality into design can be measured. Organisational or user repair costs for labour and parts can be measured. Production line downtime can be measured. Customer losses due to poor service can be measured. Enrollment drops in a university can be measured. Investment in failure prevention can be costed. Results of Six Sigma programmes can be compared with processes that have not adopted Six Sigma. Profits after ISO certification can be compared with those before certification. Costs of quality programmes can be compared with revenues over time and with returns on investment prior to implementation of those quality programmes. The costs of poor quality policymaking can be measured in terms of human suffering that it causes.

In his book “Out of the Crisis” Dr. Deming states that using Taguchi’s model leads to lower and lower costs as quality improved.[195] The Juran Institute has done extensive research and documentation into Quality Costs. The controversy of the 1970s in the United States over whether “Quality Costs or Quality Pays” has been resolved: QUALITY PAYS. Quality pioneers, quality institutes, The American Society for Quality (ASQ), quality degree programmes in colleges and universities, the spread of international quality standards, increasing profits of companies which have adopted quality programmes, and the global adoption of the United States Government Malcolm Baldrige Quality Award Criteria and the successes of the European Quality Award and ISO 9000, among others, are all testimony to the overwhelming evidence that quality pays in the cost- benefit sense. Deming, Juran, Feigenbaum, and Crosby all taught that it would.[196] The Taguchi definition has given the world indisputable proof.

The costs of quality (COQ) can be broken down into four major components: prevention costs (PC), appraisal costs (AC), internal failure costs (IFC), and external failure costs (EFC). Prevention costs are those costs associated with preventing defects and imperfections from occurring. They are considered as investments made to keep appraisal and failure costs to a minimum, that is, to ultimately reduce the other two quality cost categories. Prevention costs are associated with such activities as quality training, quality planning, process engineering, supplier reviews, statistical process control, and corrective action. An example of prevention cost related to ethics is the cost of educating employees in the organisation’s ethical belief systems and boundary systems.[197] This cost covers materials and formats typically used by firms in their ethics training such as ethics codes (as a training device), lectures, workshops/ seminars, case studies, films/discussions, and articles/speeches.[198]

Appraisal costs are those associated with measuring quality directly. They are associated with efforts to ensure conformance to requirements through measurement and analysis of data to detect non-conformances. They pertain to the costs of laboratory testing, inspection, equipment test and materials, losses resulting from destructive tests, and costs associated with assessments like the ISO 9000:2015 or other awards. The cost of an ethics audit is an example of an appraisal cost related to ethics. Ethics audits are conducted to carefully review such ethics initiatives as ethics programmes, codes of conduct, hotlines, and ethics training programmes. They may employ written instruments, committees, and employee interviews.

Internal failure costs are those incurred as a result of unsatisfactory quality found before the product or service is delivered to the customer. Some examples include scrap and rework costs, costs of corrective action, downgrading costs, and process failures. Reduced productivity due to low employee morale following ethical lapses would be an example of an internal failure cost related to ethics. Day-to-day ethical dilemmas in such areas as conflict of interest, sexual harassment, inappropriate gifts to organisational personnel, unauthorised payments, customer dealings, evaluation of personnel, and pressure to compromise personal standards all have a potentially adverse effect on employee morale and productivity.

External failure costs occur after poor-quality products or services reach the customer or stakeholder. Some examples include costs due to customer complaints and returns, product recall costs and warranty claims, product liability costs, lost customer goodwill, and lost sales. In service organisations, these costs can take the form of interrupted service, delays in waiting to obtain service, excessive time in performing the service, errors made in billing, delivery or installation, or unnecessary service. Lawsuits brought about by the government or private individuals are examples external failure costs that can result from unethical behaviour. The cost required to comply with the provisions of the Sarbanes-Oxley Act of 2002 is also an example of an external failure cost.[199]

The law requires public companies to provide better protection for their investors by improving their financial reporting. The penalties for non-compliance are severe. A chief executive officer or a chief financial officer who misrepresents his company finances may be fined up to $1 million and imprisoned for up to 10 years. If the violation is willful, the fine may go up to $5 million with up to 20 years imprisonment.
Each cost component can be compared by calculating the ratio of each with respect to the total quality cost:

PC/COQ AC/COQ IFC/COQ EFC/COQ

The ratio of each with respect to total sales can also be calculated (TS):

PC/TS AC/TSI FC/TS EFC/TS

Lastly, we can calculate the ratio of the total quality cost with respect to total sales: COQ/TS
These ratios reveal how much opportunity exists for quality improvement. They help steer ongoing quality improvement efforts toward the greatest possible economic payoff. It is typical to see external and internal failure cost ratios very high. Experts have estimated that about 60 to 90 percent of total quality costs come from internal and external failures.[200]
Traditionally, managers have responded to high failure costs by increasing inspection. However, such actions only increase appraisal costs with little impact to overall quality or productivity. Actually, an increase in prevention usually results in larger savings in all other cost categories. For example, the cost of replacing a failed component in the field might be $1,000 but the cost of replacing it after assembly might only be $100. Still the cost of testing and replacing it during assembly might only be $10. And further still, the cost of changing the design to avoid the problem in the first place might only be $1. Clearly, it is evident that better prevention of quality reduces failure costs as fewer defective items are made and hopefully none of these falls into the hands of the customers. And since products are made correctly the first time, fewer appraisals may eventually be required. Unfortunately, many managers fail to understand and implement these ideas.

The cost of quality concept can be very meaningful to an organisation because of the idea that failure costs can be reduced through marginal, discretionary investments in prevention and even appraisal activities.[201] The ratios between the four cost components, total quality cost, and total sales show how much opportunity exists for quality improvement. As stated earlier, better prevention of poor quality clearly reduces internal failure costs and external failure costs as well. Moreover, less appraisal is eventually required because products are made correctly the first time. The relationships among the four cost components pinpoint areas of high quality cost and turn attention toward the greatest improvement efforts.

For most organisations, management typically finds that the highest costs occur in the external failure category, followed by internal failure, appraisal, and prevention, in that order. Actually, the order should be reversed. The bulk of quality costs should be found in prevention, some in appraisal, perhaps a few in internal failure, and virtually none in external failure. Thus, an organisation embarking on a quality cost programme should first try to reduce external failure costs to zero by investing in appraisal activities to identify the sources of failure and take corrective action. As the organisation improves its processes, both internal and external failure costs should decrease, and the amount of appraisal can then be reduced with the emphasis gradually shifting to prevention activities

ETHICS AND QUALITY

According to Bottorff, ethics failures may be classified as either moral or economic.[202] Moral failures may or may not entail a monetary cost. Nevertheless, even on moral grounds alone, strong ethics standards are vital to the promotion of a healthy society. Economic failures, on the other hand, entail some monetary cost which affects the organisation's profitability. Economic ethics failures are classified as either external or internal, as part of the overall cost of quality concept and its components. In the past, organisations have addressed the failure costs associated with blatant ethical violations such as large legal judgments, prison terms, anti-trust litigation, fines, lost sales, lost goodwill or any negative responses from external stakeholders. Customers expect reliable products and minimal defect rates from good and service providers. Thus, it is unethical to deliver defective products knowingly to them. Socially responsible organisations also work hard to protect the environment which is increasingly seen as a significant ethical concern. Consequently, more of them implement recycling programmes and improve their environmental practices. The costs of external ethics failures can be very staggering and can amount to billions of dollars every year. These costs typically account for a substantial portion of the total external failure cost of quality. Preventing these costs will yield great economic benefits for the organisation.

Internal ethics failure costs are reflected in the barely noticed behaviour patterns in the organisational social system or operating culture which inhibit operating performance. Employees encounter ethical dilemmas in their work every day. Such dilemmas range from conflicts of interest to sexual harassment, inappropriate gifts to organisational personnel, unauthorised payments, shady customer dealings, biased evaluation of personnel, and pressure to compromise personal standards. These internal ethics failures are rarely visible on the ethics policy radar screen because in many instances employees choose not to disclose their wrongdoings or those of their colleagues and therefore those incidents are not typically reflected in external failure costs. They go largely unnoticed and unmanaged. Besides the external cost of poor ethics, the internal cost can be one of the largest quality cost components in many organisations. Hence, prevention of this cost can result in substantial cost savings for these organisations. Overall, both external and internal ethics failures cost organisations much more than they realise and certainly more than they can afford. Over half of all documented quality costs could be attributed to the cost of ethics failures.[203]

If the cost of quality for world class organisations is running between 10 and 15% of total sales, then the associated ethics component is costing companies billions of dollars annually. If the cost of quality of an average organisation is running at around 20–25%, then the ethics component is so huge that it provides a tremendous opportunity for improvement in the company.

Ethics programmes and audits are directed towards preventing and detecting ethics failures. Ethics programmes are organisational units responsible for developing ethics initiatives in the organisation which include developing and disseminating codes of conduct, training on standards of conduct, administering some type of hotline or advice line for employees, and providing a means to report misconduct. The presence of ethics programmes serves as a deterrent against potential employee misconduct. Also, employees generally perceive that those who violate their organisation’s code of conduct will be held accountable so that they are less likely to compromise organisational standards. The cost of developing ethics programmes represents part of the prevention component of the cost of quality. A good ethics policy incorporates early warnings and checks and balances, not just to catch and punish wrongdoers but also to pinpoint emerging risks and prevent ethics failures. Ethics audits, on the other hand, are employed to assess an organisation’s ethical climate or programmes. They may also be conducted to examine such management attitude and activities as management’s sincerity, communication efforts, incentive and reward systems, and others. Costs related to ethics audits are considered part of the appraisal component of the cost of quality.

The cost of quality concept is very helpful in illustrating how ethics impacts quality. By developing a wide range of ethics programmes and by conducting comprehensive ethics audits, good ethics helps to reduce both external and internal ethics failures which in turn help to reduce the external and internal failure costs of quality. Good ethics helps to improve communication and group dynamics by promoting transparency throughout the organisation, by facilitating logical reasoning and dialogue among workers, and by increasing the flow of information within the organisation. It provides an additional set of eyes and antennae to the organisation to inform it of how well it is doing. Improvement in communication and group dynamics generates a positive effect on organisational activities and results and enhances work productivity and quality. Good ethics does not only prevent unhealthy behaviour but also inspire superior moral reasoning and performance that result in sustainable competitive advantages for the organisation in the long run. In order for quality initiatives to work, the organisation must combine process improvement with ethical and cultural changes in the organization. The success of every quality programme, regardless of the name (Lean Techniques, ISO 9000, Total Quality Management, Malcolm Baldrige Award, Six Sigma, Balanced Scorecard, Lean Six Sigma) depends on the collective efforts of everybody in the organisation. The effectiveness of these efforts hinges on the organisation's operating ethics and culture. Focusing on technical improvements alone, without taking into consideration the ethical and cultural factors, will derail the collective process that is essential to sustain the quality journey. Ethics failures, if left unchecked, can often hold back process improvements.

Thus, it is extremely important that ethics is incorporated by design into the continuous improvement process in order to sustain the quality journey over the long haul.

The cost of quality concept also helps to demonstrate that high quality cannot be achieved or sustained in an immoral, corrupt, or dishonest system. The success of any quality programme depends on the effectiveness of many collective efforts. This collective effectiveness cannot be accomplished by administrative action alone. It needs an environment where good ethics is practiced with administration as its champion. In a genuine quality improvement programme, there is no room for selfishness, moral exclusion, abusive management styles or policies, or ethical compromises. Such things will derail collective efforts and teamwork which is a vital component of quality management. Without a deep commitment from top administrators to develop a healthy culture based on fairness, open communication, shared information, and teamwork, which are critical ingredients of quality management, the risk of failure for quality programmes can be very high

If the question “Can quality be achieved or sustained in an immoral, corrupt or dishonest system?” were submitted to any population or group of quality professionals, the authors are convinced that the response would be a resounding “NO”. Moral advocates through the ages have confirmed the need for honesty, integrity, ethics, fairness, dependability, transparency, trustfulness and character in leadership. Quality programmes, like total quality management, declined in popularity towards the end of the 20th century because executives, corporate boards, and in some cases even employees and their unions forced philosophical, ethical, and cultural compromises on their companies.204 Huge costs and damage to people continue to occur because leadership too frequently uses its power to exercise greed and dishonesty for self-serving purposes that disregard the harm created for others. The need for moral leadership continues to increase with the ever increasing human and material costs of its failure. It’s a United States and global necessity. The tremendous costs to society resulting from massive organisational ethical failures in the 21st century underscore the importance of moral leadership as a key ingredient for long-term organisational success.