Leadership Culture and Ethics

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Leadership, organizational culture, and ethics are closely connected because leaders influence not only what organizations pursue but also how employees understand acceptable behavior. Formal policies matter, yet employees often learn culture through daily signals: what managers reward, what they ignore, how they respond to mistakes, which people receive opportunities, and whether stated values survive pressure. Ethical leadership therefore cannot be reduced to personal honesty or inspirational communication. It involves creating systems in which decisions, incentives, accountability, and workplace norms support responsible conduct.

The original paper uses Sultan Ahmed Al Jaber and Nancy Howell Agee as contrasting leadership cases. Both remain useful, but their current roles need clarification. As of 2026, ADNOC identifies Al Jaber as its managing director and group chief executive, chairman of Masdar, executive chairman of XRG, and UAE minister of industry and advanced technology. Nancy Howell Agee is no longer the serving CEO of Carilion Clinic; Steve Arner succeeded her in October 2024 after more than a decade of her leadership. Carilion subsequently identified Agee as CEO Emeritus. These cases should therefore be analyzed as different organizational contexts rather than ranked against one another.

Leadership and Culture

Organizational culture consists of shared assumptions, norms, practices, and expectations that influence how people interpret situations and behave. Leaders shape culture through visible decisions. If an organization claims that safety is its highest priority but rewards managers only for speed and cost reduction, employees learn that safety is conditional. If leaders invite criticism but punish people who disagree, silence becomes the real norm.

Leadership style matters because different situations require different forms of influence. Transformational leadership emphasizes purpose, change, motivation, and development. Transactional leadership clarifies expectations, rewards, and performance. Directive or autocratic leadership centralizes decisions and can be useful in urgent or highly regulated situations. Participative leadership increases employee input, while delegation gives more authority to capable teams. These categories describe patterns rather than fixed identities; one leader can use several approaches depending on task, risk, and organizational maturity.

Research also connects ethical leadership with organizational behavior. Alkhadra, Khawaldeh, and Aldehayyat (2023) found relationships among ethical leadership, organizational culture, corporate social responsibility, and organizational performance. Guo and colleagues (2023) similarly examined how ethical leadership relates to employees' ethical behavior. These studies do not imply that one leadership style guarantees good outcomes. They show that leader behavior can influence the social environment in which employees make decisions.

Culture also affects whether employees speak up. A leader who reacts defensively to bad news may receive increasingly positive reports while actual problems grow. Ethical culture therefore requires channels for disagreement, whistleblowing, investigation, and correction. Leaders need information that may be uncomfortable, particularly when operational pressure creates incentives to hide delay, risk, or misconduct.

Developing employees is another cultural responsibility. Training, feedback, promotion, mentoring, and access to challenging assignments reveal what the organization values. A leader who speaks about inclusion but distributes opportunity through informal personal networks may reproduce exclusion despite positive language.

Ethics in Practice

Ethical leadership is most visible when goals conflict. Managers may face pressure to meet financial targets, launch projects quickly, reduce costs, protect reputation, or satisfy powerful stakeholders. Ethics becomes meaningful when leaders define limits on how those objectives may be pursued.

Decision quality improves when leaders identify affected stakeholders rather than focusing only on immediate organizational benefit. Employees, customers, communities, investors, suppliers, regulators, and future generations can experience different consequences from the same decision. Stakeholder analysis does not mean every interest has equal weight. It means relevant effects are considered openly rather than ignored because they occur outside one department's performance measure.

Transparency is equally important. Leaders should distinguish verified facts from forecasts, uncertainty, and aspiration. Overstating results can create short-term confidence but damage trust when the gap becomes visible. Responsible communication also includes correcting errors rather than defending a statement simply because a senior executive made it.

Ethics must be built into incentives. An organization may publish a strong code of conduct while rewarding employees for outcomes that are easiest to achieve through excessive pressure, unsafe shortcuts, aggressive selling, or hidden subcontracting. Managers should therefore examine what behavior the reward system makes rational.

Accountability also needs to apply upward. Ethical systems are weak when misconduct by junior employees produces discipline but similar conduct by powerful leaders is excused because of performance. Credibility depends on consistent process, documented investigation, and consequences proportionate to the issue.

Serang and colleagues (2024) connect ethical leadership with employee behavior and organizational commitment. This relationship helps explain why ethics is cultural rather than purely individual. Employees watch how leaders behave when rules become inconvenient. The response teaches them whether organizational values are operational standards or public-relations language.

Al Jaber Case

Sultan Ahmed Al Jaber operates across a complex set of institutional roles. ADNOC's current leadership page identifies him as managing director and group CEO of ADNOC, executive chairman of XRG, chairman of Masdar, and UAE minister of industry and advanced technology. Because one of those roles is governmental, factual analysis should distinguish corporate actions from broader political judgments.

Within ADNOC, the company attributes major organizational transformation to Al Jaber's leadership since his 2016 appointment as group CEO, including international expansion, financial restructuring, commercialization, and increased use of digital and artificial-intelligence technologies. These descriptions come from ADNOC itself and should therefore be understood as the organization's account of its strategy rather than independent proof of leadership effectiveness.

From a leadership-theory perspective, the case illustrates strategic change, centralized direction, technology adoption, and management of a large capital-intensive organization. Energy companies operate with long investment cycles, technical hazards, geopolitical exposure, commodity-price volatility, environmental scrutiny, and major stakeholder expectations. Decision-making therefore involves both long-term planning and strong operational control.

Al Jaber's simultaneous association with ADNOC and Masdar also makes the case relevant to organizational tension. ADNOC is a major oil and gas producer, while Masdar is focused on renewable-energy development. An ethical and cultural analysis should not assume that these positions automatically resolve the broader tension between hydrocarbon production and energy transition. Instead, the leadership question is how objectives, investments, disclosures, risk, and accountability are governed across different mandates.

Communication is another visible feature of the role. Senior leaders in global energy frequently address investors, governments, industry partners, and public audiences. Effective communication in that context requires consistency between public claims and measurable operational evidence. Strategic language about efficiency, sustainability, growth, or technology is credible only when stakeholders can evaluate the underlying results.

Agee Case

Nancy Howell Agee's leadership case comes from a different industry and professional background. She began her career as a nurse at Carilion and later became chief operating officer before serving as president and CEO from 2011 until September 2024. Carilion's retirement announcement states that Steve Arner became president and CEO on October 1, 2024. Agee's long internal career provides an example of leadership developed through operational familiarity rather than appointment from outside the organization.

Healthcare leadership involves different constraints from energy. Patient safety, clinical quality, professional autonomy, workforce shortages, insurance, regulation, education, research, and community access interact. Decisions that appear financially efficient can create clinical consequences, while investments in quality or staffing may require benefits that are difficult to measure immediately.

Carilion describes Agee as having helped transform the organization from a collection of hospitals into an integrated, physician-led clinic and as supporting the partnership associated with the Virginia Tech Carilion School of Medicine. These are organizational claims and historical descriptions, not a basis for ranking her against another leader.

Her nursing background also makes the case relevant to professional identity. Leaders who rise from clinical roles may possess strong understanding of frontline work, but prior professional experience does not automatically guarantee strong executive judgment. The transferable lesson is that operational knowledge can improve leadership when it remains connected with broader strategy, finance, technology, and organizational learning.

The healthcare setting also highlights humane leadership. Employees frequently work under emotional and physical pressure. Leadership culture affects whether clinicians feel safe raising patient-safety concerns, whether staffing problems are acknowledged, and whether workers are treated as replaceable resources or skilled professionals whose wellbeing influences care quality.

Comparative Lessons

The two cases demonstrate why leadership style should be interpreted through context rather than personality labels. ADNOC is a global energy organization with large infrastructure investments, state ownership, commodity exposure, and long-term industrial strategy. Carilion is a nonprofit health system in which patient care, clinical professionals, community needs, education, and regulation shape executive decisions.

Both contexts require strategic communication, but the audiences differ. Energy leadership may emphasize capital allocation, project execution, technology, industrial policy, and international partnerships. Healthcare leadership may focus more heavily on patient outcomes, clinical integration, workforce capacity, access, and community trust.

Neither case is well described by assigning one permanent leadership style. Senior executives may use transformational language while also relying on transactional targets, directive decisions, and delegation. Karimi and colleagues (2023) connect transformational leadership with innovative work behavior through psychological capital, but this does not mean transformational leadership is always the appropriate approach. Crisis, safety, regulation, and technical complexity can require more directive structures.

Leadership development should therefore focus less on choosing a favorite style and more on diagnostic judgment. Leaders need to understand when employees need clarity, when experts need autonomy, when change requires consultation, and when delay creates unacceptable risk. They also need to know when organizational culture is filtering out information they need to hear.

Ethics provides the boundary around this adaptability. Flexibility in style should not mean flexibility in honesty, respect, safety, or accountability. A leader may centralize a decision during an emergency without suppressing later review. A leader may set demanding performance expectations without creating incentives for deception or abuse.

Organizational culture ultimately becomes the repeated outcome of these choices. Employees learn from whom leaders promote, what they measure, how they handle bad news, whether misconduct is investigated, and whether stated values survive difficult trade-offs. Leadership is therefore not only the behavior of a visible executive. It is the design of an environment in which thousands of other people decide how to act.

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