How leaders can enable employees to voice more and quit less

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Interested in hearing genuine suggestions from subordinates? Want to reduce their turnover? Actually you can achieve both together by learning to become an ethical leader. In a recent study, my co-authors and I studied whether supervisory ethical leadership can engage employees more on their jobs, and in turn, influence the likelihood that they will speak up more and stay longer in organizations.

First, we asked employees to rate the ethical style of their supervisors in terms of whether the latter discussed business ethics or values at work, made fair and balanced decisions, set examples of being an ethical manager, conducted personal life in an ethical manner, etc. (Brown, Treviño, & Harrison, 2005).

Second, we asked employees how likely they were to voice their suggestions to supervisors and how often they considered quitting the jobs and looking for alternative employment.

Our results corroborate our propositions in two different samples. The empirical evidence showed that if the supervisors' style was consistent with ethical leadership, their subordinates would voice more, and hence were less likely to consider quitting.

The reasons are twofold:

First, we found employees to be more engaged at work under ethical leaders. Engagement refers to the state of concentration and vigilance. Since people are less sceptical of ethical leaders' intention, they are more ready to devote attention to their work and feel more comfortable to speak up. And since people are more vigilant when working under ethical leaders, they are more likely to identify problems in the workplace and raise suggestions accordingly.

Second, when people feel comfortable to voice, they are more likely to believe that things will change for the better. Having the opportunity to vent their dissatisfaction also lessens their intention to leave organizations.

Why does this matter? In the corporate scandal of Enron, many employees knew about the corporate financial problems but were too intimidated by top management to speak up. Indeed, in another report regarding employee voice, the investigators suggested that more than 70 per cent of surveyed employees were afraid to openly discuss such workplace problems as managerial incompetence and organizational inefficiencies (Morrison & Milliken, 2000).

In addition to identifying problems, organizations also need new ideas to stay innovative and competitive and employees are a good source of creative and useful ideas. Yet not all of them are willing to speak up their mind. When people quit because they cannot voice their concerns, organizations need to replace them by training new staff. Thus organizations can benefit from employees who are willing to speak up and stay longer.

More importantly, the increasing number of ethical scandals in reputable organizations worldwide (e.g., the collapse of Enron and Lehman Brothers in the United States) has directed the public attention and demand on the ethics of corporate leaders. In the Enron case, the leader of the investigation team suggested that the company downfall was the result of a corrupted corporate culture created by the senior executives (Treviño, Brown, and Hartman 2003). Society thus expects leaders to accept responsibilities to put business ethics as a first-priority goal and redefine corporate values accordingly (Thomas, Schermerhorn & Dienhart, 2004).

How can you lead ethically? According to Treviño, Brown, and Hartman (2003), ethical leaders walk the talk by being a role model of ethical behaviors. Instead of merely focusing on bottom-line, ethical leaders ask the question of "what is the right thing to do" in making their decisions. In addition to upholding high moral standards, ethical leaders also communicate expectations regarding appropriateness of conducts and hold employees accountable for their conduct. As such, organizations are encouraged to implement performance appraisal and reward systems accordingly to reflect these expectations and standards.

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Notes:

- *This blog post is based on the author's paper Voice More and Stay Longer: How Ethical Leaders Influence Employee Voice and Exit Intentions, co-authored with Raymond Loi, Ka Wai Chan, and Yan Liu, in Business Ethics Quarterly, 26(3), p. 277-300 .*

- *The post gives the views of its authors, not the position of LSE Business Review or the London School of Economics.*

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