Foreword

Political scientists, leadership scholars, historians and ordinary people have always been fascinated by the way leaders obtain and use power. The standard sources of power for leaders are their position or legitimate power, the power to reward or punish, their knowledge or expertise, and charisma. Leadership scholars contrast transactional leadership, which is based on rewards and punishments, with transformational leadership which is based on moral values and the personal qualities of leaders. In business and in public life, most people would like to have effective leaders who know how to create social capital and build communities of trust and networks of good will that are based on shared values and goals.

Yet all too often scholars and the media pay more attention to the achievements of leaders, not the ethics of how they lead or the moral value of their achievements. Hence in history, Hitler and Gandhi are both considered great leaders, despite the moral differences between the means they used to bring about change and the results that they achieved. Similarly in the business world, the quality of leaders is usually based on how effective they are at making profits for the firm or reaching organizational goals – not on their ethics. For example, Wall Street once thought Al Dunlop was a great business leader because of his ability to raise the stock price of a company. The ethics of leaders often only comes to the forefront when they get in trouble. The big business scandals, such as Enron's, remind us of why the moral character of leaders matters. Despite the way we often talk about such cases, companies like Enron do not act immorally, its leaders do.

In this provocative and engaging book, Alejo Sison demonstrates why even with social and intellectual capital leaders and their constituents cannot flourish without moral capital. His goal is to integrate the notion of moral capital into the way we think about leadership. While Sison's focus is largely on business, his message and argument holds for leadership in a variety of contexts. By drawing on Aristotle's profound insights into the social dynamics of ethics, Sison offers us a helpful way to think about how everyday actions, habits, and the personal discipline of leaders, shape or undermine the moral resources of organizations today. Richly illustrated with real examples and case studies, Sison demonstrates the importance of moral capital and the personal and professional perils of those who lead without it.

Ethics is an underlying theme in the New Horizons of Leadership series. While there is nothing new about the subject of ethics, the ethical aspects of leadership have not been fully explored in the leadership literature. Sison's book, with its emphasis on the quiet power of morality, offers us a more comprehensive understanding of leadership and makes a significant contribution to both leadership studies and business ethics.

Joanne B. Ciulla, Ph.D.
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