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COMPANY'S SUCCESS

# FOSTERING LEADERSHIP BY EXAMPLE



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**C**ORPORATE culture is the bedrock upon which organisations are built and sustained. It influences how employees interact, make decisions, and ultimately, a company's success. An essential component of corporate culture is leadership, and more specifically, leadership by example.

Leadership by example is the practice of leaders modelling the behaviours, values, and principles they expect from their team members. It is pivotal in shaping corporate culture and impacts an organisation in various ways.

An essential attribute for leaders is probity — the quality of having strong moral principles, honesty and decency.

## **Setting the tone for organisational values**

Leadership by example begins with demonstrating values and principles that define the organisation.

When leaders embody these values in their actions, they set a precedent for the rest of the team. For instance, if integrity is a core value, leaders must exemplify honesty and ethical behaviour.

This, in turn, encourages employees to adopt similar values in their actions, creating a culture of trust and transparency.

Leaders must not adopt a “do as I say, not as I do” approach.

In all their actions, they must ask whether they will tolerate such behaviour if their employees were to do it.

## **Fostering accountability and responsibility**

Leaders who lead by example show their commitment to accountability and responsibility.

When employees see their leaders taking ownership of their actions and decisions, it encourages them to do the same.

A culture of accountability is one where employees hold themselves and their colleagues responsible for their work and its outcomes. This sense of responsibility is instilled when leaders demonstrate it in their daily activities, whether admitting mistakes or following through on commitments.

## **Promoting innovation and continuous improvement**

Leadership by example can also promote innovation and a commitment to continuous improvement. When leaders embrace change, adapt to new challenges,

and seek innovative solutions, they inspire their teams to do the same. In a culture where leaders lead by example, employees are encouraged to think creatively, take calculated risks, and continually seek better ways to achieve organisational goals.

They are told that they should not do anything that will tarnish the company's reputation.

They are also expected to conduct their work decently and be aware of social norms within the context in which they operate, as the social aspect is an important part of environmental, social, and corporate governance.

## **Enhancing employee engagement and satisfaction**

Leaders who lead by example create a work environment where employees feel more engaged and satisfied. When employees witness their leaders' dedication, enthusiasm, and commitment, they are more likely to be motivated and inspired to contribute their best efforts. This, in turn, leads to higher job satisfaction, which is closely linked to improved productivity and employee retention.

On the contrary, where leaders display sub-standard behaviour, employees feel embarrassed and demotivated. In the Asian context, there is a reluctance to speak truth to power as they fear victimisation. Discernment and discretion on the part of the leader should be the order of the day.

## **Improving communication and collaboration**

Communication is a key element of corporate culture. Leaders who lead by example in this area promote open, effective communication.

When leaders actively listen to their employees, provide constructive feedback, and communicate transparently, it fosters a culture of open dialogue and collaboration. This can break down silos, reduce misunderstandings, and improve overall teamwork within the organisation.

Apart from just employees, leaders must communicate honestly with shareholders and stakeholders. We all make mistakes, but it takes a leader to admit it rather than try to justify it.

## **Strengthening employee morale and loyalty**

Leaders who lead by example often command higher levels of respect and loyalty from their team members. When leaders consistently act in ways that reflect the organisation's values and principles, employees are more likely to be proud of their affiliation with the company. This pride and loyalty can boost morale and lead to long-term commitment to the organisation, reducing turnover and the associated costs.

## **Driving ethical decision-making**

Leadership by example can strongly influence ethical decision-making within an organisation. When leaders consistently

make ethical choices, employees are more inclined to do the same.

This results in a culture where unethical behaviour is discouraged and where integrity is a central pillar of decision-making. This can protect the company's reputation and build trust with stakeholders.

Where leaders indulge in unethical and fraudulent behaviour, the message sent is: “It is alright for me to be an unethical and corrupt leader, but I expect employees to be ethical and incorruptible.”

## **Creating a culture of learning and development**

Leaders who lead by example in their commitment to learning and development encourage a culture of continuous growth.

When leaders prioritise their own growth and development, it sends a message to

employees that personal and professional growth is valued within the organisation.

This can lead to a workforce that is more adaptable, innovative and better equipped to meet evolving challenges.

Learning and development go beyond structured training sessions, seminars and conferences. Leaders must be role models so that followers can learn and develop by observing the exemplary practices of the leader.

Beware the Malaysian proverb “*bagaimana acuan begitulah kuihnya*” — the confection will turn out like the mould.

Leaders are that mould.

The writer is chief executive officer of Minority Shareholders Watch Group.