Effect of Moral Intelligence on Leadership

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Abstract
Intelligence is considered a general unified concept, largely related to cognitive ability. Moral intelligence is newer and less studied than the more established cognitive, emotional and social intelligences, but has great potential to improve our understanding of learning and behavior. Moral intelligence is the ability to differentiate right from wrong as defined by universal principles. This kind of intelligence is a compass for leaders in our modern global business environment. It not only sets out strong principles to follow but it gives practical applications for real situations. Moral intelligence directs our other forms of intelligence to do something worthwhile. A manager with high in moral intelligence is the "executive" of organizational intelligence. These managers must establish and encourage norms, roles, and rules for efficient application to known tasks, but must also be sensitive and responsive to change by employing sensitivity, problem solving and decision making strategies that allow for adaptation. The studies show that moral intelligence is highly associated with leadership effectiveness and the successful leaders will inevitably be presented with moral and ethical choices. Building moral intelligence is an on-going initiative, and it is one that will always need to be at the center of what organizations do.

1. Introduction
Researchers have revealed that humans are born with a certain instinctual guideline of morality and develop further moral intelligence during maturation. When we judge an action as morally right or wrong, we do so instinctively, tapping in a system of unconsciously operative and inaccessible moral knowledge (Rahimi, 2011).

The concept of intelligence generally refers to the ability to think and learn, and has been predominately used to describe the learning and application of skills and facts. People vary in their intelligence, which is generally attributed to a variable combination of innate, inherited and acquired characteristics. For many, intelligence is considered a general unified concept, largely related to cognitive ability (Clarken, 2009). In the other hand, intelligence is defined —as a person’s all-around effectiveness in activities directed by thought (Gedney, 1999).

Psychologists regard intelligence as the ability to function effectively in the world. Intelligent people are those who have a store of knowledge and skills gained from experience that allow them to manage efficiently the tasks of daily life. A crucial aspect of intelligence, however, concerns the fact...
that the world is a dynamic and changing environment and skills and knowledge gained from past experience may not be sufficient to meet a new challenge (Rahimi, 2011).

In addition of intelligence, moral concepts are embodied in and partially constitutive of forms of social life (Norcia, 2011). Morality is about the beliefs and values that guide people in their decisions (Francis & Armstrong, 2008). Being moral is a complex, difficult and lifelong process as is developing moral intelligence. They both require conscious knowledge, guided by positive affect that is carried out in virtuous action (Clarken, 2009).

Morality is considered a strategic capital for any organizations. It is believed that morality is a main pillar to organizational reputation (Villa, 2007). Certainly, morality is prerequisite of management (Soltani, 2007), and managers should consider to the highest ethical standards within their organizations (National Academy of Engineering Accessed, 2007). Morality or ethics are principles which demonstrate right and wrong behaviors. There are three views about it:

- Utilitarian view: ethical decisions are based on results or outcomes;
- Rights view: it respects to individual’s freedom and rights and supports it;

What’s more, moral intelligence is new to the playing field. Just as emotional intelligence and cognitive intelligence are different from one another, moral intelligence is another distinct intelligence. Moral intelligence is our mental capacity to determine how universal human principles—like those embodied by the “golden rule”—should be applied to our personal values, goals, and actions (Lennick, D. & Keil, 2005).

While there is a broad range of understanding for business intelligence, the authors agree that moral intelligence is not the application of morality for business objectives. On the contrary, it describes the willingness and ability to put something else than oneself and something else than efficiency matters in the centre of one’s reflections (Thorhauer & Blachfellner, 2009).

The current study is an example of a growing awareness that human intelligence is multifaceted. So, we will study moral intelligence; then we will survey the role of moral intelligence on leadership.

2. Moral Intelligence

Moral Intelligence, developed to its fullest by Doug Lennick and Fred Kiel in their book of the same name, has more to do with values and behaviors than what we would think of as “intelligence”, or some raw concept of mental acumen such as IQ (Osborn, 2011).

Moral intelligence is newer and less studied than the more established cognitive, emotional and social intelligences, but has great potential to improve our understanding of learning and behavior (Clarken, 2009). Moral intelligence is the mental capacity to determine how universal human principles should be applied to our values, goals, and actions” (Lennick, D. & Keil, 2005). Borba (2001) defines moral intelligence as the capacity to understand right from wrong, to have strong ethical convictions and to act on them to behave in the right and honorable way (Clarken, 2009). In the simplest terms, moral intelligence is the ability to differentiate right from wrong as defined by universal principles.

Moral intelligence and emotional intelligence are two types of intelligence that are difficult for your competition to copy. Many corporate leaders ignore these differentiating competencies because they are soft skills that are difficult to measure (Goleman, 1998). Aim of moral intelligence is to make the interaction between the environment and the individual functional (Belohlavek, 2007).

The construct of moral intelligence consists of integrity, responsibility, forgiveness and compassion (Lennick and Kiel, 2005):

- **Integrity**: Integrity is creating harmony between what we believe and how we act, doing what we know is right (and this definitely includes telling the truth at all times)
(Manallack, 2006). That is, integrity are 1) acting consistently with principles, values, and beliefs, 2) telling the truth, 3) standing up for what is right, and 4) keeping promises (Clarken, 2009).

- **Responsibility**: Responsibility’s three competencies are 1) taking personal responsibility, 2) admitting mistakes and failures, and 3) embracing responsibility for serving others (Clarken, 2009).

- **Forgiveness**: is a key principle because without a tolerance for mistakes and acknowledgement of human imperfection, we are likely to be rigid and inflexible, thereby reducing the common good (Manallack, 2006). Forgiveness involves 1) letting go of one’s own mistakes and 2) letting go of others’ mistakes (Clarken, 2009).

- **Compassion**: compassion is actively caring about others (Clarken, 2009). It is broadened to include caring about others, which then shows our respect for others. It also has a boomerang effect, because generally when a compassionate person is in trouble, we return compassion to them (Manallack, 2006).

In another model, there are seven main traits exhibited by moral beings. The extent to which an individual exhibits these traits coincides with one's level of moral intelligence. These seven traits are:

- Inhibitory control,
- Empathy,
- Consistency,
- Fairness,
- Responsibility,
- Cooperation, and
- Logic (Rahimi, 2011).

Lennick and Kiel (2005) offer many ideas as to how we can use our moral intelligence to evoke moral intelligence in others. Their combined effect will be more effective organizations. Why? First, we will be proud of where we work and for what it stands. Therefore, we will feel more committed to the organization, its culture, and vision. Second, we will access and utilize more of our own talent (and that of others around us) because we are free from guilt and shame. And third, it is the right thing to do.

One study confirms that moral intelligence reinforces good behavior and enables social life to be sustainable over time (Norcia, 2010).

### 3. Moral Intelligence and Leadership

Quotient Behavioral Leadership model could be divided into practical intelligence, social intelligence, cultural intelligence, emotional intelligence, and moral intelligence (Toole, 2010) (Figure 1).

**Figure 1**: Quotient Behavioral Leadership Model

Source: Toole, K., 2010, Organizational Intelligence as a Leadership Development Model, HR Southwest Conference, October 13
According to Quotient Behavioral Leadership model, moral intelligence is excellent reading for new entrants to the business world as well as experienced managers. Our view that moral intelligence was key to effective leadership led us to wonder: How do leaders get to be moral—or not?

Moral Intelligence is a compass for leaders in our modern global business environment. It not only sets out strong principles to follow but it gives practical applications for real situations (Lennick & Kiel, 2006). In organizations, moral intelligence involves a combination of knowledge, desire and willpower. It involves the way we think, feel and act (Clarken, 2009). Lennick and Kiel demonstrate that top-performing companies have leaders who promote moral intelligence throughout their organizations “...because they believe it’s the right thing to do...they [also] produce consistently high performance almost any way you can measure it—gross sales, profits, talent retention, company reputation and customer satisfaction” (Batstone, 2003).

Leadership and intelligence have been studied and there appears to be a correlation between the two and leadership effectiveness. In over 200 studies done and documented since 1963, there is overwhelming support for the idea that leadership effectiveness or emergence is positively correlated with intelligence. While these findings support the fact that more intelligent people are likely to be good leaders, one cannot conclude that the smartest people are always necessarily the best or most effective leaders. Other studies have shown that while intelligence is positively correlated with effective leadership, being much smarter than your subordinates can actually hinder effective leadership. This is based on the fact that communication between followers and leaders may be impaired if the leader is vastly more intelligent than the group he or she is trying to lead (Gedney, 1999).

A manager with high in moral intelligence is the "executive" of organizational intelligence. These managers must establish and encourage norms, roles, and rules for efficient application to known tasks, but must also be sensitive and responsive to change by employing sensitivity, problem solving and decision making strategies that allow for adaptation (Rahimi, 2011).

Moral leaders have a long-term commitment to moral ideals, including a respect for humanity. They are deeply certain about their moral beliefs and draw on a lifelong capacity to learn from others. They are scrupulous in their efforts to use morally justifiable means to pursue their moral goals. And, they demonstrate a humbleness and willingness to risk their own self-interest for the sake of their moral goals (McGregor, 2010). Therefore, moral intelligence of employees and managers affects the performance of the organization (Waskitho, et al. 2010).

4. Conclusion

Scientific research supported our initial notions about the importance of moral intelligence for individuals, organizations, and societies. Pinker (2008) proposes that moralization is a distinctive mindset that needs to be nurtured so it can be accessed for moral deliberations. He holds that a moral sense is an innate part of being human. Although leadership is irrevocably tied to morality (McGregor, 2010), but leaders who face today’s urgent business challenges can’t afford to wait for further research to confirm the importance of moral intelligence to their success.

Moral intelligence is not just important to effective leadership—it is the “central intelligence” for all humans. It’s because moral intelligence directs our other forms of intelligence to do something worthwhile. Moral intelligence gives our life purpose. Without moral intelligence, we would be able to do things and experience events, but they would lack meaning. Without moral intelligence, we wouldn’t know why we do what we do—or even what difference our existence makes in the great cosmic scheme of things (Lennick, D. & Keil, 2005). In general, moral intelligence increases each actor’s survival chances and wellbeing.

Besides, moral intelligence could include recognizing problems, setting goals, deciding on what is the right thing to do, taking action and persevering (Clarken, 2009). As a manager who has a good intelligence and competitive intelligence can cope with the market an organizational facts well than
others who do not have more so a manager who has a good one can manage the situation and run the business more successfully than the others too (Rahimi, 2011). The studies show that moral intelligence is highly associated with leadership effectiveness (Clarken, 2009) and the successful leaders will inevitably be presented with moral and ethical choices (McGregor, 2010).

Managers should note that they should use their intelligences to find the effective organization model to manage the circumstances and also remember that the organizational effectiveness in modern organizations is much more different with the past organizations and the modern organizations are in turbulent time and all the time the organizational goals may change (Rahimi, 2011).

In conclusion moral intelligence presupposes the social, biological and psychological intelligences, all of which require the rich capabilities of the social brain. Building moral intelligence is an on-going initiative. It is one that will always need to be at the center of what organizations do. Considering to effective outcomes of moral intelligence, it should be reinforced among managers and employees.

References