The Post-COVID-19 Challenges in Ethical Leadership

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Abstract: The current post-COVID-19 digital age is the culmination of human development caused by the exponential use of technology in the workplace. The digital age is moving so fast that it is fundamentally changing the way organizations operate, whether in the private or public sector, which adequately requires new ways of thinking about service delivery that influence the way operational models are designed. In this article, we discuss new approaches to responsible management, a more progressive approach to ethics and trust in employees. With digital transformation comes technological tools that allow you to quickly and easily measure and test the correctness of decisions. We consider mobility and flexibility to be key so that employees can remain relevant in the digital economy. In this way, they can navigate digital opportunities and gain a lasting competitive advantage and better prepare to control the digital world.

Keywords: COVID-19 pandemic, digital age, leadership, ethical leadership, sustainable development

JEL klasifikácia: C22; C51; Q11; Q13

1. Introduction

The coronavirus pandemic has been unprecedented in its impact, leaving no aspect of life unaffected from its arrival in late 2019. It impacts on work, school, social gatherings, and travel, to larger shockwaves to the world's economy and health care systems, COVID-19 is a crisis on the global stage.

Change is hard—and during the COVID-19 pandemic, it's happening at breakneck speed. Your employees and business partners need to know now, more than ever before, that they can trust you to be honest and transparent with them. This is the essence of ethical leadership. The importance of ethical leadership has never been greater, demanding superior leadership skills. This new post-COVID-19 era is changing the way of human life, his work environment and activities. The need to respond quickly to frequent changes is turning old slow hierarchical models into flat ones. Organizations in all industries are experimenting with and profiting from digital transformation (Bonnet, 2014). The main point of interest of leaders is a correct understanding of the effects of nowadays digital transformation on the economic market. The rapidly changing environment poses potential problems for those who lead organizations and teams, where digitization affects all types of organizations in every industry: start-up or transnational, old or new, private or public (Collin, 2020).

Non-managerial staff face situations where they need to have greater decision-making power in organizations and perform their own roles and operations with greater responsibility. Leaders and employees should be free to share the organization's ideas or ideas and have control over your own performance. (Jääskeläinen, 2020).

By accelerating technological development, executives in all industries are trying to keep up with these changes by learning about digital progress (social media, smart devices, etc.), modernizing their business processes with technologies such as various user programs. For organizations to respond quickly to these changes and capture new business opportunities, there is a set of skills and competencies that are important for both leaders and employees in the digital age (Li, 2016). It is a combination of knowledge, skills and innovative thinking (Dubois, 2004).

As digitalisation is a source of enormous change in the business world, leaders need to be able to cope with it in a productive way. The knowledge required for leaders is very broad and specific, but certain skills can be applied in several contexts to gain a better understanding of the skills and thinking needed for successful leadership in the digital age, including ethics and moral conduct.

2. Theoretical background

2.1 The post-Covid-19 digital age and leadership

The post-COVID-19 world is currently closely affected by the worlds of economics, economics and management, in a way it is metamorphized, which is reflected in organizations in the increased use of technology to modernize their business strategies. The pace of change is intensifying, and many companies must prevent collapse with active leadership responses, while finding the right ways to continue to compete vigorously and stay in the marketplace. Looking to the future, technologies such as robotics and artificial intelligence (AI) are naturally expected to affect two billion jobs in the coming decades. (Frey, 2020)

Berman (2012) assesses the digital transformation in terms of its impact on business models and encourages executives to focus on two complementary activities: using digital technology for greater collaboration and interaction work with employees and reforming the values of the organization in order to transform the entire operational model. Fitzgerald (2013) argues that almost no organization will be able to protect itself from the digital transformation and distortion of competition that follows the introduction of new digital technologies and business models.

Digitization is a complex term and phenomenon that can be summarized and explained because its characteristics are intercultural, interdisciplinary, inter and intrageographic, as well as virtual. (Collin, 2015)

Khan (2016) identified six main characteristics of digitization through a review of the literature, as follows: (1) interconnectedness, (2) saving over time and reducing the amount of information, (3) increased transparency and complexity, (4) removing hierarchy and personal barriers , (5) enabling decision-making for all and strengthening integrity, (6) a humanizing effect. It describes digitization as an advantageous as well as a disadvantageous means, pointing out the duality of its properties as both benefits and challenges, which requires mastering every aspect of digitization that leaders should master.

Organizations with digitally proficient leaders, well-established start-ups will outperform organizations with less capable digital technology leaders and become lagging behind. The neglected leadership gap with increasing digitization is expected to widen and widen. The leadership skills needed to succeed can be described as the ability to (1) create a transformative digital vision, (2) energize employees through engagement, (3) focus on digital management,

and (4) build technology leadership (Westerman, 2014). However, digital management is the process of managing an organization's digital activities toward its strategic vision, while building technology leadership means enabling and merging IT leaders with current behavior in the organization (Westerman, 2014). Digitization is a catalyst to develop a successful leadership style.

Oxford Economics researchers note that a new level of start-up leaders incorporating digital thinking is very proficient in using technology to gain a competitive advantage and, as a result, deliver stronger business results. A recent Leaders 2020 study of more than 4,000 executives in 21 countries found that digital leaders deliver greater employee performance and engagement through strategy, speed of decision-making and inclusiveness. (Babat, 2018)

It can be said that a full digital style of leadership is a great opportunity, but if it is not thought out, it can push the leader too far from his true self. Authenticity is generally considered the "gold standard of leadership." The challenge for leaders is thus twofold: 1. to maintain authenticity, in accordance with one's true self, by making use of the best of digital change, and with digital changes. (Ibarra, 2018)

Ibarra (2018) points out that without the development of this true Self, man tends to form too inflexible a definition of what it means to be authentic, which may ultimately become an obstacle to effective modern leadership.

One way to solve this dilemma, as Babat (2018) points out, is to approach personal evolution through the classical framework of knowledge and learning. This framework includes phases of good governance in practice:

Knowledge, knowledge: An authentic digital leader begins with a learning process. It is important for leaders to master the technical skills, competencies and technical information needed for effective management in a modern workplace. It provides a platform that dramatically increases impact, prestige and globally in real time. The knowledge phase teaches flexibility in a rapidly changing environment and acts as a moral compass that can lead an organization to success.

Action: The phase of putting knowledge into practice digitally opens possibilities by abandoning traditional boundaries within or between organizations. It supports critical thinking and experimentation. It supports innovation. It is part of the business culture, ethical environment and performance of the organization's employees. This phase includes implication in new projects and activities, interaction with employees and stakeholders, experimenting with new ways of leadership in practice.

Self-confidence: The final - and most difficult - phase of becoming an authentic leader is the self-confidence phase. Great leaders are constantly confident, and they know how they affect others. It helps them to always act according to their core values and, on the other hand, to maintain integrity. Digital leaders often communicate and engage with multiple members in their organization and among other organizations. Each leader has his or her individual identity and uniqueness, allowing them to be aware of the wide range of commitment they require in the digital age to strive to create a new perspective of leadership.

Leadership: The digital pace places increased demands on ethics and credibility. The best digital leaders are original in design and purposefulness in how they work with multiple platforms, information, decision making. They make effective use of tools and methods of communication. Gaining new knowledge in authentic leadership is very valuable in developing oneself in the digital world. (Babat, 2018)

2.2 Ethical leadership in the post-Covid-19 and digital age

The digital transformation is radically changing leaders' attitudes towards ethics and trust. From classic methods of communication to communication using the Internet for faster transfer of information in the organization, between organizations, with clients, stakeholders, where there is an urgent need to set a higher level of ethical management of participants. Technology systems can help, but the new capabilities and approaches of leaders, who play a crucial role in managing radical transparency, are crucial. Personal and professional dynamic approaches based on ethical principles and trust. Digital transformation is a source of innovation, new markets, creative business models, breakthrough products and services. A strategic analysis by the World Economic Forum (Weinelt, 2016) shows that digital transformation in just four industries could lead to profitable opportunities of around $ 8.4 trillion by 2025. However, the digital transformation is complex. Global, informed clients have stopped tolerating use, either by themselves or others. Organizations using advanced analytics to deliver new products and services are pushed to push data collection and usage rights. Improper use of data can cause organizations to lose customers, risk high fines, litigation costs, damage to goodwill, but also a drop in market share prices.

According to the Accenture Technology survey by Vison (2016), 83% of respondents say that trust is a cornerstone of the digital economy. For business leaders, trust is becoming an important attribute-value because individual and institutional behavior is exposed to an unrivaled level of transparency. (Lacy, 2020)

By the overall revitalization of the ethical environment and ethical culture in organizations, it is possible to introduce a more progressive approach to ethics and trust. Leadership based on these attributes is better prepared to control / explore the digital world using digital technologies.

Without trust, leaders lose the authority to create change, introduce new methods, ideas, products, innovations through digital technologies. However, digital technologies are also creating confusion as leaders and organizations introduce trust and ethical behavior (see Figure 1) into the management system. (Lacy, 2020)

Picture 1. The impact of digitization on business ethics and trust

ANALOGUE	DISPUTE POINT	DIGITAL SOLUTION
Cross - sectoral consensus	Ethical expectations	More stakeholders' perspectives
Clarity	Data usage limits	Discourse
Lack of transparency	Transparency of operations and leadership	High visibility
According to law	Regulatory tools	Outrun innovation
Thoroughness, control, planning	Communication between leaders	Distance, accessibility, 24/7
ANALOGUE	DISPUTE POINT	DIGITAL SOLUTION
Cross - sectoral consensus	Ethical answer	Ongoing negotiations, judgment
Slow, expensive	Ethical crowdsourcing	Fast, low cost
Centralization, one-way communication	Regulation and trust	Decentralized, common communication
Pressure strategy, official company channels	Stakeholder information	Separate, "informal" channels

Source: Accenture 2020

According to Lacy (2020), there are several key challenges that need to be addressed:

1. Leaders are ill-prepared for radical transparency

Currently, good or bad news is spreading fast and without major restrictions, thanks to the media. The growing popularity of the Glassdoor social recruitment and evaluation site confirms that employees are ready and willing to share their views. A recent Accenture Strategy survey found that 60% of employees admit to sharing information about their remuneration, salaries, or views on their managers' performance on public social sites. (Attention technology vision, 2020) This openness places additional demands on business ethics leaders, giving them the ability to represent words through deeds and build collective trust in organizations.

Executive ratings are important and are increasingly considered mandatory in organizations considering new alliances or acquisitions.

While an analysis of Accenture's strategy identified the first three behaviors for leaders who activated collective trust — by inspiring others, by a visionary spirit, and by rapid adaptability — many leaders have yet to develop the qualities needed to promote shared ownership and strengthening the ethical standards of the organization. However, these qualities can bring benefits to the organization and society as a whole in the long run.

The CEO of a leading global consumer products company has extended his traditional management style to the personal, business and social levels. Using a model focused on the future and innovation. His company generated 20 mil. USD in immediate income and stimulated a huge increase in energy throughout his company. (Lacy, 2020)

2. Leaders should go beyond existing regulations

Digital innovation does not seek to change the objectivity of regulation:

Applying the rules that produce the best results has become more complicated. Nowhere is this clearer than in the area of data regulation. 77% of ethical leaders in technology industries believe that the safe and responsible use of data is a major issue. Given the pace of change, leaders can no longer rely on regulators to set clear ethical guidelines. However, evidence to date suggests that they continue to do so - almost three-quarters of business executives said regulation could help clarify the appropriate use of personal data. Leaders will take responsibility for setting their own standards and codes for digital ethics, which requires dialogue between business leaders and regulators in public-private partnerships. Indeed, some regulators realize that they are not moving fast enough to meet the speed with which the industry is changing. (Lacy, 2020)

3. Leaders should embrace digital ethics to support digital innovation

According to Accenture research, 82% of respondents agree that a lack of security and ethical regulation of data could exclude them from participating in digital platforms or ecosystems. Clearly, digital technologies are testing ethical boundaries - from how companies use knowledge data to use algorithms to make ethical decisions. Many companies are already trying to identify these boundaries. For example, Facebook experimented with the emotional effects of negative news on 700,000 users. After this experiment came to light, Facebook suffered considerable criticism in the media. These situations are beyond the bounds of ethics and should be prevented from arising at all. Facebook's ethics and policy makers have since provided a detailed overview of the company's research review process, including specific steps taken to review its internal research work, which is considered an important step forward for corporate research ethics. The leader's ability to respond quickly and demonstrate a willingness to self-assessment helps the organization maintain credibility. (Lacy, 2020)

As digital innovation becomes more sophisticated, issues of ethics and trust are becoming more challenging. The scale of digital innovation means that strategy and ethics often overlap. More and more leaders involve their employees in the implementation of the company's strategy and use their values for derivation. Digital entrepreneurship has encouraged many businesses to increase ethics education. They implement initiatives such as the Global Life Cycle Program, which characterizes employee progress through ethics and compliance, regulation, and regulatory training.

2.3 Building a strong trust in the post-Covid-19 era

Confidence-literary sources agree that employees are aware of and perceive the dimension of trust in the organizations where they work (Morgan, 1994). Employees intuitively develop perceptions of trust (or distrust) in organizations through contact with other employees and leaders.

O'Toole (1995) highlights four key areas of ethical leadership that emphasized the essence of trust-based values:

1. Integrity: Determining what is morally correct and long-term beneficial, actions towards equality, leadership based on moral values.

2. Confidence: Leaders should be the "champion of the people" in the context of ancient Roman times (O'Toole, 1995). By establishing the ideal that the leader is a servant of the people, with the responsibilities and privileges of such a task shared among the people. Allow followers to lead with courage and optimism. The aspirations and values of the members are essential, and the leader becomes their vessel. By trusting the leader and vice versa, the group is strengthened.

3. Listening: By listening to people, to serve to do what is right for the organization (O'Toole, 1995). In an organization: A leader who listens to his followers or members of the organization understands the desires of his organization.

4. Respect: There is only a leader in organizations. (O'Toole, 1995) According to Thomas Jefferson (Schneider, 2014), teaching is a better way to lead people than leadership itself. In organizations, the leader is both a teacher and an encouraging person by encouraging members to adhere to certain values and internalize them, and the leadership extends to the group.

Leadership thus becomes a joint activity of every individual in the organization.

The path to building trust in a world of radical transparency is not unknown to the leader.

According to Lacy's proposal (2020), company leaders can determine settings and direction in three steps:

Using digitization to remove barriers between employees or consumers seeking authenticity. Creating a more dynamic and adapted culture to address the speed of digital disruption requires leaders to make their own digital progress. Leaders at all levels should improve their digital skills needed for the rapid exchange of information. At present, however, organizations are still lagging in digital solutions. For example, 85% of the respondents interviewed by production managers interviewed by Accenture expect a digital and robot-oriented work environment to be routine by 2020. Nevertheless, only 22% of respondents implemented measures to realize the potential of an interconnected industrial workforce. forces. Leaders everywhere need to adopt strategies and behaviors that make sense in the digital world.

By creating reverse transparency in digital leadership, which means acting faster than planning. Creating, implementing and managing ethical policies - for example in the area of privacy protection - can help organizations quickly adapt to changing customer expectations. Leaders can use approaches such as ethical hacking, microactive crowdsourcing, and 30-day challenges to create dynamic standards of behavior. The approaches tested can be shared

with regulators and legislators and open to external scrutiny in a way that strengthens confidence with consumers and stakeholders.

The construction of the so-called the "ethical power" where leaders build diverse staff uses talent management to help their organizations become more resilient in the digital ecosystem. It is a combination of age groups, gender, ethnic groups and education that allows organizations to incorporate different perspectives into their ethical decision-making. Just as developers today review code, data engineers should regularly review the ethical decisions they make throughout the analysis lifecycle — from data procurement and cleanup, algorithm and training data selection, to visualization. (Lacy, 2020)

Ethical behavior can also be created through collaboration tools and other digital technologies. For example, leaders can support ethical judgment by using online coaching, game-based simulations, and various communities to engage with networks outside the organization.

3. Conclusion

This paper discusses the post-Covid-19 age and digital age and leadership in it, highlighting the importance of ethics and moral leadership in organizations. Organizations need leaders who see the positive impact of digital technologies on business management. Representatives who feel what is and is not possible, what is more important, and what will be possible, what is right and what is not right. Leaders looking for standardization and automation of processes to create new knowledge that they can use in differentiated functions. Digital ethical leaders should be able to adapt to constant change and not lag. They should learn every day and show leadership. Anticipating change should be their strength, for which they need to acquire a certain set of skills. Managers should identify and develop new digital skills. The most important thing is to better anticipate and respond to the competitive environment, to approach solutions comprehensively, to use data and analyzes to guide their decision-making. Base your leadership on an aspect of trust and cooperation with other employees. Trust is the foundation of leadership in digital transformation.

Recommendations for the future:

Based on a literature search, it is possible to propose the following suggestions for future leaders in the digital age, as well as suggestions for further research in this new issue:

- identify critical leadership roles and assess the readiness and talent of the leader to embrace the digital transformation.
- review the framework of their competencies to include new knowledge and skills aimed at executive development.
- develop programs to accelerate digital market leadership. It is an excellent approach to building technical know-how and management skills.
- move beyond "simple digitization" through the implementation of variable technologies to an integrated way of leading and performing leaders
- require not only technical prowess, but also imagination and an idea of how technology can increase an organization's competitive position in the market.
- to support the digital ecosystem for leaders to prosper. (New approaches to learning, rewards, space use, and removing hierarchies and barriers.)
- build team leadership on trust-based moral values
- be an authentic leader who is itself an example to others

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