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THE IMPACT OF ETHICAL STANDARD AND VIRTUOUS LEADERSHIP IN DEALING WITH CONTRACTUAL OBLIGATIONS

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ABSTRACT

The recent recession of troubled economy has taught citizens and socio-economic organizations that business is an inevitable part of human life for which highest standard of ethics and moral behavior is essential for the organizational leaders to sustain and to look after the future generations. This paper links the virtues and ethical standard of leadership in dealing with contractual obligations in an organizational context. To days' business is more complex obviously and involves larger number of contractual obligations. Certain contracts are expressed and some are implied. To enter and to manage any kind of contractual obligations, the leaders of the organization should maintain absolute integrity with good virtues and ethical standards keeping in view of the mutual consent and mutual advantage. Failure of ethical standard and dishonesty behavior of leaders will harm the organization and its sustainability. The paper tries to review the scope of ethical standards, moral behaviour and contract of good faith to gain sustainable leadership qualities for the 21st century organizations.

KEYWORDS: *Contractual obligation, doctrine of good faith, ethical standard, implied contract, virtuous leadership, waging contract.*