Chapter 83

Responsible Leadership Behaviour as a Determinant of Stakeholders' Health and Well–Being:
A Review and Conceptual Framework

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ABSTRACT

Recent corporate scandals have prompted discussion of the role of business in society. Business leaders are increasingly held accountable for their actions and non-actions in relation to all stakeholders, both internal and external. The emerging challenges faced by business organizations today include economic, social, and environmental demands; globalization; rapid population growth; natural resources exploitation; extreme poverty and debt; global migration; unprecedented inequality; global migration; geopolitical and ecological crises; climate change and other environmental issues; competitive pressure; health issues; new information and communication technologies; and sustainable lifestyles. Responsible leadership represents a new type of leadership, which is better positioned to address these challenges through stakeholder consideration and in the context of sustainable development. Building on existing literature, the aim of this article is to present a conceptual framework of responsible leadership as a potential determinant of stakeholders' health and well-being.

INTRODUCTION

In recent years, a variety of corporate scandals have brought about a discussion regarding the role of business in society. Consequently, to this, business leaders are increasingly held accountable for their actions and non-actions in relation to all stakeholders and society at large (Pless et al., 2009). Business organizations today face emerging challenges such as economic, social, and environmental demands; globalization; rapid population growth; natural resources exploitation; extreme poverty (rich–poor gap) and debt; global migration; unprecedented inequality; global migration; geopolitical and ecological crises; climate change and other environmental issues; competitive pressure; health issues; new information and communication technologies; and sustainable lifestyles (Sachs, 2019).

In this respect, corporate social responsibility (CSR) has come to be the vehicle by which businesses and their leaders contribute to society. CSR is a concept whereby business organizations voluntarily integrate social, environmental, and health concerns in their business strategy (policy) and operations and in their interactions with different stakeholders (EU, 2011). The social responsibility of business organizations encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Carrol, 1999). However, many scholars argue that in order for business to implement CSR and do good for society, a new type of leadership is required: responsible leadership (RL). Although various definitions of RL have been put forward, there is general agreement that it is "a relational process with the various stakeholders where leaders accept the accountability for socially responsible actions as part of their strategic business decisions and strive to maintain a fine balance between the immediate and extended stakeholders" (Pless et al., 2009; Waldman et al., 2020). Building on existing literature, the aim of the present article is to present a conceptual framework of RL as a potential determinant of stakeholders' health and well-being. First, the article identifies the main theories of leadership behaviour and the emergence of RL according to the literature; second, it explains how RL can be a determinant of stakeholders' health and well-being; and third, it proposes a conceptual framework which links RL to stakeholders' health and well-being and allows for the identification of challenges and opportunities.

LEADERSHIP BEHAVIOUR, EMERGENCE OF RESPONSIBLE LEADERSHIP

Traditional Theories of Leadership Behaviour

Most of the earlier literature on leadership behaviours at the start of the twentieth century highlighted theories that viewed effective leadership styles in terms of the traits and behaviours of leaders. However, researchers later introduced other leadership theories such as transformational and transactional leadership, charismatic leadership, shared leadership, authentic leadership, virtuous leadership, servant leadership, and many more (Flocy,2007; Frangieh et al., 2017). As mentioned above, RL has emerged in recent years within academic and practice circles attached to CSR and stakeholder theory (House et al., 1997; Groves et al., 2011; Waldman et al 2011).

Trait theories tried to understand leadership by identifying characteristics that differentiated leaders from non-leaders or good leaders (O'Boyle, 2015). These theories asserted the view that leaders are born and not made, and were supported by behavioural genetic research (O'Boyle, 2015; Barling et al., 2011). Thereafter, behavioural theories of leadership emerged in an attempt to focus on universally

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