



Developing Moral Leadership in the Digital and Remote Era: Ethical Leadership in a Virtual World

Choirul Anam^{1*}, Mega Fianita Fadilah², Widiya Rahmawati³, Andi Nu Graha⁴

^{1*} Departement Management, Faculty Economics and Business, Universitas Widya Gama, Indonesia,

^{2,3} Departement Management, Faculty Economics and Business, Universitas Widya Gama, Indonesia

⁴ Faculty Economics and Business, Universitas PGRI Kanjuruhan Malang

Korespondensi Penulis : anam@widyagama.ac.id

Abstract. *This research explores the challenges leaders face in the rapidly evolving digital age and remote working. With the rapid adoption of digital technologies and the shift towards remote working, organizations face the challenge of ensuring ethical principles are maintained and effectively applied. This research aims to identify and develop ethical leadership practices that are relevant in a virtual context and provide practical guidance for handling ethical dilemmas in a digital environment. The research method used a post-qualitative approach with a diffractive design, which involved case studies, document analysis, and in-depth interviews with leaders from various organizations who successfully implemented ethical leadership in a remote context. The diffractive approach enabled an understanding of ethical leadership as a dynamic process that interacts with technology and social interactions. The results show that effective leaders in the digital age require adaptive communication, firm ethics policies, and a values-based approach to build and maintain team trust. The ethical leadership model found includes four key pillars: transparency of communication, integrity in decision-making, maintenance of data privacy, and continuous ethics training. In conclusion, ethical leadership in the digital world requires adjusting ethical values in virtual interactions. This research develops a moral leadership model that is responsive to digital complexity and provides practical guidance to improve ethical leadership in the digital age.*

Keywords: *Moral Leadership, Digital Age, Remote Working, Virtual Ethics, Leadership Model*

1. INTRODUCTION

The way leaders engage with their teams has changed dramatically as a result of the widespread shifts brought about by the digital age and remote work. Within a global setting, leaders must deal with new issues like managing teams dispersed over several locations, integrating technology into work processes, and facilitating communication via digital platforms. Concerns like cyberbullying, data privacy, and how technology affects work ethics are becoming more and more significant. According to research, leaders need to be able to handle difficult moral conundrums, such as how to uphold integrity, accountability, and transparency in frequently unsupervised virtual environments (Gini, 1997; Quick & Normore, 2004; Sergiovanni, 1992; Solinger et al., 2020). The complexity of applying ethical principles in a global context is further compounded by cultural diversity and differences in international regulations (Ponomareva et al., 2022).

Digital technology adoption and remote work are relatively new in Indonesia. Even though technology is being used more frequently, infrastructure and technological readiness vary greatly amongst industries. A number of Indonesian organizations lack proper digital ethics policies, and leaders' and employees' ethics training frequently overlooks the unique

difficulties associated with remote work (Hunter, 2019). Studies indicate that variations in the rates of technology adoption across various regions and industries may result in deficiencies in the implementation of ethical leadership (Caniëls, 2023). Many Indonesian leaders have not adequately prepared themselves for ethical challenges in the digital context due to uncertainty and ignorance about new ethics policies.

Effective leaders must be able to apply strong ethical principles, uphold transparency, and put in place explicit ethics policies in a remote and digital work environment. Creating an extensive framework, providing continuing education, and introducing morally sound technology are all components of ideal moral leadership. Leaders should ideally be able to establish an equitable, open, and welcoming workplace where moral principles are respected and consistently upheld (Northouse, 2021; Yukl & Gardner, 2019). This entails developing an organizational culture that upholds morality and offers precise direction for making decisions.

In actuality, though, a lot of organizations struggle to put ethical principles into practice in distant and digital environments. A few of the major obstacles are a lack of explicit instructions, a lack of knowledge about how to apply ethics policies in a virtual setting, and regulatory and cultural variations that impact ethical behavior (Naamati-Schneider et al., 2024). Additionally, a lot of businesses haven't created the proper policies to deal with information security and data privacy concerns, which can lead to ambiguity and even ethical transgressions (Lakshmi, 2023). Because of this, leaders frequently lack the means or instruments necessary to address the moral conundrums that come up in the digital era.

Theoretical frameworks that explicitly tackle ethical leadership in remote and digital environments are scarce. The majority of ethical leadership theories currently in use have not been modified to address the particular difficulties encountered in virtual environments (Brown & Treviño, 2006). The factors influencing the effectiveness of ethical leadership in digital environments are not well understood. More research is required on variables like remote team dynamics, cultural differences, and communication technology (Ponomareva et al., 2022). There aren't many studies measuring ethical leadership in virtual environments using suitable research methods. Numerous studies continue to employ more conventional approaches and have not modified pertinent strategies for use in digital contexts (Anam & Sopiiah, 2024; Avolio & Gardner, 2005). Empirical evidence regarding the impact of moral leadership on organizational performance in remote and digital environments is scarce. The empirical evidence on the practical impact of ethical leadership in these contexts has not been sufficiently explored in previous research (Caniëls, 2023).

Although theories on ethical leadership have been developed in the past, they have not been modified for the digital age. The unique challenges of the virtual world have not been fully accommodated by models like the one put forth by Brown & Treviño (2006) . Studies like the one carried out by Ponomareva et al. (2022) highlight the necessity of investigating novel factors that impact moral leadership in digital environments. Relevant variables like communication technologies and remote team dynamics are frequently left out of these studies. (Anam et al., 2018; Coad & Berry, 1998; Dionne et al., 2004) offer valuable perspectives on transformational leadership; however, they do not employ techniques that are tailored for digital settings. Empirical research techniques might not be entirely suitable for assessing moral leadership in a digital environment. According to Caniëls (2023), there is a dearth of empirical research on the effects of ethical leadership on organizational performance when it comes to remote work practices.

Closing this gap will help leaders and organizations understand moral leadership in remote and digital environments and will offer helpful advice. Organizations can preserve integrity and boost performance by knowing how ethical principles can be applied in virtual environments. The goal of this research is to create a digitally relevant ethical leadership model. We can enhance leadership techniques and lower the risks involved in implementing ethics in the digital age by closing this knowledge gap.

2. LITERATURE REVIEW

Grand theory in the context of ethical leadership comprises Ethical Leadership Theory and Transformational Leadership Theory, fundamental theories that serve as the foundation for understanding moral leadership in general.

Firstly, the foundation of leadership studies is the Transformational Leadership Theory, which was developed by Burns (1978) and Bass (1985). The importance of leaders who can inspire and motivate people through a clear vision and strong moral principles is emphasized by transformational leadership. According to Bass & Riggio (2005), transformational leaders are crucial in fostering an ethical culture within their organizations. Second, the purpose of the development of the Ethical Leadership Theory was to comprehend how leaders can affect organizational ethics by their choices and actions. According to Brown & Treviño (2006), integrity, fairness, and transparency are closely linked to ethical leadership, which has the power to influence ethical behavior across the entire organization.

Middle theory focuses on particular facets of ethical leadership in remote and digital contexts, such as Digital Ethical Leadership Theory and Authentic Leadership Theory, and it

connects grand theory with practical application. Avolio & Gardner (2005) developed the Authentic Leadership Theory, which highlights the significance of authenticity and consistency between a leader's actions and personal values. Since connectedness and transparency are major challenges in digital environments, authentic leadership can boost trust and compliance. A development of ethical leadership theory, digital ethical leadership theory fits these ideas into the framework of digital technology. It highlights particular difficulties in virtual environments, including data security, privacy, and communication integrity (Narayan, 2021).

The main goal of applied theory is to put earlier theories to practical use in remote and digital contexts. It entails creating workable plans for moral leadership and putting theory to use in actual circumstances. The principles of ethical leadership can be modified for the digital age using the Ethical Leadership Model for the Digital Age. This includes leveraging technology to improve transparency and integrity. The model highlights the value of using secure communication tools and ethics training based on simulation (Narayan, 2021). Then, to raise awareness and compliance in virtual environments, Practical Strategies for Ethical Leadership in Remote Environments offers adaptive ethics training and a simulation-based approach. It is intended to resolve moral conundrums brought on by digital interactions and guarantee that moral principles are applied consistently (Northouse, 2021; Yukl & Gardner, 2019).

3. METHODS

A post-qualitative approach was taken in this study, which blurs the lines between the research subject and object and allows for fresh perspectives on leadership ethics in remote and digital contexts. In addition to analyzing social phenomena, the post-qualitative approach focuses on how moral and ethical leadership realities are shaped, expressed, and navigated via dynamic networks created in the digital sphere (Jackson & Mazzei, 2022; Lather & St. Pierre, 2013). This enables researchers to uncover more nuanced aspects of ethics that conventional qualitative approaches are unable to adequately explain.

The diffractive design employed in this study is based on Murriss & Bozalek (2019) diffraction theory, which advocates reinterpreting social phenomena via a variety of prisms in order to gain a deeper understanding with each interaction. This study investigates the application and reinterpretation of moral leadership ethics in a digital setting. Diffraction is a tool used to investigate the interaction between digital technologies and algorithms, which impact the dynamics of ethical leadership, and human and non-human actors (Murriss & Bozalek, 2019).

Open-ended interviews with business executives in charge of overseeing digital teams, observational notes of digital exchanges in remote work settings, and examination of the communication platforms were utilized to gather data. This data is analyzed using a diffractive approach, which goes beyond just finding themes to investigate how ethical values like integrity, transparency, data privacy, and ethics training change over time as a result of interactions between different actors (Mazzei, 2014). In the context of digital leadership, this process enables the discovery of "what" is happening as well as "how" and "why" these dynamics are forming and changing.

The four pillars of ethical leadership—transparency in communication, integrity in decision-making, data privacy, and ongoing ethics training—are the center of this approach, which views ethics as a fluid and dynamic phenomena. This method also encourages readers to engage with the contradictions, complexities, and tensions found in the research findings rather than just passively analyzing them (Lather & St. Pierre, 2013).

4. RESULTS

This study confirms that successful managers in digital and remote environments develop a management model that encompasses the four main principles: open communication, integrity in employee performance evaluation, data privacy, and ongoing employee training. This dynamic model highlights the ongoing relationship between technology, innovators, and employees. According to post-quantitative research, etism in the digital world is not only based on traditional principles but also results from businesses that are adapting to the complexity and dynamism of the digital world (Jackson & Mazzei, 2022; Murriss & Bozalek, 2019).

Transparency in Communication

Transparency in communication is defined in a digital context not only as the unambiguous transfer of information but also as the outcome of the changing dynamics between leadership styles and communication technologies. Open and sincere communication builds new networks between team members and leaders, fostering engagement and trust. According to interviews with digital leaders, in order to guarantee clarity and team engagement, they pay close attention to the frequency and quality of interactions and rely on sophisticated communication tools:

"Di dunia digital, kami tidak hanya mengirimkan informasi; kami harus memastikan bahwa pesan kami diterima dengan jelas dan membangun keterhubungan yang kuat. Kami menggunakan platform kolaborasi dan melakukan pertemuan reguler untuk menjaga semua orang tetap terhubung dan terlibat."

(In the digital world, we don't just send information; we have to make sure that our messages are clearly received and build strong connections. We use collaboration platforms and have regular meetings to keep everyone connected and engaged)

Honesty in Making Decisions

In a digital world, making decisions is thought to be a difficult process. A diffractive approach views decision-making as the outcome of interactions between technological requirements, organizational requirements, and ethical principles rather than as a single, isolated decision. Decision-making integrity is thought to emerge from a balancing act between moral principles and the difficulties presented by a distant environment. The quotes from the interviews that follow demonstrate how decision-making is impacted by integrity:

"Kami menghadapi banyak ketidakpastian dalam pengambilan keputusan remote. Menjaga integritas berarti selalu kembali pada nilai-nilai dasar kami dan memastikan bahwa keputusan yang diambil tidak hanya adil tetapi juga transparan."

(We face many uncertainties in making remote decisions. Maintaining integrity means always going back to our core values and ensuring that decisions are not only fair but also transparent)

Maintenance of Data Privacy

According to the post-qualitative method, maintaining data privacy is a crucial step in the dynamics of leadership. The interaction of technology, security guidelines, and organizational procedures results in data privacy. Strong leaders create a connection between team trust and privacy protection. IT professionals' interviews brought to light the significance of stringent data security regulations and openness in data administration:

"Keamanan data bukan hanya tentang perlindungan dari ancaman eksternal. Ini juga tentang bagaimana kami mengelola data secara internal dan memastikan bahwa semua orang tahu apa yang dilakukan dengan data mereka."

(Data security is not just about protection from external threats. It's also about how we manage data internally and ensuring that everyone knows what is being done with their data)

Ethics Education Sustainability

In digital environments, ethics education is viewed as a dynamic process. According to a post-qualitative perspective, this training is a place where ethical values are constantly updated and negotiated through interactions between people and technology as well as a means of transferring knowledge. According to this study, regular ethics training fosters a culture in which morality and accountability are integrated into day-to-day interactions in a digital workplace. Ethics trainer interviews revealed:

"Pelatihan etika harus menjadi proses yang berkelanjutan, bukan sekadar acara tahunan. Dengan perkembangan teknologi yang cepat, kami perlu terus memperbarui pelatihan kami agar relevan dan responsif terhadap tantangan etis baru."

(Ethics training should be an ongoing process, not just an annual event. With the rapid development of technology, we need to constantly update our training to be relevant and responsive to new ethical challenges)

5. DISCUSSION

Through the development of an ethical leadership model appropriate for digital and remote contexts, this research closes the current knowledge gap. Four fundamental components of ethical leadership in virtual environments are identified by the model: maintaining data privacy, making decisions with integrity, communicating transparently, and providing continuous ethics training. These results are consistent with earlier studies that contend that ethical leadership needs to change to meet the particular difficulties posed by remote and digital interactions (Brown & Treviño, 2006; Caniëls, 2023; Solinger et al., 2020).

The study's development of an ethical leadership model focuses on how managers can uphold moral principles while adjusting to the particular difficulties presented by remote and digital interactions. The preservation of data privacy, openness in communication, integrity in decision-making, and continual ethics education are the four essential pillars that support moral leadership in the digital age. This demonstrates how crucial it is to modify conventional leadership techniques for the fast-paced digital environment.

Transparency in Communication

Transparency in communication is one of the keystones of the digital ethical leadership paradigm. The study's conclusions highlight the value of open and honest communication in virtual settings, where nonverbal cues are frequently scarce (Caniëls, 2023; Quick & Normore, 2004). To make sure that crucial information is communicated effectively, leaders must make use of efficient communication tools like online collaboration tools and video conferencing. According to the results of the interviews, leaders can boost team members' engagement and trust by actively providing regular updates and facilitating two-way feedback (Brown & Treviño, 2006). This model highlights the significance of:

- **Efficient Use of Communication Technology:** Make use of online collaboration tools and video conferencing as well as other digital communication tools that promote transparency and efficient teamwork.

- **Communication Frequency:** Give regular updates on the state of the project, key choices, and new regulations.
- **Active Listening:** This technique can boost trust and engagement by encouraging two-way feedback and paying attention to team members' worries.

Transparency in communication has been shown to be essential for preserving trust and team spirit in settings where nonverbal cues are scarce. Effective leaders can boost team engagement and satisfaction by using digital communication technologies and communicating information in an open and transparent manner (Brown & Treviño, 2006).

Honesty in Making Decisions

Another crucial tenet is decision-making integrity. The study's conclusions highlight the need for leaders in digital environments to make sure that choices they make align with the moral principles of their companies. In order to do this, decision-making processes must be made transparent and clear, and bias and conflicts of interest must be avoided (Brown & Treviño, 2006). This conclusion is reinforced by earlier research that demonstrates how decision-making integrity builds leaders' respect and credibility and fosters an ethical and long-lasting workplace culture (Caniëls, 2023). In the digital age, executives need to:

- **Create Unambiguous Decision-Making Processes:** Create policies and processes to guarantee that every choice is based on morally sound standards.
- **Preventing Bias and Conflicts of Interest:** Provide procedures for spotting and handling possible biases and conflicts of interest during the decision-making process.
- **Transparency in Decision Rationalization:** Ensure that all parties can comprehend and accept the rationale behind decisions by providing an open explanation of the basis for each decision.

Making decisions with integrity is crucial to a leader's credibility and to ensuring that choices align with the moral principles of the company. According to research, leaders in the digital sphere are more trusted and respected when they make decisions that are fair and transparent and have procedures in place to prevent bias and conflicts of interest (Caniëls, 2023).

Maintenance of Data Privacy

Upholding data privacy is a key component of the digital ethical leadership paradigm. According to this study, in order to safeguard sensitive data, executives should put in place stringent data security procedures and carry out frequent audits. These results highlight the requirement for regulations that transparently manage internal data usage in addition to

safeguarding data from outside threats (Caniëls, 2023). The results of this study demonstrate how a robust privacy policy can boost team members' confidence in the team manager and the company. Leaders need to:

- **Data Security Policy Implementation:** Create and put into place policies to guard sensitive and personal data against theft and unauthorized use.
- **Frequent Monitoring and Auditing:** Make sure that data protection policies and procedures are being followed by conducting frequent security audits.
- **Team Education on Privacy:** Train team members on the best ways to safeguard personal information and maintain confidentiality.

A key component of the digital ethical leadership model is data privacy maintenance, since data security and privacy are under more and more attack. To prevent breaches and misuse, leaders should put in place stringent data security policies, carry out routine audits, and train teams on data protection procedures (Caniëls, 2023).

Ethics Education Sustainability

One more crucial pillar is ongoing ethics training. The study discovered that those who routinely plan ethics training programs are the most successful leaders in the digital world. To assist team members in resolving ethical quandaries, this training ought to incorporate current issues as well as simulated ethics cases (Brown & Treviño, 2006). This result is consistent with studies that demonstrate how ongoing ethics education fosters a culture of accountability and compliance among team members (Caniëls, 2023). Included in this model are:

- **Frequent Training Program:** Plans frequent training sessions and workshops covering the most recent ethical problems and scenarios that could arise in the digital world.
- **Ethics Case Simulations:** By using case studies and simulations, team members can learn how to identify and resolve difficult moral conundrums.
- **Evaluation and Feedback:** Put procedures in place to assess ethical knowledge and offer helpful criticism for advancement.

Team members that receive ongoing ethics training are guaranteed to stay cognizant of and compliant with the moral norms that govern the digital realm. Team members can develop a culture of compliance and responsibility by participating in regular training programs, ethics case simulations, and assessments of ethical understanding (Brown & Treviño, 2006). The conceptual model's illustration, which is shown below:



Figure 1 Moral Leadership Framework.

6. CONCLUSION

Four essential pillars have been identified by this research, which successfully developed an ethical leadership model tailored to digital and remote contexts: maintaining data privacy, maintaining transparency in communication, making decisions with integrity, and providing continuous ethics training. The model illustrates how ethical leadership in digital contexts necessitates modifying conventional wisdom to deal with the particular difficulties brought on by virtual interactions. By offering a practically relevant framework for leaders in the digital age, the model closes a knowledge gap. It confirms that in order to meet particular communication and decision-making challenges in digital and remote environments, traditional leadership approaches must be modified.

7. LIMITATION

This ethical leadership model must be adopted and put into practice by organizations in order to establish an open, secure, and high-integrity workplace. Using this model can assist leaders in managing the particular difficulties associated with decision-making and communication in the digital age. Additional investigation is required to examine the suitability of this ethical leadership framework across various industry domains and organizational hierarchies. Future research could shed more light on the advantages and disadvantages of applying this model in various settings and circumstances.

REFERENCES

- Anam, C., & Sopiiah. (2024). Narrative review: Human capital, technology capital, digital capabilities in organizational performance SMEs in the era of digitalization. *Asia-Pacific Management and Business Application*, 12(April), 2204139. <https://doi.org/10.21776/ub.apmba.2024.012.03.7>
- Anam, C., Thoyib, A., & Djawahir, A. H. (2018). Roles and functions of transformational leadership in improving the Paskibra high school organization performance. *Jurnal Aplikasi Manajemen*, 16(2), 255–263. <https://doi.org/10.21776/ub.jam.2018.016.02.08>
- Avolio, B. J., & Gardner, W. L. (2005). Authentic leadership development: Getting to the root of positive forms of leadership. *Leadership Quarterly*, 16(3), 315–338. <https://doi.org/10.1016/j.leaqua.2005.03.001>
- Bass, B. M. (1985). Leadership: Good, better, best. *Organizational Dynamics*, 13(3), 26–40. [https://doi.org/10.1016/0090-2616\(85\)90028-2](https://doi.org/10.1016/0090-2616(85)90028-2)
- Bass, B. M., & Riggio, R. E. (2005). *Transformational leadership* (2nd ed.). <https://doi.org/10.4324/9781410617095>
- Brown, M. E., & Treviño, L. K. (2006). Ethical leadership: A review and future directions. *Leadership Quarterly*, 17(6), 595–616. <https://doi.org/10.1016/j.leaqua.2006.10.004>
- Burns, J. M. (1978). *Leadership*.
- Caniëls, M. C. J. (2023). How remote working increases the importance of positive leadership for employee vigor. *Frontiers in Psychology*, 14(January), 1–10. <https://doi.org/10.3389/fpsyg.2023.1089557>
- Coad, A. F., & Berry, A. J. (1998). Transformational leadership and learning orientation. *Leadership & Organization Development Journal*, 19(3), 164–172. <https://doi.org/10.1108/01437739810210211>
- Dionne, S. D., Yammarino, F. J., Atwater, L. E., & Spangler, W. D. (2004). Transformational leadership and team performance. *Journal of Organizational Change Management*, 17(2), 177–193. <https://doi.org/10.1108/09534810410530601>
- Gini, A. (1997). Moral leadership: An overview. *Journal of Business Ethics*, 323–330.
- Hunter, P. (2019). Remote working in research. *EMBO Reports*, 20(1), 1–4. <https://doi.org/10.15252/embr.201847435>
- Jackson, A. Y., & Mazzei, L. A. (2022). *Thinking with theory in qualitative research* (2nd ed.). <https://doi.org/10.4324/9781315667768>
- Lakshmi, N. (2023). Navigating leadership horizons: Strategies for 21st century organizations. *Nolegein-Journal of Leadership & Strategic Management*, 6(2), 15–20.

- Lather, P., & St. Pierre, E. A. (2013). Post-qualitative research. *International Journal of Qualitative Studies in Education*, 26(6), 629–633. <https://doi.org/10.1080/09518398.2013.788752>
- Mazzei, L. A. (2014). Beyond an easy sense: A diffractive analysis. *Qualitative Inquiry*, 20(6), 742–746. <https://doi.org/10.1177/1077800414530257>
- Murris, K., & Bozalek, V. (2019). Diffraction and response-able reading of texts: The relational ontologies of Barad and Deleuze. *International Journal of Qualitative Studies in Education*, 32(7), 872–886. <https://doi.org/10.1080/09518398.2019.1609122>
- Naamati-Schneider, L., Arazi-Fadlon, M., & Daphna-Tekoah, S. (2024). Navigating moral and ethical dilemmas in digital transformation processes within healthcare organizations. *Digital Health*, 10. <https://doi.org/10.1177/20552076241260416>
- Narayan, B. (2021). Emerging ethical challenges of leadership in the digital era: A multi-vocal literature review. *Electronic Journal of Business Ethics and Organization Studies*, 26(1), 30–46. https://jyx.jyu.fi/bitstream/handle/123456789/74932/ejbo_vol26_no1_pages_30-46.pdf?sequence=1
- Northouse, P. G. (2021). *Leadership theory & practice* (9th ed.).
- Ponomareva, Y., Uman, T., Bodolica, V., & Wennberg, K. (2022). Cultural diversity in top management teams: Review and agenda for future research. *Journal of World Business*, 57(4), 101328. <https://doi.org/10.1016/j.jwb.2022.101328>
- Quick, P. M., & Normore, A. H. (2004). Moral leadership in the 21st century: Everyone is watching—especially the students. *Educational Forum*, 68(4), 336–347. <https://doi.org/10.1080/00131720408984649>
- Sergiovanni, T. J. (1992). Moral leadership. *NASSP Bulletin*, 76(547), 121. <https://doi.org/10.1177/019263659207654719>
- Solinger, O. N., Jansen, P. G. W., & Cornelissen, J. P. (2020). The emergence of moral leadership. *Academy of Management Review*, 45(3), 504–527. <https://doi.org/10.5465/AMR.2016.0263>
- Yukl, G. A., & Gardner, W. L. (2019). *Leadership in organizations* (9th ed.).