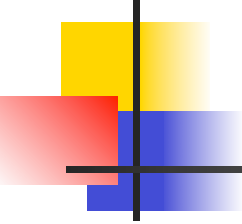




The Ethical Leader

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The Ethical Practitioner



Our ethics are expressed in our actions,
which is why they are usually clearer to
others than ourselves

Sir Adrian Cadbury

Ethics must begin at the top of an
organization. It is a leadership issue
and the chief executive must set the
example.

Edward Hennessey



Divorced from ethics leadership is
reduced to management, and politics to
mere technique.

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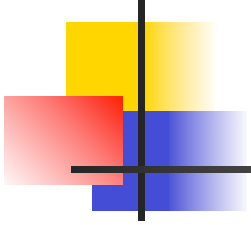
James MacGregor Burns





The Common Denominator

- What do the following have in common?
 - Conrad Black
 - Ken Lay
 - Martha Stewart
 - Randall "Duke" Cunningham
 - Bernie Ebbers



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- 
-
- Morality is knowing the difference between right and wrong

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- 
-
- Morality is knowing the difference between right and wrong

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- 
-
- Morality is knowing the difference between right and wrong

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- Ethics provide a code of conduct and standards of behaviour that tell us how to act in specific situations





What Ethics is NOT

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What Ethics is NOT

- the same as feelings

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What Ethics is NOT

- the same as feelings
- the same as religion

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What Ethics is NOT

- the same as feelings
- the same as religion
- the same as following the law





What Ethics is NOT

- the same as feelings
- the same as religion
- the same as following the law
- following culturally accepted norms





What Ethics is NOT

- the same as feelings
- the same as religion
- the same as following the law
- following culturally accepted norms
- science





Dual Focus

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Dual Focus

- Managerial Mischief – illegal, or questionable practices of individual managers

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Dual Focus

- Managerial Mischief – illegal, or questionable practices of individual managers
- Moral Mazes of Management – the ethical problems that managers must deal with on a daily basis such as potential conflicts of interest, wrongful use of resources, etc.



“Bad Apple–Bad Barrel” Theory

■ “Bad apple” — the notion that the basis for unethical behavior rests with a few unsavory individuals

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- “Bad barrel” — notion that the basis for unethical behavior rests with corporate management culture





How do we get a Better Barrel?

1. Commitment to ethical behaviour starts at the top
– that's why they call it leadership
2. Personal and Corporate values **MUST** overlap
3. Leaders **MUST** live the values – incorporate them into every facet of business operations





How do we get a Better Barrel?

4. Train new employees, retrain current ones, and remind them often of their training
5. Reward good behavior and discipline poor behavior
6. Hire for – and with - integrity

Know your values – and make them known

Codes of Ethics...

- Formal statements of what an organization expects in the way of ethical behavior
 - reflects senior management's desire for compliance with values, rules & policies in support of an ethical climate
 - provide rules & guidelines
 - will not solve every dilemma
- Should be specific enough to be reasonably capable of preventing misconduct





Code of Ethics

- Individual behaviour - Treat others with respect and trust
 - Stakeholder treatment
 - Use of company assets
 - Confidentiality
 - Conflict of Interest





Code of Ethics

- Business Practices
 - Gifts
 - Fair competition
 - Promises made and kept
 - Confidentiality
 - Communication
 - Financial activities
 - Environment





Obstacles to Ethical Decision Making

- Personal Factors
 - Lack of information, knowledge, training
 - Lack of moral character
 - Lack of personal courage
 - No organizational support





Obstacles to Ethical Decision Making

- Rationalizations

- Feeling of Entitlement
- “Everyone else is doing it” belief
- “It’s not illegal” position
- “No harm, no foul” approach
- “It’s for a good cause”
- “We’ve done it before so it must be ok”
- “I’m just following orders”

Obstacles to Ethical Decision Making



- Organizational factors
 - Rewarding managers for short term performance
 - Increased specialization and complexity can result in no one person knowing what is happening overall
 - Inattention to detail and lack of accountability





Ethical Foundations

- Josephson Institute of Ethics – 6 Pillars of Character
 - Trustworthiness
 - Respect
 - Responsibility
 - Justice and Fairness
 - Caring
 - Civic virtue and Citizenship



Ethical “Rules of Thumb”

- Fairness criteria:
 - Would everyone impacted by this decision think it is fair?
- Enduring Values criteria:
 - Does the decision and plan reflect core values of the organization and myself?



Ethical “Rules of Thumb”

- **Universality criteria:**
 - Would I want this decision and plan to become a universal law for everyone in a similar situation, including myself?
- **Evening News Criteria:**
 - Would I be OK if my decision and action plan were presented on the 6:00 o'clock news for everyone to see?





Ethical “Rules of Thumb”

- Family responsibility criteria:
 - Would I want my children to follow my example and act the same way?
- Sleep soundly criteria:
 - Can I live with this decision and sleep soundly at night?





You Know You're in Trouble When You Hear . . .

- Just this one time
- No one will ever know
- It doesn't matter how it gets done as long as it gets done
- It sounds too good to be true
- Everyone does it
- Shred that document



You Know You're in Trouble When You Hear . . .



- We can hide it
- No one will get hurt
- What's in it for me?
- This will destroy the competition
- We didn't have this conversation

From Lougheed Martin





Ethical Dilemmas

Ethics of Justice vs. Ethics of Care

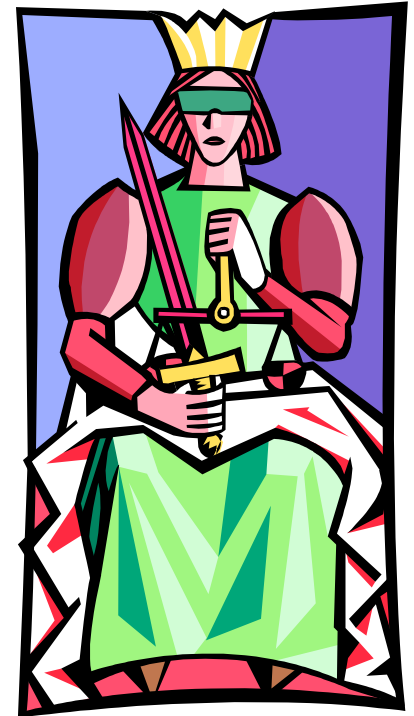
When we think about applied ethics, it is not so much a question of “right vs. wrong” but “right vs. right” that creates conflict.





Ethics of Justice

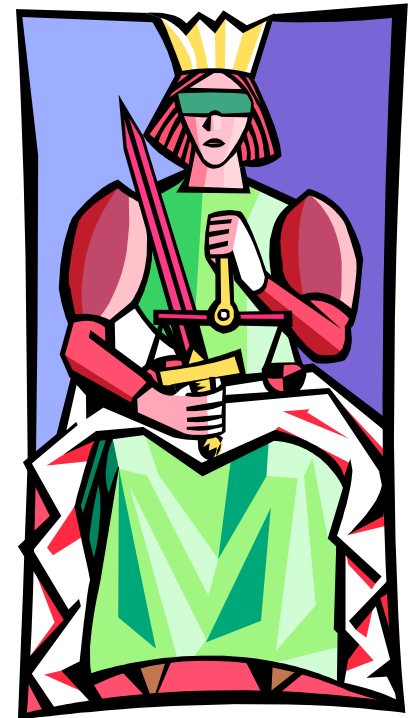
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Ethics of Justice

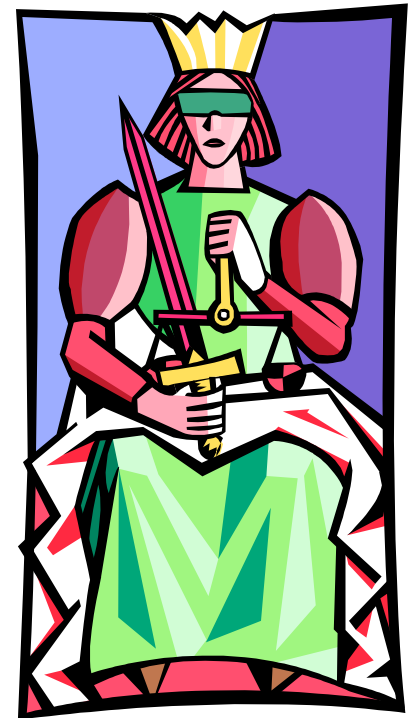
- Based on abstract principles such as justice, fairness, equality etc.

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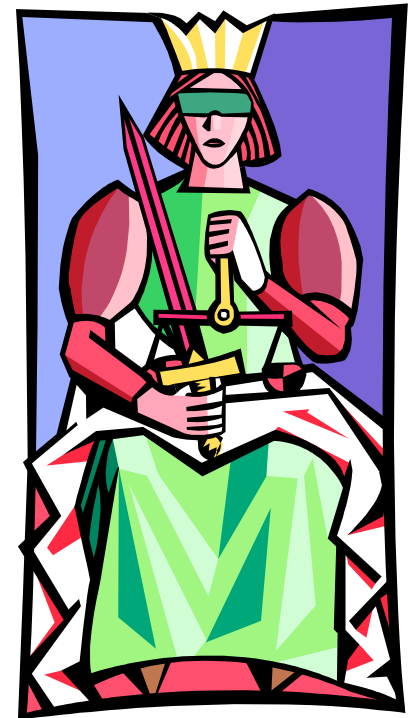
Ethics of Justice

- Based on abstract principles such as justice, fairness, equality etc.
- Moral principles, laws or policies should be applied to all, equally



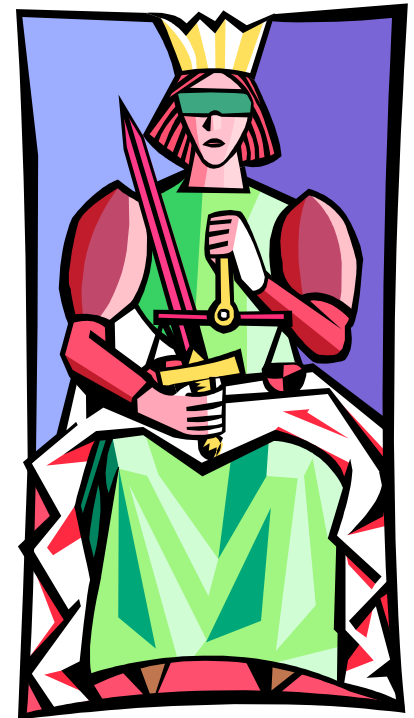
Ethics of Justice

- Based on abstract principles such as justice, fairness, equality etc.
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- Do not like making exceptions and worry about setting precedents



Ethics of Justice

- Based on abstract principles such as justice, fairness, equality etc.
- Moral principles, laws or policies should be applied to all, equally
- Do not like making exceptions and worry about setting precedents
- Frequently the approach favored by men





Ethics of Justice

- Advantages:

- Looks at problems logically, and impartially
- People who use this tend try to be objective and fair





Ethics of Justice

- Disadvantages:
 - May ride roughshod over people in the name of an abstract principle
 - May tolerate human harm in the name of some principle
 - Approach is frequently seen as cold and impersonal





Ethics of Care

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Ethics of Care

- Based on a sense of responsibility to reduce actual harm or suffering

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Ethics of Care

- Based on a sense of responsibility to reduce actual harm or suffering
- Moral duties often involve a conflict of duties or responsibilities





Ethics of Care

- Based on a sense of responsibility to reduce actual harm or suffering
- Moral duties often involve a conflict of duties or responsibilities
- Solutions need to be tailored to the special details of individual circumstances





Ethics of Care

- Based on a sense of responsibility to reduce actual harm or suffering
- Moral duties often involve a conflict of duties or responsibilities
- Solutions need to be tailored to the special details of individual circumstances
- Frequently the approach favored by women





Ethics of Care

- Advantages
 - Responsive to immediate suffering and harm
 - It can respond quickly to changing circumstances

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Ethics of Care

- Disadvantages:
 - Can produce decisions that appear arbitrary and unfair
 - Can lose sight of the forest for the trees by narrow focus on people
 - Feeling approach can discount other larger picture issues



Responsibilities of an Ethical Leader



Ethical behavior goes with leadership. To lead effectively, one must visibly uphold high standards. You're always on display, and they're always watching. Aware of it or not, you set an example, especially for subordinates, younger peers, new arrivals, customers, and the public.

U.S Armed Forces Ethics module



Responsibilities of an Ethical Leader



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Responsibilities of an Ethical Leader



- Walk the Talk

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Responsibilities of an Ethical Leader



- Walk the Talk
- Hold others accountable for ethical behaviour

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Responsibilities of an Ethical Leader



- Walk the Talk
- Hold others accountable for ethical behaviour
- Make ethical decision making visible

Responsibilities of an Ethical Leader



- Walk the Talk
- Hold others accountable for ethical behaviour
- Make ethical decision making visible
- Review decisions for their ethical implications

Responsibilities of an Ethical Leader



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Responsibilities of an Ethical Leader



- Send clear messages,
 - avoid actions you can't justify
 - admit mistakes and correct them
 - use past successes to guide actions
 - stand by your good decisions
 - give people time to respond, and
 - act responsibly.
- © Pitsel & Associates



Responsibilities of an Ethical Leader



- Send clear messages,
 - avoid actions you can't justify
 - admit mistakes and correct them
 - use past successes to guide actions
 - stand by your good decisions
 - give people time to respond, and
 - act responsibly.
- Influence others to act ethically