

Values Determine Credibility and Ethics for Managers

By Bette Price, CMC

Simplistically put, ethics is learning the difference between right and wrong, and then doing the right thing. But, is it that simple? Often, doing the right thing is not simple and straightforward. Right and wrong defined by different people may manifest diverse thinking, motivated by each individual's personal values. Within a work environment, the cultural values that drive business decisions are critical to the organization's credibility with its employees, customers, and shareholders. Given recent examples of breaches of business ethics, organizations of all kinds are being challenged to take a hard look at their own mode of operating to determine just how credible their organization appears to their employees and their publics. Remember, perception is reality.

According to research by the Ethics Resource Center, many organizations may not be meeting the ethical expectations of their employees. One in three employees participating in the Center's research said that they have observed misconduct within the last three years. Here are just a few of the observed areas:

? ? 26% observed lying to employees or customers

? ? 25% observed needed information being withheld

? ? 24% observed abusive behavior toward employees

? ? 21% observed workers misreporting actual hours worked

Philosophers have been discussing ethics since the time of Socrates and Plato—at least 2500 years. Today, in business, ethics is about prioritizing individual and operational values for the workplace and establishing codes of ethics and codes of conduct that ensures that employee behaviors and the internal systems are aligned with those values. These values always emanate from the top. Key leadership establishes the moral compass that guides the

organization through the complexities of what is right and wrong and how management and staff are therefore expected to behave. Critical then, becomes the ability to manage for ethical outcomes—this is values-based management.

When there is a high level of attention given to ethics in the workplace, it helps to ensure that when leaders and managers are met with times of crises and confusion, they are able to adhere to a strong moral compass when determining acceptable and unacceptable decisions and actions. Ethical programs, therefore, cultivate and encourage strong teamwork and productivity, support employee growth, and help support programs such as Total Quality Management and Diversity. Inevitably, promoting ethical credibility internally enhances the organization's public image of ethical credibility.

In reality, all organizations have ethics programs, even if not by formal design. The top-down values, either formally or informally, produce deliverables in the form of codes, policies and procedures, systems, and, standard management practices. A leader's decision to design and implement a formal ethics program, however, articulates a serious commitment to ethical behavior and provides clear standards for the behaviors that are preferred by the organization. It sensitizes employees to expected behaviors and minimizes the chances of unethical behavior to occur in the first place. These ethical standards are a direct reflection of top leadership's values. Following are ways in which some of America's top leaders demonstrate their core values:

Establish boundaries. David Walker, Comptroller General of the United States, established very strong value-based parameters shortly after taking on his position as head of the General Accounting Office (GAO) in November 1998. "I'm a principled person," Walker said. "I'm a great believer in core values. There are beliefs that drive what you do, and there are also boundaries that set up the limits of what you are willing to do. At the

GAO, I embarked upon a process in which we could gain a consensus. What were the core values that drove this organization that could bind us together and that would end up being a foundation for everything we do internally and everything we do externally? We came up with three:

1. *Accountability.* Describes what we do.
2. *Integrity.* Describes how we do it.
3. *Reliability.* Describes how we want it to be received.”

These core values, plus the professional standards, govern the work the GAO does today. Walker says these core values enable him to maintain control in an ethical, fair, nonpartisan manner.

Establish a presence of fairness. When Len Roberts took over the Chairman and CEO position at Radio Shack, he said some of the people were worried about possible changes he would make. Roberts’ value for treating people fairly was reflected in his introductory speech to managers. “I’m not interested in who got the results. I want to know who got results and developed their people at the same time,” Roberts told concerned managers. “I think we’re all members of a team,” he continued. “I’ve always preached this. I’ll give anyone the benefit of the doubt, but if they’re hurting people or they’re destructive, or they are trying to destroy the team spirit, I’m like a laser. If ever I draw the conclusion that somebody’s out there trying to destroy the team, I remove them surgically—quickly and fast.”

Establish trust. James Copeland, Chairman and CEO of Deloitte & Touch, reflected his value of fairness when he talked about downsizing. Copeland believes that while layoffs and firings are realities of business cycles, you can go through these exercises without violating the trust of the organization. Faced with a overstaffed situation during a

low economic time, here's what Copeland did. "We sent a message that said, 'This is where we are, this is what we're going to do. We don't want to do it, but we are caught in circumstances where we have no real choice. At the same time we want to do this in a way that doesn't violate our relationships and our culture. So we're going to hold ourselves accountable to you until we have every one of these people placed in a job, and we will report back to you.' We were religious about doing that. So you can do hard things in difficult circumstances, but you have to do them in a way that doesn't violate the trust."

Establish honesty. As the managing director of Prudential Asset Resources, Ann Hambly's strong values are reflected in her quest to tell the truth, even when the message is not a fun message. "The worst thing you can do to people in the interest of trying to keep them happy," she says, "Is to not tell them the truth." Take promotions, for example. Hambly believes that what organizations typically do is look at all the workers and decide that one of them does excellent work. That's the person they pick to be the next leader. "They take that person who is really good and put them up there as a manager of people. A lot of people don't stop to see if that person has the inherent, core, basic traits of what it takes to be a manager, let alone a leader." Instead of wrong-fit promotions, Hambly has learned that being honest about the individual's abilities and skills is often a relief to the individual. "A lot of times if you ask a person, they don't really want to be a manager—they just want to do their job. They're wonderful—they are the organization."

Establish the expectation of commitments. Finally, commitment depicts another piece of ethics driven by values. Dan Woodward, Chairman and CEO of Enherent, says that commitment is the centerpiece of the company's value system. "Whether it's a customer or a colleague, helping people to understand what a commitment is and what is it not, is important," he says. "Maybe I'll try' is not a commitment. You can, however,

commit to commit, like—‘I’ll let you know by Friday if I can do that by the following Friday.’ But a commitment doesn’t exist unless there’s a date and time specified that something is to happen. I think that is what sets the stage and creates opportunities for trust and for relationships to be established.”

What’s your commitment to demonstrating your core ethics? Ask yourself these rhetorical questions to explore your own thinking:

How committed are you to always telling the truth?

When is the last time you told the truth about a difficult decision?

Have you ever promoted someone into management who lacked the appropriate people skills?

What do you do to build trust with others?

How dependable are you about living up to your commitments?

What could you do personally to help enhance trust in your organization?

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