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Leadership Within: Ethical Decision-Making Skills

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Feeling welcome at an early morning networking meeting before the call to order, I introduce myself to a friendly stranger, and immediately we are deep into an ethics conversation. What time is it? Seven-thirty a.m., coffee in hand, and we are talking ethical dilemmas? Anymore, conversations like this are not so unusual.

Once people know that I teach ethical decision-making skills, I am often privy to stories not readily shared with others. Sometimes the story is told in celebration: reliving the sense of self-worth felt when the decision made was a good one. More often than not, however, the story is about tough decisions yet to be made. The story becomes a search for answers to essential questions, such as: What is my responsibility? How can I think about this? What will the consequences be?

Every conversation must include a common vocabulary, and here are three workable definitions of ethics: doing the right thing; obedience to the unenforceable; and making a choice between two rights.

When ethics is about making the choice between two rights, then we are quite a distance from ethics being merely compliance. It is more about the gray area (where we actually spend most of our time) between freedom, spontaneity and originality with chaos at one extreme end and positive law, rules and regulations with totalitarianism at the other end. It is important to explore this gray space between chaos and totalitarianism where it is neither artificially constrained nor unduly chaotic. This gray space is where self-regulation exists, democracy thrives and good business flourishes.

Ethical Dilemmas

There is a deep hunger for meaningful conversation and clarity regarding what happens in this gray area without finger pointing or rushing to judgment. What makes it particularly challenging is that, more often than not, the really difficult decisions dealing with self-regulation are less between what is right and what is wrong (as hard as that may be) and more between what is right on the one hand and what is also right on the other.

Ethical dilemmas occur when two (di) principles (lemmas) are pitted against each other. According to the research of the Institute for Global Ethics, dilemmas usually fall into one of these four categories: truth vs. loyalty; individual vs. community; short term vs. long term; and justice vs. mercy. Such are the instances when two choices present themselves, and both are right and valid.

For example, do I tell the truth, or do I remain loyal? Do I privately tell a friend who is about to purchase a house that he may be downsized; or instead do I keep my word to my boss that the information about downsizing remains confidential until officially announced? What if the downsizing is to be announced after my friend's closing on the house-would this affect my feeling about the matter?

The ethics conversation that morning with the friendly stranger, Brad, was regarding values-driven leadership, an internal alignment which offers a far deeper understanding of operational methods than compliance. Compliance is a legislated response to a lack of ethical alignment. For example, the Sarbanes-Oxley Act of 2003 seeks to reduce the chances of another Enron, Tyco or the more recent mutual fund trading debacles. But for Steven Lindseth, chair of Axentis, Inc., "Enron wasn't an accounting problem; it was a business and ethics problem." Although he sees the act as a transformative opportunity to develop a long-term strategic approach, Lindseth in his July 2003 article in Computer World wonders "why it took an act of Congress to get companies to [pay attention] to activities that are fundamental to running a good business."

Running a good business was what Brad was discussing when he shared his ethical dilemma with me. It was an alignment conversation having to do with what an early 20th century English jurist, John Fletcher

Moulton, called "obedience to the unenforceable." Quoted in How Good People Make Tough Choices by Rushworth Kidder, Moulton explains that between positive law and absolute freedom "is the domain of obedience to the unenforceable. That obedience is the obedience of a man to that which he cannot be forced to obey. He is the enforcer of the law upon himself.[TH1]"

Brad had become aware that he no longer wanted to support a particular business, based upon his personal and professional values. It was tempting for him to say, "If we didn't provide the service, a competitor would; so why shouldn't our business benefit by servicing the account?" Fast upon the heels of that question came the recognition that the staff and business partners of his organization needed to know that "our values are not fleeting and subject to conditions." As a result of that realization, when the client placed an order with them, Brad was prepared to tell the client that he should try another company.

In recalling this early morning conversation several months ago, I grew curious about how Brad arrived with such clarity at his position. I reconnected with him and what he shared with me strongly suggests that values shape the lens through which we view the world and determine our behaviors. "In the long run, our success...relies on the degree to which our associates and employees internalize and reflect our culture," Brad wrote in an E-mail to me. "How can they be expected to do that if my decisions [as president], appear to be solely motivated by dollars at the expense of my own values? The truth is, they can't. This is not some newfangled philosophy that I have developed. I am simply trying to uphold the traditions and values that two generations before me installed here."

An Infrastructure for Moral Courage

"Simply trying to uphold" takes courage-moral courage. While we can readily define physical courage as the willingness to risk life and limb, defining moral courage is a bit more problematic. What exactly is moral courage, and how do we get it? Let's analyze Brad's story to identify the infrastructure that helped him make a decision and act with moral courage.

-Critical thinking based on shared core values: First, Brad engages in reflective thinking. When he became aware of the client's activities, he took the time to think. He is ethically tuned and saw a dilemma approaching. On the one hand, Brad had an obligation to his stakeholders to make a profit, and on the other hand, he had an obligation to act in accordance with the established core values of the company. Both were valid and in conflict. Choosing to abide by one meant denying the other.

-A trusted mentor to listen and give counsel: In this case, Brad was able to talk to his father, a former president of the company, who helped sort some of the more ambiguous issues. His valuable experience shed some light and made Brad's decision easier. Family members, friends, colleagues and heroes can all serve as mentors.

-A written document of organizational values defined: Under previous leadership, Brad's company had taken the initiative to put in writing a commitment to certain principles or characteristics. These formed the fundamental basis of all corporate activity: integrity, quality, responsiveness and teamwork. The descriptive text of this document of company values includes desirable norms, such as honesty, fairness, respect and dependability. It also explains how they should play out in the daily operation of the business.

-An organizational tradition of "walking the talk:" Brad is the beneficiary of 37 years of good business practices, of an ethical culture within the company that encourages employees to do the right thing. He inherited a leadership expectancy that recognized the importance of ethics and took steps to address it. In a recent ethics seminar, Peter Cooke, president of Cooke Associates of Manchester, New Hampshire, explained, "When collective acts of courage become the norm, courage becomes less necessary because doing the right thing just becomes habit." Substitute fairness or compassion (or any other core value) for courage in Peter's statement, and they too, become the norm. Dr. Merlin Lewis, director of Assessment and Institutional Research at Principia College, advocates for the "short-cycle" assessment, whereby "walking the talk" becomes an on-going process of alignment and continuous improvement.

-An internal capacity to make ethical decisions: This is perhaps the most important piece. Brad's own internal capacity to make ethical decisions, his self-regulation, has been building throughout the years. This was not his first ethical decision, nor will it be his last. He has had practice, lots of it-which does not necessarily make it easier, but it does hone the ability to wait until events indicate a different path to take.

-Slow knowing: Brad might not recognize it as such, but he practices what psychologist Guy Claxton calls "slow knowing." Michael Fullan, in his book *Leading in a Culture of Change*, writes eloquently about situations of complexity in which "...remaining attentive is to have moral purpose; incomprehension is to respect the complexities of situations that do not have easy answers." Fullan quotes Claxton: "To wait in this kind of way requires a kind of inner security; the confidence that one may lose clarity and control without losing one's self."

-Attitude and leadership: Brad's inner security reveals an attitude. Kathy Kegin Currie, president of The Performance Edge, based in St. Louis, places leadership attitudes towards ethics on a continuum from "not on the agenda" (with the behavioral response of expediency) to "compliance" (with the behavioral response of adherence to rules) to "values-drive management" (with the behavioral response of ethical integrity). A 1993 Gallup Poll underscores the importance of Brad's values-driven management of his company. Only 26 percent of those polled said that the economic situation of the company they worked for was a factor in how they performed. Eighty-two percent said their behavior was influenced in part by their personal code; 84 percent said their supervisor's behavior was a key component, and 88 percent cited the company's values. The most astonishing statistic is that 92 percent of the people polled said their CEO's ethics were a factor in determining their personal behavior at work.

This brief analysis of a values-based organization through one experience of its CEO makes no claims to comprehensiveness. It does make an assumption about conversation that is taking place within the organization.

Corporate Dialogue

The poet-consultant David Whyte says in his lecture, *Through the Eye of the Needle: Life, Work, and the Poetic Imagination*, that a business must have five conversations going on at once. One conversation is with its future; the second is with the current clients; the third conversation is the company within itself as a whole; the fourth conversation is among close colleagues; and the fifth and final conversation is the internal conversation each one should be having within their selves.

Whyte also points out that people spend more time in the work place than they spend in most other areas of life (home, places of worship and nature). If people are not asking questions germane to what it means to be fully human in the workplace, they are saying that they will ask those questions at the periphery of their existence. The trouble is that when they reach that periphery, they are too exhausted.

Another way to look at Brad's story is that he is continually asking questions relevant to what it means to be fully human and then heading in the direction his answers indicate. This is what ethics is all about. We are the only species that can change our environment. This calls forth an ethical imperative that shapes the relationship with everything within that environment. Ethics is like air—we do not notice it until it smells. It may be aromatic, or it may be polluted. We may choose to live with it, or we have to do something about it.

So what can we learn from the above analysis and apply to our own businesses, whether we're chatting over coffee at 7:30 a.m. or gabbing after dinner at 7:30 p.m.? First is the understanding that an ethical person and a values-driven organization does not happen by chance. Both develop over time with multiple layers of cross-referencing revealing well-thought out processes that honor the complexity of life. Included here is the recognition that self-regulation exists only when people are invested with meaningful degrees of self-determination. Second, intentional and proactive ethics-focused education, conversation, expectancy and accountability must be on-going and appropriate. Finally, we must collectively embrace the fact (and the challenge) that the practice of ethics is capacity building and is an inherent component of leadership. When it comes to ethics, everyone in the organization has the ability within to be a leader.