Moral and Ethical Bankruptcy

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Introduction

Since we dug back into antiquity to start the discussion of ethics and morality in the context of leadership, it is obvious there is no closure to this topic. We have been writing about it for several years, and this is our final in this series. We have struggled with how to bring this series to a conclusion and to stress the concerns we have with moral and ethical leaders. We have been seeing leaders in business, religion and politics make poor ethical decisions forever, particularly in the last 30 or 40 years. The degree to which we see leaders exhibiting immoral and unethical behaviors is significantly higher in the last five or so years. This moral and ethical bankruptcy is all around us in business leaders, religious leaders and political leaders. We are not singling out any particular business, religion or political party. What we are seeing transcends the type of business, religion or political party. What is causing this spike in bad behavior? Is there an obsession with power or greed driving individuals to disregard morals and ethics? Why is such leadership being accepted and condoned? How do we initiate a turnaround of such behavior? Are we looking at the fall of the Roman Empire again but on a global scale?

An Upward Trend

Why do we have this escalating trend of immoral and unethical behavior in leaders? The trend is not confined to only leaders, but leaders have major influence on those being led. People look up to leaders since they are in positions of power and 'clearly deserve to have respect.' This view is terribly flawed. Many in leadership positions have earned that position, but others just end up appointed as a compromise to finding a true leader or achieve their position by nefarious means. It is frightening to see followers ignore their personal moral compasses because a leader has a flawed or non-existent moral compass. To use an old analogy that our mothers and fathers used on us – "if your friend told you to jump off a bridge would you do it?" Regardless of whether you are a leader or a follower you need to be true to your moral compass.

Power a False Goal

Consider the following quote:

> "Ethics and oversight are what you eliminate when you want absolute power." - Dr. DaShanne Stokes

How many examples we have from history and current day of leaders whose sole objective seems to be absolute power with no consideration of any moral and ethical issues. Being morally bankrupt is a sad and scary state. The impact on others is not important. The destruction of established rules and code of conduct is not only frightening, but it can lead to the demise of the organization. We talk quite a bit about power in our leadership discussions. Sources of power, how those sources of power affect leadership, and how if power is used in an abusive manner, the outcome is destructive. Leaders who are energized by absolute power become blind and numb to virtually everything else. The irony is the most effective leaders, those with an ethical ethos and those not afraid of oversight, in reality, are the most effective and most respected.

Courage is Needed and Often Absent

Confucius said: "To see what is right and not do it is a lack of courage". It takes courage to maintain your moral compass, particularly if your view is not in vogue. To know what is right and then follow that path is not easy. In past articles we have looked at what is right and it is not always a cut and dried answer. We have discussed situations where a decision is legally right but morally bankrupt. For example going back to the Jack Welsh days at General Electric, he wanted to eliminate the bottom 10% of the staff each year. We suggest that any ranking system is flawed as evidenced by many companies getting rid of numerical rankings. How many in that bottom 10% were meeting the requirements, goals, and expectations of the position? Just to cut without regard to the individual's contributions to the organization and to base it on a flawed system might be legally defensible but is not morally correct. An ethical leader understands what is morally right and sticks to that path. Knowing what is the right thing to do is only part of the equation. Having the courage to move forward is essential. This is frequently not easy to do.

No Man is an Island

Several years ago, our colleague Dr. Patrick Hennessy provided us with the following insight:

> "Leaders depend on the individual actions and loyalty of those whom they lead. Their roles as leaders exist over time, and in most cases require the skillful navigation through challenging (and potentially life changing) circumstances. As leaders, subordinates invariably judge the success and worthiness of the leader's actions over time, and make clear decisions to continue to support (or abandon) the leader. In these conscious considerations, subordinates need assurances that the rule of ethical conduct are in play, and are consistent with the basic norms of justice. Why is this true? Because if ethical behavior is not clearly conspicuous in the leader, the actions of the team can quickly decline towards self-interest. Inevitably, it becomes every man for himself."

This quote shows the symbiotic relationship that exists between a leader and those being led. Obvious you say, but it also shows how that symbiotic relationship can degrade with unethical behaviors from the leader. How far does an organization go if it operates on the 'every man for himself' principle? Bioethics, in which Patrick has experience, exists to address the very difficult questions that arise in the medical field where treatment and patient wishes conflict. Of course, there are many other difficult questions the medical field has to grapple with related to new technologies. Clearly, this statement does not only apply to the medical field. We see examples constantly of behaviors of leaders that are unethical or of questionable ethics. How long will the subordinates follow this type of leader before they turn the leader off and start behaving independently? No man is an island may be a viable approach for a little while but ultimately will fail the organization.

How Do We Turn This Trend Around?

Having a nautical background, the compass was our way of knowing where we were going. We had a mission, and on submarines, visual cues were nonexistent, hence we relied on the compass to guide us, and then periodically we would gather a satellite to fix our position and continue to accomplish our mission. The navigational fix allowed us to recalibrate our progress along the way toward our mission. We use this analogy because it's so appropriate to what we refer to as a moral compass. Instead of a magnetic compass that uses the earth's magnetic field, the moral compass uses values and morality in the context of human relations, interactions and behavior. Since our focus is always on leadership, we see the moral compass as a guide toward a balanced, controlled and effective leadership behavior. When the values and morality send a moral compass spinning out of control, the balance becomes distorted, control becomes erratic and inconsistent and effectiveness tanks.

Many things in the navigational world cause compass error and getting off course, so we fix our position periodically. Navigation, while a refined science, is not exact. Adjusting/correcting a moral compass, in a leadership context, is more difficult because we are dealing with human beings. To start, where does one's moral compass originate? We feel it is formed at a young age, with values typically influenced by parents, school, religion and socioeconomic factors. Later in life, perceptions, military experience, one's environment, etc. influence these initial factors. Regrettably, parents and early influencers with flawed moral and ethical behavior may well have doomed their children to the same unacceptable behavior. Research reports that a person's fundamental value system is in place by the age 12. Scholars and philosophers for millennia have pondered the issue of ethics and morals. What we can do here is explore how society and culture influences people's ethical and moral behavior.

How the issue relates to leadership is scary. Typically, leadership-vetting processes ensure the selected person demonstrates some level of ethics and a degree of a moral compass. This assumes a level of stability within those processes. When that stability is upset, things change, and usually not toward higher ethics or a stronger moral compass. The counter influencers are power, greed and diminished concept of servitude. Couple all this with the

notion of leaders being role models, but, a role model for who and what type of person. This is where stability becomes unstable.

Consider the following scenario; a corporate CEO selected by the board who saw their selection as the person who will grow the stock value at all costs. A CEO with a stronger ethical and moral compass may not accept the position, but one whose ethics and moral compass are compromised may jump at the opportunity. As the CEO implements their plan, the company sees those actions; they become the norm for the organization. Those who question the ethics and moral direction struggle and if they are strong, they leave or find themselves disenfranchised. The field narrows with those who drink the 'Kool-Aid' of the CEO and the culture of the organization changes. The organization attracts those who believe in the flavor of the 'Kool-Aid' hence the culture perpetuates. If the board finds this difficult to deal with or control, it becomes exceptionally difficult to change it unless the CEO changes. Now the self-serving aspect becomes even more powerful. If the stock value increases, that was the initial objective, but if the collateral damage is too great, the dilemma for the board becomes even more.

This is where strong oversight leadership is needed. Attempting to shift organizational culture is seriously difficult without strong leadership. The organization needs a navigational fix. Re-center the objective, recalibrate the moral compass and set the ethical bar higher. Going full circle, the selection processes need to be re-engineered (a word from the 90s) ensuring a focus on ethics and a repositioning of the moral compass. Tough work, but without it, we have many stories highlighting the consequences. In a business environment, oversight should be in place and functioning. In a religious or political environment, oversight is much more undefined and difficult to make effective.

Summary

Consider the following quotes and comments:

> "Your actions define your character, your words define your wisdom, but your treatment of others defines REAL you." - Mayur Ramgir

A leader, regardless of being in the corner office, heading a department or leading a small work team must look within to find their moral compass and understand who they really are. A key aspect of that is how you treat others. Do you empathize and try to understand? Do you recognize that for any organization the top does not define success? Those within the organization are how and why things happen, whether it is producing widgets, preparing reports, protecting and helping others or functioning in a political or religious organization. Each of us is a leader in some aspects and a subordinate in other aspects. How do we want to be led and what does our inner voice tell us is the moral and ethical way to act?

We urge self-introspection. We want you to look at how you lead and how you are being led. Are there disconnects with your moral compass? Maybe we as individuals cannot immediately change the behavior of an unethical leader but if enough individuals are concerned with the behavior change can be slowly made. But, everything starts with each of us taking and inward look and listening to our inner voice, which will define moral and ethical behavior for us. Then we have to have the courage to express our position and take whatever actions we can to help others take that same self-introspection. We feel that for the vast majority, the direction of the inner moral compass with be the same. People are inherently moral and want to see and do the right things. My definition of 'right' in a particular situation may differ from your definition but in the end, we don't think the differences are that significant.

> "I am not a product of my circumstances. I am a product of my decisions." - Steven Covey

We know that not everyone is a fan of Steven Covey, but this quote says so much about the human condition. Do not allow your circumstances to define who you are. Think and make decisions that show your moral and ethical self. You may be in an organization, religious congregation or geographical area where the leadership does not meet your definition of moral and ethical behavior. You may not be able to easily change your affiliation, but that does not mean that your individual decisions must follow the leadership blindly. You make individual decisions daily that can show your moral compass. You just need to courage to stand up for what you feel is right.

In some aspect, we are all leaders whether leading a country or a Cub Scout den. As leaders, we have influence on others. What are we showing those others? Are we demonstrating our moral compass and behaving ethically? Not everyone will agree with all our decisions but if those decisions are based on an ethical approach to life, we can still maintain the respect of those who may not agree with us.

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