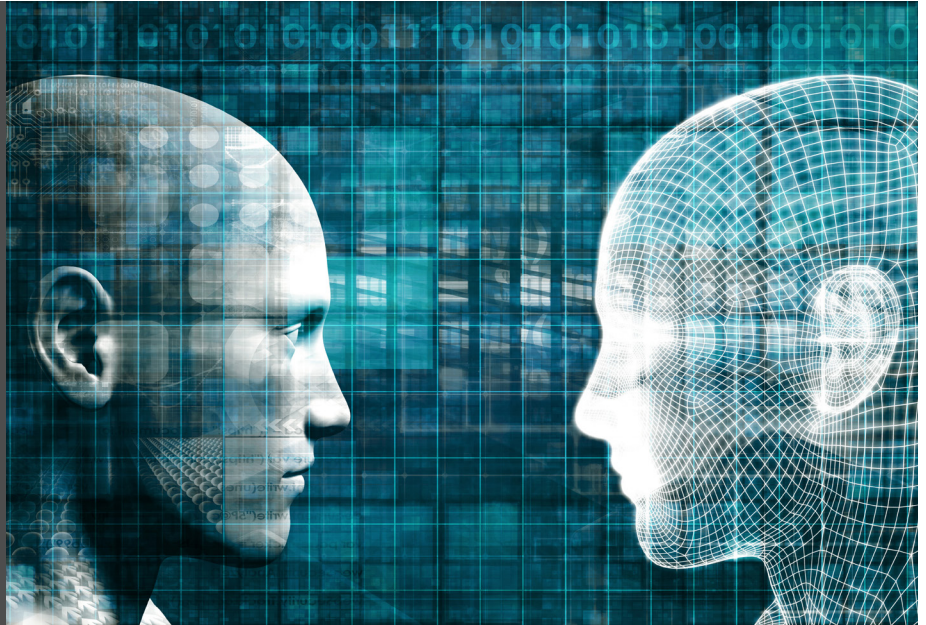# Ethics and Culture

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Background

Our June 2011 UPDATE article "Behaving Like a Leader – Ethics" emphasized our concern regarding the declining state of leadership as evidenced in many leadership studies and analyses. We were particularly concerned with the decline in ethical behavior. The passing of time since 2011 has exacerbated our concern with questionable ethical behavior of our leaders in industry, non-profits and various levels of government. As a follow-on to our last issue, The Golden Age of Entitlement, we feel it appropriate to revisit the timely topic of Ethics. Seven years ago our focus was primarily on the individual and ethical behavior. We included two quotations in our June 2011 article.

Dr. Patrick Hennessey in an email to us indicated: "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 rules 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."

Professor Warren Bennis, in his book Learning to Lead, includes a section titled "Where Have all the Leaders Gone?" Bennis says: "Many of today's so-called leaders, by contrast, seem to be organizational Houdinis, surrounded by sharks or shackled in a water cage, but always managing to escape with golden parachutes. Unfortunately, toxic leaders usually revert to motivating people through fear, promising what they cannot deliver or posing as tough advocates for reality, which they cynically misrepresent. Thus precisely at a time when the credibility of our alleged leader is at an all-time low, potential leaders feel most inhibited about exercising their gifts. The world is deeply troubled, searching for leaders of quality as the quantity and seriousness of our problems escalates."

Historical Perspective

Let's add a bit of historical perspective. Harry Truman was known for his many quotations, even though some, by today's standards, would be quite inappropriate, but we feel a couple suit this topic. The first one: "You can't get rich in politics unless you're a crook." The next: "I can remember when a good politician had to be 75% ability and 25% actor, but I can well see the day when the reverse is true."

We feel these two quotations resonate even more so today, and even though they focus on politicians, the issue of ethics and leadership is pervasive across industry, non-profits and business as broad categories. Needless to say, the world has changed dramatically in the last 7 years; so we will examine the type of changes impacting ethical leadership, but also what we believe to be an even broader consequence: the impact of ethics on culture. What influence does poor ethical behavior have on culture – pick a level – nationally, locally, home etc?

What is ethics?

Merriam-Webster defines ethics as "the discipline dealing with what is good and bad and with moral duty and obligation" and "a set of moral principles." These basically tell us ethics should be a barometer of what is good and bad and what is right and wrong. Sounds so basic, yet daily what we see as right and wrong is completely different from what some of our leaders see as right and wrong, causing many of us to question whether our view is off base. However, our moral compass should guide us and confirm our view of right and wrong. How can seemingly "normal" people have such different views of right and wrong? How have some of our leaders developed such views? What causes such drastic shifts in the ethical behavior of some of our leaders?

Santa Clara University's Markkula Center for Applied Ethics states in an article originally appearing in *Issues in Ethics IIE V1 N1* (Fall 1987). Revised in 2010:

"Ethics is based on well-founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. By Manuel Velasquez, Claire Andre, Thomas Shanks, S.J., and Michael J. Meyer

Some years ago, sociologist Raymond Baumhart asked business people, "What does ethics mean to you?" Among their replies were the following:

"Ethics has to do with what my feelings tell me is right or wrong."

"Ethics has to do with my religious beliefs."

"Being ethical is doing what the law requires."

"Ethics consists of the standards of behavior our society accepts."

"I don't know what the word means."

These replies might be typical of our own. The meaning of "ethics" is hard to pin down, and the views many people have about ethics are shaky.

Like Baumhart's first respondent, many people tend to equate ethics with their feelings. But being ethical is clearly not a matter of following one's feelings. A person following his or her feelings may recoil from doing what is right. In fact, feelings frequently deviate from what is ethical.

Nor should one identify ethics with religion. Most religions, of course, advocate high ethical standards. Yet if ethics were confined to religion, then ethics would apply only to religious people. But ethics applies as much to the behavior of the atheist as to that of the devout religious person. Religion can set high ethical standards and can provide intense motivations for ethical behavior. Ethics, however, cannot be confined to religion nor is it the same as religion.

Being ethical is also not the same as following the law. The law often incorporates ethical standards to which most citizens subscribe. But laws, like feelings, can deviate from what is ethical. Our own pre-Civil War slavery laws and the old apartheid laws of present-day South Africa are grotesquely obvious examples of laws that deviate from what is ethical.

Finally, being ethical is not the same as doing "whatever society accepts." In any society, most people accept standards that are, in fact, ethical. But standards of behavior in society can deviate from what is ethical. An entire society can become ethically corrupt. Nazi Germany is a good example of a morally corrupt society. Moreover, if being ethical were doing "whatever society accepts," then to find out what is ethical, one would have to find out what society accepts. To decide what I should think about abortion, for example, I would have to take a survey of American society and then conform my beliefs to whatever society accepts. But no one ever tries to decide an ethical issue by doing a survey. Further, the lack of social consensus on many issues makes it impossible to equate ethics with whatever society accepts. Some people accept abortion but many others do not. If being ethical were doing whatever society accepts, one would have to find an agreement on issues which does not, in fact, exist.

What, then, is ethics? Ethics is two things. First, ethics refers to *well-founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues.* Ethics, for example, refers to those standards that impose the reasonable obligations to refrain from rape, stealing, murder, assault, slander, and fraud. Ethical standards also include those that enjoin virtues of honesty, compassion, and loyalty. And, ethical standards include standards relating to rights, such as the right to life, the right to freedom from injury, and the right to privacy. Such standards are adequate standards of ethics because they are supported by consistent and well-founded reasons.

Secondly, *ethics refers to the study and development of one's ethical standards.* As mentioned above, feelings, laws, and social norms can deviate from what is ethical. So it is necessary to constantly examine one's standards to ensure that they are reasonable and well-founded. Ethics also means, then, the continuous effort of studying our own moral beliefs and our moral conduct, and striving to ensure that we, and the institutions we help to shape, live up to standards that are reasonable and solidly-based."

Company Culture

A Cultural Perspective

From a cultural perspective, let's look at the influence ethical conflicts have on cultural change. What do we mean by ethical conflicts? Influence can also be synonymous with power and position. Power and position can be synonymous with money. When a person of position exhibits behaviors in conflict with another person's values and ethics, is there a message that behaviors conflicting with one's moral compass are acceptable because this person is either famous, rich or powerful? Does power, position and money make the conflicting behavior acceptable?

The concept of ethical conflicts and culture becomes even more complex in light of our current society. It is easy today to find a person or group of people who support a value system, or exhibit behaviors in conflict with our own. If such a group is popular, celebrity, powerful or possesses any trait a person may aspire toward, then they influence others who may begin to question their own system of values or moral compass. If good enough for them, why not me. This says: I'll sacrifice my ethics and beliefs because of a group's power or popularity. This alone should cause many of our readers to shake their heads.

Our goal herein is to look at these and other related questions to try and understand how ethical conflicts impact behaviors and social culture. Why are we seeing such a degradation of ethical behavior? We attempt to understand why some leaders behave the way they do and the impact such behaviors have on a culture at any level – organizational, national, home life, etc.

How do you know if behavior is ethical?

This is not an easy question to answer. The above excerpt highlights what ethical behavior is not and what ethics is. Their first item defining what ethics is states: "well-founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues." Drilling down we ask, where does this come from? Conventional thinking states one is a product of their environment; their upbringing, family, friends, school, religious background, neighborhood, key people you come in contact with growing up, culture, etc. We don't believe you are born with a complete moral compass and an established ethical code. As one grows, many influences shape a moral direction and ethical code. We do believe that most people develop and possess a good sense of right and wrong. Our empirical research indicates this to be a consistent belief resulting in the vast majority of people having a fairly well developed moral compass. When most people see something or asked to do something creating an ethical conflict, or just does not feel right; they realize it most probably is not right. However, we also grow up hearing 'mind our own business' which converts to

not getting involved even when we know what we are observing is not in line with our moral compass. There are several ways of looking at this, such as "the do nothing" option or, simply, don't rock the boat. Is avoidance as bad as having no moral compass?

Many of the ethics writings focus on the individual. In reality, as we introduced above, ethical behaviors parlay into ethics of an organization and even ethics of a nation. Ideally, a fundamental alignment exists with minor differences. One would expect the 'well founded standards of right and wrong' to be aligned on things like killing or the horror of drug misuse. Reality suggests parts of the country may place a different hierarchy on other values or behaviors that define their ethics. One of the key messages of this article is something else we learned as children, to set a good example. Those well-known, highly visible individuals in a society, by virtue of their behaviors and ethics, influence society to a much greater extent. They also have a higher level of responsibility, and when they create ethical conflicts the upset is deeper and farther reaching than realized.

Ethics and Organizational Culture

Questionable ethical behavior can take many forms in an organization. The interesting point in today's society is the historical tolerance or reluctance to confront such behavior, and how this tolerance influences our culture as a nation and society. The news is replete almost daily with stories of inappropriate behavior by powerful and influential people. One can only imagine the ethical conflicts people live with and have been living with. Fortunately our society is embracing the fortitude of those coming forward with the realities they have been suppressing for years. All the examples observed ultimately tell a story about organizational culture and leadership. Condoning any of these aberrant behaviors as a cultural norm for an organization, reflects on the questionable ethics of that organization and its leadership.

Empirically we observe the cultural influence a leader has on an organization both positively and negatively. We dare to suggest that a similar influencing driver is affecting the culture of our nation. We believe the influence leaders have on culture via their ethical posture is both more significant and more complex than any one article can address. We stated above that our goal is to try and understand how ethical conflicts impact behaviors and social culture, but more so, on both sides of the issue address how to deal with the conflict. In this issue we will focus on the leader's perspective and our next issue we will explore how society can constructively deal with ethical conflicts.

Code of Ethics

From a Leader's Perspective

Over the past several years our articles looked at issues of Servant Leadership, Subversive Leadership, Narcissism and several other aspects attempting to hone in on some form of insight into the declining ratings of leadership both nationally and globally. We also developed the Theory of Contextual Leadership. (Please contact us for more information on these). A common theme here is introspection and self-awareness. A leader's ego is probably a necessary attribute but within boundaries. We would be willing to wager a bet that if asked to characterize their weaknesses, both as a person and as a leader, they might have a tough time compiling a list. The factors that create a value system and ethical foundation from childhood can provide barriers and complications to compiling such a list. There are also barriers to a true introspection/self-awareness examination. A few include open-mindedness, active listening and humility. In the absence of these, there is little opportunity for insight or change. "Who would dare challenge me and my judgment?" Might be a typical response. In addition, when a leader finds themselves in a different context than one where they were successful and is unable to make the contextual adjustments, they become far too narrow in their perspective to change. In the meantime, their influence is permeating the organization and if unable to see the influence, they create ethical conflicts. These ethical conflicts ultimately change or destroy an organization, by changing the people.

Leaders must understand the culture of their organization, possess a deep awareness of their strengths and weaknesses as compared to the organizational culture and apply sharply honed leadership skills to obtain the best results possible for all stakeholders. (One note about organizational culture: we are not suggesting conformance to what may be a sick organizational culture. An effective leader must also see a sick culture and change it.) It's not about the leader, it's about the people and the leader must show the way, make solid well informed decisions, and develop those who have the highest potential to achieve organizational goals. Therefore their ethical foundation must be solid, well communicated and practiced. Everyone needs to know expectations and ground rules, and the leader must be consistent in their values and ethics and behavior. There is no magic answer to the ethics of a leader and their organization. As we discussed above there are cultural differences in various countries and even sections of a country. Recognizing and understanding such differences becomes another of the key leadership skill for good leaders. The leader must understand the organization and most importantly the people in the organization. They must recognize that people are different to the point of having different views on ethics. An openness and willingness to listen can go a long way in defusing conflicts and recognizing and addressing cultural and ethical differences.

In Conclusion

We started thinking about this topic expecting we had a relatively clear view of what we wanted to address. As we started writing we realized this is one tough topic. As some of the references above pointed out, it is even difficult to define ethics, let alone focus on a clear roadmap of how to address and deal with ethical dilemmas. In our original article in 2011 we tried to focus on an ethical introspection for leaders. We still believe that is a valuable tool. It is amazing to us how our daily lives and world have changed since 2011. We read almost daily about things that many (and we dare say most) see as unethical behavior. For this article, we believe it important that leaders understand and internalize the impact their behavior has on the people around them and their organization. We realize changing the world in a single article is a bit ludicrous for us to believe, but so we hope to cause our readers to take a deeper look at the issue of ethics from a leadership perspective, and how it impacts them and how they impact others. In our next issue we explore how society can constructively deal with ethical conflicts.