

# THE MACRIS GROUP

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## *From Dean's Desk:*



This has been perhaps the most difficult issue we have ever written. While we know the topic is very relevant and timely, when it comes to putting pencil to paper (or fingers to keyboard) it becomes extremely complex. We have been through countless drafts, internal reviews. When we felt we were close, we took the bold step of asking two of our most trusted and creative colleagues and thinkers to provide their insights. Thankfully, they did and after months of pondering, drafting, revising and reviewing, we are here. Larry and I want to thank Mr. Anthony Ameo and Dr. Patrick Hennessy for taking the time to share their perspectives. In one of Patrick's emails he sent us the following words. We were so taken by them that we had to include them herein.

"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."

## Behaving Like a Leader – Ethics

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### Introduction

Those of you who have been following our articles over the past few years, are well aware of our thinking and position on leadership. We repeatedly have voiced our concerns about the declining quality of leadership as reported by many well renowned organizations and universities, primarily/specifically the reason for the decline. Obviously, there is no simple or quick answer. We have hypothesized causes, suggested migrating techniques, and continue to pursue this issue in our research as well as our work. To further reinforce our premise, Professor Warren Bennis, in his recent book Learning to Lead, has included a section titled "Where Have all the Leaders Gone?" Sounds like a new take on the classic Pete Seger song, "Where have all the Flowers Gone" doesn't it? It really is. 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."

Professor Bennis certainly espouses a pessimistic view of leadership. However, as with our prior articles in this series, we do not feel all is lost and find an answer in a return to ethics. We see two aspects of ethics – individual ethics and organizational ethics. Individual ethics are personal beliefs stemming from an individual's background, education, culture, etc. Those things that make up what we will refer to later in this article as 'your inner voice.' Organizational ethics, while they should reflect the individual ethics of the leader, are more institutionalized. They reflect a code of conduct, and expectations that are based on laws and behavior. The issue remains that there may be disconnects between individual ethics and organizational ethics. We are not placing judgment on this, just indicating that this condition and potential conflict can exist. Certainly, the former has a direct impact on the latter, but first we want to focus on individual ethics. While we focus on organizational leaders, this thinking is applicable to leaders at all levels of the organization.

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## The Lack of Leadership Quality – Ethics May Be a Reason Why

To be a quality leader you must behave like a true leader. You must behave in a manner that your inner voice tells you is correct. That inner voice is defined by your personal ethics. As a leader, do you listen to this inner voice? We constantly hear and see examples of leaders who are driven by greed (e.g. Skilling, Madoff and Dreier), who place themselves above the organization and even the law. Although we sincerely believe that these three individuals did have an inner voice, but it was drowned out by greed. A recent news clip relayed a story that Bernie Madoff had been offered opportunities to contribute to business class curricula at prestigious universities. When interviewed he admitted that he knew what he was doing was wrong. However, he did it anyway and when these prestigious universities were asked if they had approached Mr. Madoff, they indicated they had not. So maybe Mr. Madoff still has a bit of a problem in recognizing fantasy from reality. Not to focus on specific individuals, these types of leaders put their organization above their employees (despite the fact that the employees make the company run) and allow pressure from peers and from possibly misguided board members to silence that inner voice. Why does this happen? The vast majority of leaders are not inherently bad people (except people like Muammar Gaddafi – and that is a whole other issue). Is too much being expected of leaders for most to be effective? Is there too much pressure from outside the office that forces leaders to behave counter to that inner voice? Is the Information Age forcing decision making from data rather than allowing instinct and introspection to guide leaders?

There are hundreds of similar questions, all of which have no clear answers. What we want to do is push leaders toward examining their individual ethics, hopefully resulting in some introspection and some spine stiffening toward many of the pressures that are forcing bad decisions. The person in the corner office will never be without pressures, whether from stakeholders who bring their perspective, from Board members who want certain results, from stockholders who want their market value to climb, and from the management team who all long for that same corner office.

There exists what we'll refer to as two extremes in the ethical spectrum, and as you will see, there are many other variations between the extremes. The point is for a leader to decide where they are on the spectrum and where they want to be, and finally how they are going to get to where they want to be. We have set the extremes to range from what we call the rationalizer/qualifier to the other extreme, the Black or

White person. Before we go any further, we need to offer some background.

## My journey toward Behaving Like a Leader

As we have stated in previous articles, we do not believe in providing the things that most people want, 'specific how to answers.' I read once that if you want a book or a seminar to sell, create a title that offers a list or a step-by-step way to the Promised Land. Examples might be something like '8 Steps To Ethical Leadership.' The book is easy to write, usually has about eight to nine chapters and if the reader follows the 8 Steps he or she too will become an ethical leader. We have

“We are growing a generation of leaders that are encouraged to think about leadership as individual career advancement, as opposed to the potential fulcrum of collective good.”

Patrick Hennessy

referred to this as the Elixir of Leadership, (UPDATE Article Vol II Issue 03-04). Unfortunately, it is not that simple. I suspect that our readers can all agree that the issue of ethics and leadership and leadership as a whole, is a complex and confounding issue. If it wasn't, we would not be seeing leadership statistics on the downward slope. Therefore, our point here is that we do not provide cookie cutter approaches. Rather, we offer a framework for our readers to think about as relates to their leadership behavior. Then, within that framework,

determinations about their ethical profile as relates to leadership can be made and things they could change to move closer to where they think they can be addressed.

As you might expect, there are many ways to go from here. We are choosing two: one for this issue and another for our next issue. The two avenues are the spectrum of ethics and a value-based approach. The spectrum of ethics examines and explores the different impact, consequences and results of the two extremes of the spectrum we introduced above. The second, which is certainly not mutually exclusive, is a value-based perspective, and since over the past several years there has been a lot of talk about values, living your values, this introduces another interesting way of exploring behaving like a leader.

A caveat here – whenever the discussion of ethics comes up – dovetailed with that discussion is a phrase, 'doing what's right.' We all know that is a fuzzy area and means many different things to different people. Therefore, we are not going to draw a line in the sand on this. We will suggest there are societal mores and boundaries, albeit ill defined. There are also codes of conduct based on the customs and acceptable standards within a society. Our focus is introspection, how each individual, you, approaches behaving like a leader. One of our colleagues has a definition of ethics as “doing what is right even no one is looking.”

## The spectrum

Above we refer to two ends of the ethical spectrum, people who are Rationalizer/Qualifiers and those who look at

things as being Black or White.

#### The Rationalizer/Qualifier

The rationalizer/qualifier will make anything suit their purposes. Generally, if we look at rationalizer/qualifier leaders morality and ‘doing the right thing’ are low on their hierarchy, they will use personal success, profit and even the law as their justification for their behavior. On top of that, they will rationalize and qualify their behavior within each. To illustrate this concept, we examine the leadership position itself. This is the acronym RHIP (Rank Has Its Privileges) and depending on your perspective, it can be referred to as the ‘double standard.’ Leaders believe that because of their position in the organization, they are deserving of many kinds of leeway. Their behavior reflects the presumption of privilege that is commensurate with their perception of the importance of their position. They rationalize their behavior because of their position, and the importance of what they do.

Another example of the rationalizer/qualifier is laws and regulations. This is where they justify their behavior by hiding behind laws and regulations. This is an easy one – ‘you certainly don’t expect me to break the law, do you?’ This actually is an easy way to justify behavior, but the issue here is balance. There will always be laws and regulations. It is sort of like adhering to a speed limit. If you don’t break the law you won’t get a ticket, but how many people really drive the speed limit? Behaving like a leader should not mean hiding behind laws and regulations. Everyone must comply if the law or regulation pertains to them, that is a baseline. Hiding behind them to rationalize behavior weakens a leader.

Their behavior reflects the presumption of privilege that is commensurate with their perception of the importance of their position. They rationalize their behavior because of their position, and the importance of what they do. This leads to a plethora of issues. First, their behavior is not transparent. Employees, colleagues and associates see and feel these things. Unlike our article of last year on Servant Leadership, the rationalizer/qualifier can easily explain his/her behavior because of position, or in extreme cases of arrogance, not even bother, because he or she has no obligation to explain or justify anything. This tends to be a very autocratic leadership style. Of course this effect becomes more exaggerated when money gets tight. It is difficult giving up privilege, so other things take up the slack. Imagine how this plays out. The leader announces that belt tightening has to occur. Cut out excess, trim budgets and eliminate waste. Sounds great until the leader has to share a taxi instead of using a limo to his meeting after flying business class to his or her destination. That is below my position. The sharing is not equal nor should it be equal, RHIP right? Think about what that does to morale in the organization.

#### The Black or White

We refer to this person as someone who is black or white, binary if you will. Ethics are very clear in their minds. You have heard of the adage, ‘it’s my way or the highway!’ Well this is the kind of leader who sees things in those terms. They have a very clear picture of what is acceptable to them and what is not. Sometimes this is not so bad. It is always better to know where one stands on an issue rather than deal with a leader who vacillates. This style can be likened to a dictator. If the organization is lucky enough to have a benevolent dictator, where there is an overlap between the dictator’s values and those below him or her, then it’s not so bad.

With that said, we are going to look at these extremes in the context of a series of self assessment/introspection questions and answer them at both extremes.

#### **Question #1:**

**Do you know your core values and does everyone who works for you know them and are they the same?**

#### Rationalizer/Qualifier’s response:

Depends on the situation. After all, we have to be flexible. I expect my employees to know the rules whether written or unwritten.

#### Black or White’s response:

Yes, I know my core values and they had all better know them. They know what I stand for and the way I do business.

#### **Question #2:**

**Have you thought about your personal ethics? Do they reflect who you are as a person in both your personal and professional lives?**

#### Rationalizer/Qualifier’s response:

Yes, mostly, but it depends. Personal and professional ethics are situational. We have to adjust to each situation and keep the company bottom line as the top priority.

#### Black or White’s response:

Yes I have a very clear set of ethics, and Yes to the second part since I follow my ethics rigidly.

#### **Question #3**

**Have your core values and personal ethics changed over the years? Have the changes made you a better person and a better leader?**

#### Rationalizer/Qualifier’s response:

No, I just apply them as the times dictate. I think I am a better person because I adapt to situations.

#### Black or White’s response:

No. This is my story and I am sticking to it. Am I better – I really don’t care what people think, this is what I believe.

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## Question #4

**Does your behavior reflect your personal ethics –in both your personal and professional lives? Are you the same person in your professional life that you are in your personal life? If not, why not?**

### Rationalizer/Qualifier's response:

Most of the time. Certainly they are a function of the situation. Personal life is my personal life. My work demands that I respond and behave differently. My personal ethics are not always applicable in my professional life because I have to adapt to each situation.

### Black or White's response:

What you see is what you get. I hold my workers as well as my family members to the same standard, my standard. I believe in consistency and it's better that people know where I stand period.

## Question #5

**Do you believe in double standards? Are people in your organization held to different standards than you hold yourself to? Are your personal standards higher or lower than what you hold your employees to?**

### Rationalizer/Qualifier's response:

It's not a double standard, as the company leader I have unique circumstances that I must deal with. I can make judgments that I cannot trust my workers to make, so there are times I have to do what a leader has to do. If that is a double standard then so be it.

### Black or White's response:

No. There are no double standards, just one standard, mine. I am self disciplined and expect the same from everyone who works here.

## Question #6

**Do you feel it is acceptable to do something that is within the law, but you know is wrong? Similarly, if you have a company ethics policy is it acceptable to do something that is within that policy but again which your personal ethics tell you is wrong?**

### Rationalizer/Qualifier's response:

Depends. I don't break the law. The law is the law, but there is the letter of the law and the intent of the law. If I determine that the intent of the law is consistent with my beliefs, then I am OK. If the company says is OK that's good enough for me. I am covered.

### Black or White's response:

If I think something is wrong, I have a difficult time being part of it law or no law, policy or no policy.

## Question #7

**Do you hide behind policy and regulations to do something that conflict with your values?**

### Rationalizer/Qualifier's response:

There are times when a leader has to be expeditious and does not need to explain everything to everybody. Therefore if it is easier to do what needs to be done by justifying it as having a basis in policy then that is OK. I certainly can rationalize my decision.

### Black or White's response:

Once again, people know where I stand; I don't need the hide behind anything. If a policy or regulation is in conflict with my values then I'll change the policy.

## Question #8

**Is your corporate ethics policy or code of conduct consistent with your own? If not what are you doing to make them consistent? Should they be consistent, why or why not?**

### Rationalizer/Qualifier's response:

Not really, they are close. As the company's leader, I still retain the right to make judgment calls and to do what in my mind needs to be done. I am not so sure individual and corporate ethics should be identical. As executives we have privileges and commitments that could compete with a firm policy.

### Black or White's response:

I am working to make them consistent. I find it very difficult when I observe my employees behaving inconsistently with my ethical beliefs. This is my company and I have standards that I expect and my values and ethics are the way the company should behave. We are how we behave. I am instituting live instruction on ethics across the organization.

## Question #9

**When you make decisions, especially those that impact employees, do you consider your corporate and personal ethics and values in making those decisions?**

### Rationalizer/Qualifier's response:

For the most part, but as a leader sometimes you have to make the tough decisions. Those decisions sometimes conflict with what one might ordinarily do. Yes, I do consider them, but as I said when you have to make a decision there are other factors that impact that process.

### Black or White's response:

Yes. This is the worst part of being a leader. The reason being, there are several things pulling at you. If I believe that the decisions being made are influenced too much one



way or the other, it becomes very stressful particularly when the decision conflicts with my values.

#### Question #10

**If you independently surveyed your employees how would they rate you regarding ethical behavior?**

Rationalizer/Qualifier's response:

I hope they understand the complexity of my job and realize that I try to do what is ethical despite the multitude of factors impacting me and the decisions I make. I certainly could explain and/or justify my position on things, but I am not so sure I should have to do that.

Black or White's response:

If I am successful in communicating my expectations regarding ethics, then I believe my employees would realize that I am consistent with my ethics. It is always better to know that someone is consistent regardless if you believe in his or her values. Again, what you see is what you get, and I hope they all know that.

#### Summary

In this brief overview, we have presented two extremes. In the world of Ethics and Leadership, there are innumerable shades of gray; gray between the Rationalizer/Qualifier and the Black or White. This is why the topic of ethics is so elusive and difficult to address. Because there is no clear answer and the topic is elusive is why we believe in framework approaches that rely on the power of human introspection.

#### Take a Hard Look at Yourself – Leadership Ethics Self Assessment

We now want to challenge you to take a deeper look at yourself. We are going to pose the same series of questions. Answer each question about yourself. If you are not happy with your answer, ask yourself – what would I like the answer to be and finally, ask yourself what you are going to do differently so you can get to where you would like to be from an ethics perspective? If you are happy with your answer move on to the next question. There is a blank form for you to use at the end of this article.

#### Values and Ethics

Values are truly important, but when we talk about values and ethics, we feel things get murkier. For instance, there are values and there are values. Some we hold dear and some we stretch, rationalize or use as they best suit us. Those that we hold dear we will refer to as Fundamental values and those that are on a less firm soil we will refer to as Optional values. It is probably fair to suggest that Fun-

damental values could include Respect, Trust and Caring.

Optional values might include Initiative, Honesty and Teamwork. For the most part people are honest. As an example though, honesty can be situational. It's like the little white lie, is it really lying or are we just modifying the truth slightly?

The issue of values and ethics is certainly interesting and complex, desiring of its own issue. Therefore, we will address values and ethics in future issues, exploring Fundamental vs. Optional values and how this distinction impacts behaving like an ethical leader.

#### Thoughts to leave you with

In the context of introspection, we have compiled what we think to be some simple one-liners to keep in mind when thinking about ethics and leadership.

- Your leadership behavior reflects your ethics and your ethics drive your leadership behavior
- Behaving like a leader should not mean hiding behind laws and regulations
- Recognize the spectrum, know where you are, where you want to be and make a plan for how you will get there
- Introspection is the key to changing. Look at your self critically and find a close trusted associate to be your critical evaluator. Someone who will tell you the truth and not sugar coat it, but this person must me trusted
- The journey is difficult, and you will fall short at times, but keep trying – this is hard work, but no harder than you are capable of handling

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How would you answer it?	
What would you like the answer to be?	
How are you going to get to where you want to be?	
<b>Question #2</b>	<b>Have you thought about your personal ethics? Do they reflect who you are as a person in both your personal and professional lives?</b>
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<b>Question #3</b>	<b>Have your core values and personal ethics changed over the years? Have the changes made you a better person and a better leader?</b>
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<b>Question #4</b>	<b>Does your behavior reflect your personal ethics –in both your personal and professional lives? Are you the same person in your professional life that you are in your personal life? If not, why not?</b>
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