

## **Leadership, Ethics, and Business**

**What should business leaders do about the crisis in ethics that pervades America? The front pages are filled with articles chronicling the business leaders who demonstrated a crass disregard for anything other than their own egos, reputations, and bank accounts.**

**The concern over the impact grows daily as elected officials, regulators, and industry groups delve more deeply into the problem and decide how to respond. Granted, the situation is complex, however, it's unlikely that legislation and regulation (whether by industry self-regulation or by governmental regulation) will suffice.**

**Let me offer three suggestions that may help us understand and respond to the crisis we're facing:**

- **Ethics is a personal issue – it is not solved by governmental or organizational responses – it is addressed individually, one person at a time.**
- **The current crisis is not new – humans have been dealing with ethical issues for millennia – and we can learn from listening to those who have gone before.**
- **The public discourse, the way we talk about business and leadership, must change – we need to reassert the purpose of the organizations we lead so that they once again serve the public good.**

**Let me explain each of these three ideas a bit more.**

**First, ethics is a personal issue. We all know that no matter what legislation or regulations are passed, it won't matter nearly as much as the individual choices that business leaders make about how run their businesses. Ethics cannot be externally imposed. Ethics are the result of our upbringing, our values, and our personal choices.**

**And, while we may be judged in the light of day as to whether or not we followed the legislative/regulatory guidelines, it is only in the darkest hour of the night, as we're lying awake alone, that the real essence of our ethics becomes clear. Each of us, in our own way, has a personal moral compass that enables us to decide right from wrong.**

**And each of us has the obligation to determine the strength and direction of that compass. No one can do it for us – we do it ourselves.**

**Next, the crisis we face is not new. Writers have explored the topic of ethics for millennia. Plato and Aristotle, among the ancient Greeks, Cicero and Marcus**

**Aurelius, among the ancient Romans, just to name a few, and many others since, have delved into the factors influencing ethics and the ways individuals and societies can understand and struggle with ethics.**

**In America, we operate under the assumption that our situation is unique, that no one before us faced the same issues, and that no one else today can really understand what our business lives are like – no place is like the U.S.A. Despite the fact that we are blessed (or cursed) with attributes other countries don't possess, we have a lot to learn from understanding how others thought about ethics.**

**Taking the time to explore what others have said about ethics serves several purposes. It helps us understand that the crisis we face is not new – ethical dilemmas have existed since the dawn of mankind – and that we need not believe that we're struggling with a brand new crisis never seen before. Granted, the bells and whistles may be different, but the underlying dynamics are the same.**

**And, by looking back, we can learn from those who have preceded us. We don't have to reinvent the wheel. We can use what others have said as the first step in determining now we understand and respond to the crisis.**

**And lastly, the public discourse. Leaders don't operate in a vacuum – they work and make decisions in an arena that is influenced by outside factors. Much like gladiators who fought in the ancient Roman arenas, today's business leaders fight for their organizations' lives in an arena, or environment, beyond their control.**

**The public discourse, the way we talk about business and leadership, is one of the key factors that influence the arena in which business leaders compete. Each of us shares the burden of shifting that public discourse so that it reestablishes the importance of businesses to serve the public good.**

**In the last several years, the public discourse has over-emphasized two factors: the need to meet Wall Street's quarterly stock expectations and the cult of the super-CEO. The combination of these two factors, the first leading to unrealistic expectations and excessive greed and the second to a belief that one person can be the organization's savior, created conditions and forces that affected leaders' decisions.**

**Rather than do what was right for the organization over the long haul and rather than embed in the organization the required structures, processes, and skills for continuous success, leaders took short cuts and feathered their own nests.**

**Now, it up to all of us, wherever and whenever possible, to redirect the public discourse so that organizations recognize and accept that part of their purpose is to serve the public good. By that I do not mean that businesses must become social activists.**

**Rather, every leader and every organization must accept that as members of society, they have an obligation to operate in a way that is consistent with their core values and that those values must be subject to public scrutiny.**

**At a minimum, that means acting in ways that if their actions were reported on the front pages of the nation's newspapers, they could do so with pride and confidence that they acted honorably and legally. For some, that means being a beacon to others in an effort to demonstrate that businesses serve the public good by providing rewarding and challenging work in organizations that last. And, for a few, that means reaching out, beyond the conventional approaches of business, to serve the public good by taking a stand on and working for issues that benefit society.**

**So, for the business leaders of America, what does this mean? It means that if they want to address the crisis of ethics infecting America today, they can:**

- **Look within to explore, clarify, and affirm their own moral compass.**
- **Learn from the past by exploring what others have said.**
- **Live as though their lives and their organizations matter – their actions spread a beacon of ethical light on the public stage – stand a public stand on issues you care about.**