

# Ethic and Trust –The Foundation of Leadership

by Sheila Murray Bethel, Ph.D.

One executive recently asked me, “How can I worry about ethics when our company is fighting for its very existence in a hostile market?”

I responded: “You don’t have to put ethics on the shelf while doing battle. Without ethics, even if you win you lose.”

Every time we say or do something unethical, we chip away at the foundations of our moral character and reputation. To make a difference we must set examples of high ethics.

The prime purpose of businesses is to make profit. But when profits become the only measure of success, we lose sight of our shared values. When unethical business practices create unfair situations that go beyond a healthy competitive environment, we are in deep trouble. In a competitive market, doing business often involves beating out the other guy, getting the best of the deal, turning \$1 million into \$5 million. In this adversarial climate, clear definitions of ethics can be difficult. How do you know when an action is a brilliant tactic or unscrupulous double-dealing? One way is to ask yourself if this action might harm an individual or business.

No one ever said that being ethical is easy. We live in a world with more ethical gray areas. Circumstances pull at us every day urging us to take the easy way out, to twist something just a little, or to close our eyes for a second. Acts of omission can be just as unethical as acts of commission. Saying and doing nothing can be just as unethical as the committed act. The distinction between what is legal and what is unethical has become blurred.

**Human values.** Business problems are ultimately human problems, and so human values must be applied to their solutions. These human values and solutions come from you and me. The good news is that the profit motive and social responsibility can coexist and prosper when we operate with high ethical standards and compassion. The stronger our ethical behavior, the better leaders we become. Harry J. Gray, former Chairman of United Technologies, said, “How we perform as individuals determines how we perform as a nation.”

**Situational Ethics.** Each of us makes daily decisions about our ethical behavior in various situations; thus we live with situational ethics. Since we are not perfect, we rarely operate consistently at the highest ethical level. Instead, the best we can do is to try to develop the wisdom and judgment to get as close to perfection as possible. For example, absolute honesty means never lie. That sounds like a good idea. But all of us have told “white lies” to keep from hurting someone’s feelings. We use our experience (wisdom and judgment) and our conscience (moral character and integrity) to tell us how far we stray from absolute honesty. If something is ethically or morally repugnant on a personal scale, it is equally repugnant in our jobs and professions. In both areas, the leader sets the standards, tries to live by them, and communicates the same expectation to others

**Shared Values.** We need to work together for our common interests, hopes and values, more than ever before. We must examine our personal standard of conduct—our ethics—and have the courage to turn the spotlight on our actions, habits, and examples. Our differences are part of our great strength, but out of this diverse mixture must come a shared system of ethical values. You make a difference as a leader when you set an example of high ethics.

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