Tab Six: Enrichment Activities

PRACTICING ETHICAL FITNESS™

PURPOSE

- To reinforce participants' understanding of the Ethical Fitness decision-making process
- To apply the process to issues common to the industry or type of organization represented

PREPARATION AND MATERIALS

This activity may require some time and research on your part because you will need to prepare, ahead of time, a set of dilemma scenarios typical to the industry or type of organization you are working with. As always, real stories are best. One way to get them is to interview others from the particular sector being explored. Write up and present the dilemmas similarly to those included in the dilemma examples in Tab Eight of this notebook. Prepare copies, if needed, of the Nine Checkpoints for Ethical Decision Making handout in Tab Five.

PROCESS #1: SMALL-GROUP DISCUSSIONS

- Divide the group into smaller groups of four or five. Hand out copies of two or three dilemma scenarios and the Nine Checkpoints for Ethical Decision Making handout in Tab Five.
- Ask each small group to apply the entire process to each scenario and to record their group's version of the two rights that come into conflict, the dilemma paradigm or paradigms that fit best, the direction that each decision principle would suggest, and a consensus (if any) on what decision should be made.
- Then engage in a large-group discussion/comparison of how each group applied the process.
- Be aware of the varying right-versus-right statements the groups might develop, since this can set the dilemma up in very different ways.
- Of course, it is best to know what really happened so you can share that at the end.

PROCESS #2: PANEL APPROACH

- This can be a very effective approach if you are doing ongoing work in a large organization, and it provides some variation from the usual small-group/large-group discussion and sharing process.

- Find and interview three individuals willing to share their business-related stories. Help them to organize and present their stories to the group in a way that parallels the checkpoints approach. Be sure to warn them not to reveal the ending.
- On the day of the workshop, set up a table for the panel at the front of the room. Ask each presenter to share their story up to the part where two rights coming into conflict are identified. Then ask the group as a whole to select the paradigm or paradigms that fit and to apply the decision principles and the concept of the third way out.
- Look for linkages during the discussion between the specific stories and earlier work the group has done, such as any work involving the drafting or operationalizing of a code of ethics.
- Finally, remember to have presenters share what actually happened!

Leadership: Good Leader/ Bad Leader

Purpose

- To explore the qualities an ideal leader would exemplify
- To understand the distinctions between a good leader and a bad leader

Preparation and Materials

Prepare copies of the Example: Good Leader/Bad Leader Exercise handout.

Process

- Begin with a general discussion of the ideas expressed in the handout. Ask: Do ethics and leadership go hand in hand? Why or why not?
- Divide into small groups.
- Outline the activity process for participants:

  —Each group should begin by listing the duties or expectations of a leader—that is, what is it that a leader is expected to do?

  —Second, select an example of a "bad" leader—an otherwise successful leader who was morally reprehensible. Ask: What were the qualities that made him or her a bad leader?

  —Next, do the same exercise for a "good" leader. What made him or her good?

  NOTE: It is true that many powerful people have been terrible human beings, yet successful leaders. Something to remember about them, however: Their reign was generally a reign of terror that could not be sustained after their death. Some of the characteristics that make a good leader successful also make a bad leader successful, but what makes a successful leader good is the exercise of shared moral values.

  —Finally, ask the small groups to create a list of attributes that describe the ideal leader. In the large-group setting, discuss the small groups' findings and consolidate the "ideal leader" lists into one. See Good Leader/Bad Leader example.

Example: Good Leader/ Bad Leader Exercise

Here is one example of how this exercise unfolded during a workshop. Interestingly, both teams chose Winston Churchill as the "Good Leader" and Joseph Stalin as the "Bad Leader."

Team A said that Churchill was a good leader because he:

- Was a good communicator
- Instilled confidence in people
- Aroused emotions which led to action
- Was a good negotiator (at all levels)

About Stalin, Team A remarked that he:

- Demonstrated abuse of power
- Was self-centered
- Had bad objectives

Team B said that Churchill was a good leader because he:

- Had a clear vision
- Was a great communicator
- Was persistent
- Was a good listener
- Had high principles
- Made quick decisions

Team B declared Stalin bad because he:

- Ruled by fear
- Was selfish
- Feared other people

- Did not take responsibility
- Made decisions without advice

The ideal leader, the groups said, would:

- Be honest.
- Be trusting and trustworthy.
- Have a clear vision.
- Have high principles.
- Have the talent and skill to understand and motivate people.
- Have positive values.
- Be a good communicator of the vision and values.
- Respect and trust others.

LEADERSHIP

Martin Luther King Jr.

"If you want to move people, it has to be towards a vision that's positive for them, that taps important values, that gets them something they desire, and it has to be presented in a compelling way that they feel inspired to follow."

Warren Bennis and Burt Nanus in *Leaders*

The leader is responsible for the set of ethics or norms that governs the behavior of the people in the organization. Leaders set the moral tone.

Max dePree, *Leadership Jazz*

One of the most sacred relationships among teams of people is that between leaders and followers. This relationship depends to an extraordinary degree on the clearly expressed and consistently demonstrated values of the leader as seen through the eyes of the followers. This is why leadership and ethics are inextricably woven together.

William D. Hitt, *Ethics and Leadership*

Ethics and leadership go hand in hand. An ethical environment is conducive to effective leadership, and effective leadership is conducive to ethics. Ethics and leadership function as both cause and effect.

Moral Courage

Purpose

- To support appreciation for the courage it often takes to make and act on a tough ethical decision
- To highlight the point that moral courage often involves some personal sacrifice

Preparation and Materials

Copy the Albert Schweitzer handout and the Moral Courage Discussion Checklist for distribution to participants. Also, go to the Giraffe Web site (www.giraffe.org) to learn more about that group and to pick out appropriate stories for your audience. Be aware of length and reading level. These stories work because they are short and easy to use in a 20-minute timeframe.

Process

- Opening: Ask participants to read the Schweitzer story and to consider the questions included on the handout. Discuss as a large group.
- Introduction to moral courage: Review the ideas below with the group in preparation for the small-group activity.
- Definition: *Moral courage* is "the courage of one's convictions, the courage to do what one thinks is right." (*Webster's New World Dictionary*)
- Moral courage is only one kind of courage. It can take courage to do dangerous things like skydiving or car racing. These are not necessarily moral actions, and they do not necessarily take moral courage. Furthermore, it can take courage to hold up a store or highjack a plane. Having courage does not necessarily mean having moral courage.
- Moral courage can pose serious challenges. Moral courage often complicates one's life and yields no extrinsic reward. Many whistleblowers can cite their moral courage as the main ingredient leading to dismissal from their jobs (a different form of the CEM, or career-ending move).

- Moral courage can be rewarding. Moral courage is "true ethics," in that it is applied regardless of the consequences, often with only the satisfaction of doing right as a reward.

- Pair work (20 minutes)

  —Explain the Giraffe Project.

  —Print out enough stories for each pair to work on one.

  —Ask each pair to read their story together. Then ask them to discuss the story in terms of the questions on the Moral Courage Discussion Checklist.

  —Reconvene and have someone from each pair briefly discuss the story and their conclusions

Albert Schweitzer

"By the time he was 21, Albert Schweitzer had decided on the course for his life. For nine years he would dedicate himself to the study of science, music, and theology. Then he would devote the rest of his life to serving humanity directly. Before he was 30 he was a respected writer on theology, an accomplished organist, and an authority on the life and work of Johann Sebastian Bach.

In 1904 Schweitzer was inspired to become a medical missionary after reading an evangelical paper regarding the needs of medical missions. He studied medicine from 1905 to 1913 at the University of Strasbourg. He also raised money to establish a hospital in French Equatorial Africa. He founded a hospital there in 1913. Over the years he built a large hospital that served thousands of Africans. Schweitzer used his $33,000 Nobel Prize to expand the hospital and to build a leper colony. In 1955 Queen Elizabeth II awarded Schweitzer the "Order of Merit," Britain's highest civilian honor. . . ."

—From **www.nobelprize.org**

Discussion Questions

- In what ways do Schweitzer's actions suggest moral courage?
- Was Schweitzer necessarily perfect? Is there a difference between demonstrating moral courage and being a moral exemplar?
- Which specific decisions described here probably took moral courage to make?
- Were any of Schweitzer's decisions easy to make? Why or why not?

Moral Courage Discussion Checklist

1. What was the action taken?
2. Why did the action take moral courage?
3. What did the actor feel?
4. What values were important to this person?
5. Was there a dilemma and a paradigm?
6. Which choice did the actor decide was the "higher right"?

Creating Trust

Purpose

- To explore the meaning of trust in the context of the organization
- To develop ways that trust might be engendered within an organization

Preparation and Materials

Copy the reading "Trust: A Primer on Current Thinking" by Rushworth Kidder. Ask participants to read the article before the seminar. For lower-level readers, use instead the page of quotes about trust. Consider providing a flip chart and markers for each small group.

Process

- Review and discuss the article. What are the two subsidiary concepts involved in trust? Why is trust important? How might trust relate to the ethical values work the group has already accomplished?
- Introduce the Creating Trust activity in the following way: "A positive climate in an organization is the result of a high level of trust. Imagine we are here today in the presence of a genie who will grant us any three wishes of our choosing, as long as those three wishes have to do with developing trust within the organization. What three things should we wish for? What will trust look like in this ideal situation?"
- Divide into small groups of six to eight. Ask the groups to brainstorm about and discuss possible wishes. Instruct them to narrow their list down to three items.
- In the large-group setting, have the small groups share their work. Then, ask the large group to narrow down the list to three or four items.
- Now, again in small groups, and for each item on the final list, ask them to identify—for the real world—what the barriers to attaining that wish might be.
- As a group of the whole, with both wishes and barriers in evidence, select one or more of the barriers for a large-group discussion on how to overcome it.

- Refer the rest of the barriers to further exploration by the whole group, or a sub-group, at a later time.

TRUST

Frank Navaran, *Truth and Trust*

Trust means confidence—confidence that others' actions are consistent with their words. Without high trust, no change effort can succeed.

Joseph Badaracco and Richard Ellsworth, *Leadership and the Quest for Integrity*

If all parties believe that decisions have been made fairly through open debate by people who they respect and trust, they will pull together more effectively to implement whatever decisions have been made.

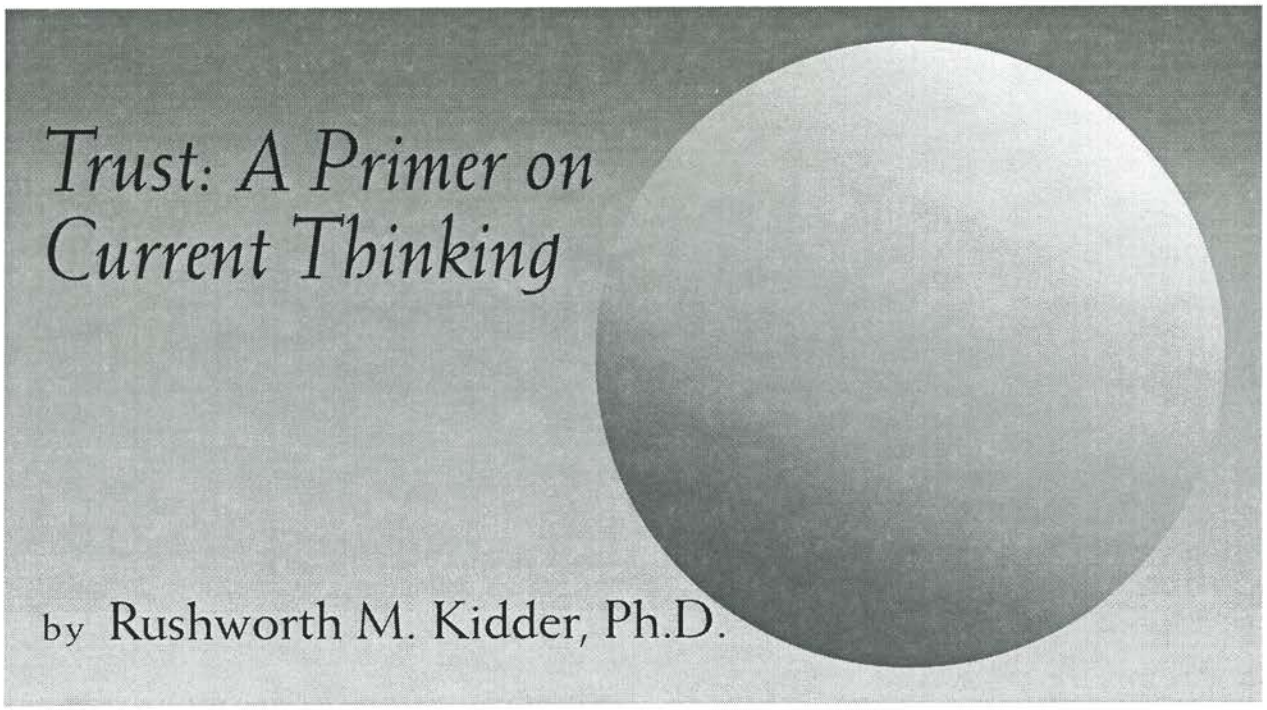
Francis Fukuyama, *Trust*

The most effective organizations are based on communities of shared ethical values.

James Kouzes and Barry Posner, *The Leadership Challenge*

It's clear that if we're to willingly follow someone—whether it be into battle or into the boardroom, into the classroom or into the back room, into the front office, or to the front lines—we first want to assure ourselves that the person is worthy of our trust.

Trust: A Primer on Current Thinking



by Rushworth M. Kidder, Ph.D.

What is Trust?

Trust is defined as "confidence in or reliance on some quality or attribute of a person or thing, or the truth of a statement" (*Oxford English Dictionary*). The definition makes a useful delineation between *confidence,* involving a mentally engaged investment of faith that things are or will be right, and *reliance,* which suggests a more rote, unexamined acceptance that nothing will go wrong. But while the definition steers us toward "some quality or attribute," it leaves us to determine what those might be.

Trust, as commonly used today, involves two subsidiary concepts: trustfulness, whereby an individual expresses a sense of confidence in others, and trustworthiness, wherein an individual acts so as to engender trust and be worthy of the confidence of others. When trust is used in a business-related context, it almost always has the primary meaning of trustworthiness—inspiring customers, vendors, regulators, the media, and the public to feel confident in and rely on a person, team, organization, product, or service.

It is widely recognized, however, that one of the best ways to create trustworthiness is to act with trustfulness—first extending a sense of trust to others, so that they will trust you. This sense of reciprocity, in fact, is suggested by the adjective *mutual,* so often applied to trust. "Trust inevitably requires some sense of mutuality, or reciprocal loyalty," writes British business economist and philosopher Charles Handy. Or, as Canadian author John Dalla Costa puts it, "Dignity extended to employees and customers by the company creates the foundation for trust to be exchanged."

Lest all this sound too coldly rational, U.S. business consultants Robert K. Cooper and

Ayman Sawaf put trustfulness at the center of their concept of "emotional intelligence." Trust, they write in *Executive EQ: Emotional Intelligence in Leadership & Organizations,* is

> *an emotional strength that begins with the feeling of self-worth and purpose that we're called on to extend outward to others, like the radius of a circle, eventually reaching everyone on our team, and in our department, division, or entire company. The warm, solid gut feeling you get from trust—from counting on yourself and in trusting and being trusted by others—is one of the great enablers of life.*

For our purposes, then, we can recognize three aspects to trust:

- Confidence, faith, belief, and reliance
- A set of values or attributes in which one has such confidence
- An active application of that confidence to self and others

The Importance of Trust in Business

The recent business literature identifies trust as a key factor in successful leadership and management. Robert Levering, co-author of *The 100 Best Companies to Work For in America,* identifies trust as one of the three key elements in his "best company" formula. "A great place to work," he writes, "is one where you trust the people you work for, have pride in what you do, and enjoy the people you work with."

By contrast, lack of trust in a business context is seen as crucially debilitating. "If there is no sense of trust in the organization, if people are preoccupied with protecting their backs," writes Manfred F. R. Kets de Vries of INSEAD, "creativity will be one of the first casualties."

Why is that so? Laura Nash of Boston University helps explain:

> *Complex service systems and transactions require efficient teamwork, which cannot be secured without cooperation, which in turn cannot be achieved, even when mandated by law, unless trust and mutual respect have been established between the players. If an employee does not trust that top management cares about him (or her), it is unlikely that he or she will care to deal meticulously on behalf of that management.*

From his experience in the trenches as CEO of a Texas-based national mechanical construction and service company, Jack Lowe Jr. makes the same point about the efficiency of a trust-based organization—particularly in a global business environment. In an article titled "Trust: The Invaluable Asset," he writes:

> *It is impossible to attain and maintain global competitiveness in serving customers without continuously, aggressively improving the processes we use to serve those customers, and this improvement is impossible without the eager participation of everyone from the front line through middle management to the executive office in our organizations. We cannot get this eager support unless we have a high-trust environment. . . . Our relationships with our customers and our suppliers and our internal relationships cannot adapt quickly enough to the demands of continuous change and continuous improvement unless we have a high-trust culture.*

For Handy, the need for trust is especially acute in the new electronic era. "How do you manage people whom you do not see?" he asks. His simple answer: "By trusting them." If there is any truth, he notes, to the idea of reciprocity—that "a lack of trust makes employees untrustworthy"—that fact "does not bode well for the future of virtuality in organizations. If we are to enjoy the efficiencies and other benefits of the virtual organization, we will have to rediscover how to run organizations based more on trust than on control."

Probing these ideas further in his masterful volume *Trust: The Social Virtues and the Creation of Prosperity*, Rand Corporation social scientist Francis Fukuyama applies the relationship between trust and ethics to the entire range of social capital, including business but going far beyond it. For him, trust is not merely a "soft" concept, but something inextricably wedded to bottom-line performance:

If people who have to work together in an enterprise trust one another because they are all operating according to a common set of ethical norms, doing business costs less. Such a society will be better able to innovate organizationally, since the high degree of trust will permit a wide variety of social relationships to emerge. . . .

By contrast, people who do not trust one another will end up cooperating only under a system of formal rules and regulations, which have to be negotiated, agreed to, litigated, and enforced, sometimes by coercive means. This legal apparatus, serving as a substitute for trust, entails what economists call "transaction costs." Widespread distrust in a society, in other words, imposes a kind of tax on all forms of economic activity, a tax that high-trust societies do not have to pay.

Israeli-born social commentator Amitai Etzioni, writing about the relationship of trust to economic activity in general, agrees. "Trust," he notes in *The Moral Dimension: Toward a New Economics*," is pivotal to the economy, and not merely to social relations, as without it, currency will not be used, saving makes no sense, and transaction costs rise precipitously; in short, it is hard to conceive a modern economy without a strong element of trust running through it."

There is also a considerable body of work relating trust to leadership. John Gardner, whose leadership experience includes serving six U.S. presidents, founding Common Cause, and heading the Carnegie Corporation, points out that trust is at the core of good leadership. Trust, he writes in *On Leadership*, is invaluable in potentially divisive situations.

> *A leader capable of inspiring trust is especially valuable in bringing about collaboration among mutually suspicious elements in the constituency. The trust the contending groups have for such a leader can hold them together until they begin to trust one another.*

Or, as business consultants James M. Kouzes and Barry Z. Posner put it in their book *Credibility: Why Leaders Gain and Lose It, Why People Demand It:*

> *Of all the attributes of credibility . . . there is one that is unquestionably of greatest importance. The*

dimension of honesty accounts for more of the variance in believability than all of the other factors combined. Being seen as someone who can be trusted, who has high integrity, and who is honest and truthful is essential.

Throughout the literature, there is an implicit assumption that trust is an ethical concept, and that it inhabits a realm of shared, core values. That, in fact, is one of the twelve key findings in James C. Collins and Jerry I. Porras's ground-breaking book *Built to Last: Successful Habits of Visionary Companies.* Based on extensive research into "visionary companies"—those founded before 1950 and still the premier institution in their industries—the authors picked out "core values" as a crucial factor in their success:

Contrary to business school doctrine, "maximizing shareholder wealth" or "profit maximization" has not been the dominant driving force or primary objective through the history of visionary companies. Visionary companies pursue a cluster of objectives, of which making money is only one—and not necessarily the primary one. Yes, they seek profits, and but they're equally guided by a core ideology—core values and sense of purpose beyond just making money. Yet, paradoxically, the visionary companies make more money than the more purely profit-driven comparison companies.

Challenges to Trust Building

Among the challenges to trust building, three things stand out. First, it is hard work. It cannot be purchased, faked, or spun. It takes time. What's more, it involves the same kind of hands-on activity that Kouzes and Posner describe as a requirement for building credibility:

Earning credibility is a retail activity, a factory floor activity, a person-to-person one. It is gained in small quantities through physical presence. Leaders who are inaccessible cannot possibly expect to be trusted just because they have a title.

Second, it cannot be attained through slick management skills. As Gardner notes,

A factor that undermines the trust of constituents in their leaders today is a set of practices that someone has described as the engineering of consent. . . . It works, but like all high-powered advertising that falsifies, it engenders a mixture of short-term acceptance and long-term cynicism. Successful seduction is one thing. Winning trust for a system that repeats endlessly the cycle of seduction and exploitation is something else.

In this arena, another slick skill could be a manipulation by management of the concept of trustfulness to mean something closer to obsequiousness. The phrase, "Just trust me, alright?" may be a way to browbeat others into grudging agreement—since the word *trust* is so positively charged that it could seem mean-spirited not to extend trust when asked. In that context, the arms-control mantra of the Thatcher-Reagan years might have a role here: "Trust, but verify."

Third, the building of trust is an essentially ethical activity. Any effort to build trust outside a moral framework will set off allegations of hypocrisy and of failure to "walk the talk." As Dalla Costa puts it,

unethical or amoral behavior completely undermines trust. Self-interest invites self-protection.

Dishonesty erodes credibility. Unfairness invites a reciprocal exploitation. Injustice displaces trust with cynicism. And environmental profligacy suggests a wider irresponsibility. A commitment to trust, essential in this economy of intellectual exchange, is therefore inextricably a commitment to ethics. And an ethical orientation, by practice, builds trust.

Attributes of Trust

For many people, the concept of "ethics" means something nearly equivalent to trust and integrity. Those two latter words, it fact, appear to be not so much the constituent parts of our moral sense as synonyms for it. If that's so, our search for attributes should properly begin below the level of these broad terms. A code of ethics that says "be trustworthy" or "have integrity" will have provided such lofty terms as to be essentially unusable. By contrast, a code that spells out in sharp detail the attributes of these ideas may be quite helpful. The question is, What are those attributes?

The work of the Institute for Global Ethics suggests that there are indeed core global values that transcend individual cultures. In survey work, in focus groups, and in interviews around the world, the Institute's research strongly suggests that core moral values lie at a bedrock level, well below other influences. In 1994, in my book *Shared Values for a Troubled World: Conversations with Men and Women of Conscience* (Jossey-Bass), I interviewed 24 "moral exemplars" from 16 countries. Each interview "began with a common question: If you could help create a global code of ethics, what would be on it? What moral values, in other words, would you bring to the table from your own culture and background?" The list that emerged is not unlike the collection of attributes of trust that are identified above:

- Love
- Truthfulness
- Fairness
- Freedom
- Unity
- Tolerance
- Responsibility
- Respect

These responses have since been confirmed in a proprietary survey we conducted for the top 1,100 managers in a major U.S. financial services firm that is increasingly global in its markets. There the top values were honesty, responsibility, respect, and fairness—values that did not vary by location around the world. The answers also did not vary according to whether the question sought to identify work-based values or personal values: For this set of employees, at least, values lived at home were identical to those practiced at work.

Conclusion

The word *trust* has rich content, very worth unpacking and expanding into a corporate code. It is central to much recent thinking about the qualities needed for corporate success. And since the values that inform it are very much in line with the universal values identified in cultures around the world, a code built on the word *trust* could be expected to sit well with multinational stakeholders.