

The three essential elements of strong ethical leadership

Perhaps I'm naïve, but I honestly believe that most business leaders have a genuine desire to be ethical. I also believe, however, that most lack the self-discipline or skills necessary to actually be strong ethical business leaders.

My belief is based in part on data from the Ethics Resource Center's 2007 National Business Ethics Survey, which reports that only nine percent of U.S. companies have strong ethical cultures. (You can download a free copy of the survey at www.ethics.org.) Since a company's culture is created primarily by the character of its leadership, the NBES data suggests that the vast majority of business leaders fall in a range that the report characterizes as "strong leaning," (43 percent) "weak leaning," (36 percent) or "weak" (11 percent).

Given human nature, this should not be a surprise. Most people have a genuine desire to eat well, stay fit and brush and floss after every meal. But most people lack the knowledge or self-discipline necessary to act upon these desires consistently.

Your choices about whether and to what extent you take care of yourself physically are personal and have very little direct impact on others. However, your choice as to whether you will learn to be a strong ethical business leader has a profound impact on everyone you work with. Even if you are a lifelong chain smoker and refuse to exercise, it is vital that you master the art of ethical leadership.

There is certainly more to say about what it takes to be a strong ethical leader than I can cover in this column. But let me share a few real-life stories to illustrate three essential elements of ethical leadership:

- Deep and genuine conviction;
- Moral courage; and
- "Felt" leadership.

Don't lean back

The new CEO of a chemical company I worked for several years ago was having his first meeting with the senior management team when he saw that one of the people sitting around the table was leaning back on two legs of his chair. The CEO



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quietly got up while the conversation continued, walked behind the person leaning back in the chair and slammed the other two legs to the floor.

There was stunned silence around the table. Then the CEO said in a firm and even voice, "Gentlemen, we are going to run this company's operations safely, and it's going to start right here in this room. If you don't get it, leave now. Does everyone understand me?" Nods of agreement followed.

You may consider what the CEO did to be a silly stunt. But it was the beginning of a journey that transformed the company's safety culture, taking it from the bottom to the top 10 percent in safety performance in the chemical industry in just two years. In human terms, this meant that hundreds of our employees returned to their families at night just as healthy as when they left in the morning, instead of going home injured—if they were able to go home at all.

Why should you keep your job?

The vice president of operations for that same chemical company was visiting one of our plants in Louisiana. While the plant manager was giving him a tour, he walked down a stairway without holding the handrail. The operations VP cut the tour short and said: "Let's go to your office now. We need to talk."

Once the door was closed, the VP asked the plant manager to explain why he should keep his job. "If you don't know enough about personal safety to hold a handrail," the VP asked, "how can I entrust you with the lives of the hundreds of people who work in this plant?"

The plant manager was able to keep his job. But, more importantly, the people in his plant ended up working in a safer environment because of a strong message delivered by a leader who had the moral courage to act upon his conviction that employee safety was of paramount importance.

Do we need to shut down the plant?

During a briefing I gave to the CEO of another company for which I used to work, I reported that one of our plants outside the United States was not in full compliance with environmental laws. Although the CEO was under enormous pressure to deliver double-digit growth, he asked for someone to pass him the telephone and get the number of the plant manager. We asked why, and with telephone receiver in hand he asked, "Do we need to shut the plant down now?"

I explained that there were other lawful and principled alternatives to shutting it down. But I was very impressed, as was everyone else at the meeting, by his deep and genuine conviction that laws mattered—even in jurisdictions like this one where enforcement was virtually non-existent.

To many people, the behavior of the business leaders in the three situations I have described may seem a bit over the top. But these unequivocal actions are examples of the "felt" leadership that actually transforms an organizational culture. This is what "walking the talk" is all about—standing on principle when it really matters.

It also defines the difference between just wanting to be a strong ethical leader and joining the top nine percent of business leaders who actually are.

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