

It's About
Excellence

Building
Ethically-Healthy
Organizations

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Prelude: Blueprint, Toolbox, & Manifesto

Executive Summary

For all super-busy, on-the-fly business leaders and managers, I have provided a one-paragraph executive summary at the head of each of the seven chapters, the Prelude, Interlude, and Postlude of It's About Excellence. If you don't have time to read the whole book right now, then browse through it and read these summaries to get the basic message. Then keep the book close at hand so you can come back and get the substance beneath the surface. The devil really is in the details when it comes to building ethically-healthy organizations. So keep it close by for future reference--or give it to a colleague who can take on the detailed study, planning, and execution for your organization.

The Prelude that follows describes briefly the purpose, orientation, structure, and flow of It's About Excellence.

It's About Excellence provides a practical, concise, and well-tested *blueprint* for building companies¹ that are both ethical and excellent, that *do right* as well as *do well*. It is also a veritable *toolbox*--full of action plans, analytical charts, ethics audits, and how-to ideas. Finally, though, it is a *manifesto*--not a dispassionate, soulless, philosophical treatise but a call to action. Good business is good for everyone. More good business means more good jobs, reduced unemployment, more opportunities for creativity, meaning, achievement, and personal pride. The ripple effects of good business are a wonderful thing. Lack of good work has a terrible fall-out in terms of crime, family breakdown, personal discouragement, and even despair. So consider this book *a call to entrepreneurship and business development*.

Calling for more business development, of course, has its risks in our era of daily business scandals and outrages. Frankly, there is a deep corruption in parts of our business world today. I don't think that the majority of businesses and their leaders are unethical--but neither is it a matter of a just few isolated instances, a few "bad apples." No doubt that every day countless businesses open their doors to employees who will find good and satisfying work,

¹ My primary concern is with for-profit businesses---small, medium, or large---anywhere in today's global marketplace. But when reference is made to "businesses," "organizations," and "companies" the lessons almost always apply equally well to non-profit organizations (including schools and churches) and government agencies. In fact, even neighborhoods, families, and other social groups can be helped by the "mission-control" blueprint.

customers who will appreciate the products and services they buy, and investors pleased with their returns. But also every day the business news reports another story of drugs rushed to market with questionable safety test results, a major default on long standing pension benefit commitments to workers, a refusal of a corporate board to listen to shareholder protests, a boatload of cash and stock for some CEO whose performance ranges from average to negative, or something equally troubling. Every day there's some story like this. The ethics problem in business is not just a matter of theft, sexual harassment, and irresponsibility on the part of employees. From the very top on down, greed and moral blindness can sometimes look like an epidemic out of control.

This cannot continue. History is replete with lessons about aristocracies and oligarchies which pushed the envelope too far, too long. Locally and globally, the chickens will of necessity come home to roost. Investors, employees, customers, and citizens will eventually rebel. We must reform now or face a rebellion later, take the initiative now or experience the initiative of a radical opposition later. Never has the business landscape been so in need of more good leadership. So consider this book *a call to ethical leadership in the business domain*.

Despite this opening mini-rant, however, *It's About Excellence* is not a fundamentally negative or reactive treatise. The answer to unethical business is not to become an expert in malfeasance and in techniques of blame and denunciation. Rather, it is to get creative, positive, and proactive. A major theme of the book is that business and organizational ethics has far too often been practiced as a kind of "damage control." Headline, brand-reputation-threatening crises have too often been allowed to set the business ethics agenda both in companies and in business schools. But if ethics is little more than an "emergency service" to contain damage and assign blame after the fact, we will never make real progress in addressing the causes and conditions of such crises.

This book is about a better, more proactive, way. Ethics is first and foremost about *excellence*. I am not alone in arguing that doing right and doing well, ethics and excellence, are intimately related. No doubt, there are exceptions where good ethics is accompanied by business failure--and where bad ethics is accompanied by apparent business success. There can be no guarantees in these matters but *most of the time*, especially *in the long term*, sound ethics is a key factor in achieving and maintaining successful for-profit and non-profit organizations. This book explains how it works---and what you can do as a manager/leader to strengthen your company.

Here is the basic plan of attack:

Chapter One cuts to the chase with a clear working definition of “ethics”---“right and wrong”---for the business context. We certainly want to learn, on this topic, from the great moral philosophers and ethics teachers through history but our interest is not in ivory tower debates or abstract, technical jargon. Let’s get our definitions and starting points right and then let’s hit the ground. Since we carry out our business in diverse, even global contexts these days, it is essential to find a share-able, common way we can follow together, to figure out what is right. I propose six basic common grounds to guide us toward what’s ethically right.

Chapter Two is about *motivation*. Why should we care about and pursue the right thing in business? If we, with our workforce, our board, and our colleagues, are not adequately motivated, nothing---NOTHING---is going to change. We will explore “Twelve Good Reasons to Run a Business in an Ethical Manner.” Most of these reasons provide a common sense business case for being ethical. At the end of this chapter, we will also ask what has motivated some business leaders to be *unethical*---to cut ethical corners and get themselves and their companies into serious trouble. Why would they risk it? Part of it is “greed,” one of the most popular of the classic “Seven Deadly Sins,” but it is more complex than that, as we will see.

Chapter Three is about *decision-making, trouble-shooting, and crisis management*---“ethical ER,” I call it. While I often criticize business ethics approaches that are *nothing more than* damage control, the fact is that our organizations must know how to recognize and resolve ethical dilemmas and crises when they arise. I’d prefer to make this chapter an Appendix at the end, included just in case some unexpected problems arise. But the reality is that our organizational “boats” are often already leaking as we take over the captain’s post. So right away we must put in place, and into action, a patch and repair process so that we don’t sink before our larger, more positive, remodeling project can be carried out.

After Chapter Three I have a brief “interlude” (hence a “prelude” here and a “postlude” at the end). The Interlude is an explanation of the transition from the problem orientation of the first chapters to the proactive building orientation in the remaining chapters.

Chapter Four is about *phase one* of a three-phase blueprint for building ethically-healthy, excellent companies. How can we build or rebuild the business “boat” so it is seaworthy and less prone to spring leaks or run aground? Answer: If we want to build ethical, excellent organizations, our mantra must be: “First, get the *mission* straight.” What is our *purpose* (or “End” as the classical thinkers would say)? What is our “envisioned future”? Where do we

want to go? What do we want to accomplish? It is this fundamental choice that, more than any other single factor, leverages (and specifies) the quality of the ethics and the level of the excellence in an organization. We are going to call this “mission-control ethics” (replacing the usual “damage-control” approach).

Chapter Five is about figuring out the *core values* that are essential to guiding and enabling the achievement of the organizational mission and fulfilling the vision. And after we figure out these core values, how do we practically, effectively embed them in every part of the *corporate culture*, from our architecture and physical equipment to our policies and systems to the personnel we hire to our company rituals and atmosphere? It’s all about what kind of organization we *are*—our corporate character and culture. It’s about building our *capability* of carrying out and fulfilling our mission and vision. I call this “building ethical muscle” in our organization. We won’t be able to “lift the weight” without it, no matter how good our intentions.

Chapter Six is about our organizational *practices*—the things we *do*, the ways we spend our time and effort in pursuit of our vision and mission. Here is the distinction I am making: our *culture* is about who and what we *are*, about our capabilities; our *practices*, then, are about what we *do*, about our activities. After mapping out these practices, the essential activities of our company, we then figure out, articulate, and disseminate our basic *guidelines* (“principles,” we will often call them) for “how we do the things we do.” This is where we call on our people to join together to write (and regularly update) our organizational code of ethics (or conduct). *Principle-guided-practices* are built out of our *value-embedded culture* in our *mission-controlled organization*. That is the grand plan.

Chapter Seven, lastly, is about *leadership* and governance. If we don’t have good leadership and a solid approach to corporate governance, none of the preceding is going to happen. The blueprint will only be haphazardly followed: employees will become cynical, directors will be asleep on the job, and the company will flounder. So *who* is going to lead? Everyone has a leadership role to play in the company—but not the same one. *How* will effective ethical leadership take place? How will we measure our success—or lack of it? (partial answer: regular, no-holds-barred ethics and values assessments in employee performance reviews—*and*—employee assessments of company and management ethics).

At the end of each chapter are (1) a brief “Afterword” reflection on a topic related to the concerns of that chapter, (2) some questions for personal reflection or group discussion, (3) a couple suggested “exercises” to help you take the ideas of the chapter to the next level, and (4)

a paragraph describing further resources (books, articles, web sites, etc.) for study of the topic of that chapter. With these addenda and the occasional footnotes, readers can take their study of organizational ethics several levels deeper (no excuses if that's what you want and need). At the end of the book I have included three appendixes, including two "thought pieces" about (1) core values of healthy corporate cultures and (2) key principles guiding ethical leaders and organizational practices along with (3) some commentary on ethical problem cases described in Chapter Three.

I mentioned at the beginning of this preface that reading the Executive Summary paragraphs heading each chapter will be a quick way to get the basic message if speed is your priority right now. If you can beef up your diet just a tad, you can get the "reader's digest" version by reading just the boxed statements that occur every page or two. Reading all the fine print of the audits and other examples takes some time but the payoff for including these items will come when you can get started inventing and implementing the ethics building project in your company.

Despite the presence of these detailed tools, and despite my professorial temptation (to which I have yielded many times in the past) to try to answer every possible objection, meander down every byway, and document every assertion----I have tried to resist, stay strong, and *stay lean* in this book. Most of my argument is common sense. Most of it is really just summarizing and applying to our workplace the best ideas and best practices of the past and the present.

Readers will note the frequent reference to Harris & Associates, a construction and project management firm based in Concord, California, and operating throughout the western United States. The ideas and strategies in *It's About Excellence* have been put into practice at Harris in a truly exemplary way and they serve as a great illustration of how to make it all real. This book is not just about some vague theory. I am grateful to founder Carl Harris, current President Guy Erickson, and the entire Harris team for permission to share their example with a broader public.

My last name brands a lot of the tools in this book that I have designed over the years (interview and research questions, values and principles lists and questionnaires, audit and case analysis forms, etc.). It's not my ego but my experience that made me do this. I am, of course, happy to share my stuff with a broader audience here. I would just ask that you properly credit the source both for the sake of justice and so that those who wish to make their way to this book will know where to go. Also, I am eager to hear your response to this book

and its approach to ethics---and about your own innovations and applications. Please shoot me an e-mail and let me know.

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