Ethical Leadership

Presented by FBI Special Agent Jeff Lanza (Retired)

Traits of an Ethical Leader

- 1. **Honesty.** Credibility is your most important asset. If you lose it, you will also lose your ability to lead.
- 2. **Respectfulness.** An ethical leader should not use their followers as a medium to achieve their own personal goals. Respecting the followers implies listening effectively to them, being compassionate to them, as well as being liberal in hearing opposing viewpoints
- 3. **Humility.** Confucius said that humility is the foundation of all virtues. A lack of it makes it easier to convince yourself that what you are doing is correct, even in the face of contrary evidence.
- 4. **Communication.** So much company dysfunction can be prevented with clear communication. Otherwise, workers are in the dark. And soon, they won't care.
- 5. **Serving others.** An ethical leader should place their follower's interests ahead of his interests. They should be humane. They must act in a manner that is always fruitful for his followers.
- 6. **Accountability.** Define the results you want, and acknowledge when a screw-up is your fault.
- 7. **Empathy.** People are more likely to listen and accept your vision if they first know that you care about them.

To Promote an Ethical Workplace

- Demonstrate top management commitment
- Communicate expectations on a regular basis
- Eliminate root causes and weaknesses
- Monitor conduct trust but verify
- Maintain whistleblower channels and policies
- Respond quickly to misconduct
- Reward acts of integrity

Red Flags That May Signal Integrity Issues

Cynicism; Alienation of coworkers;

Poor work performance;

Resentment of management;

Behavioral changes; Sense of entitlement; Lack of stability; A strong desire to beat the system; Lack of a strong code of personal ethics; Rationalization of contradictory behavior;

Contributing Factors to Lost Integrity

1. Short Term Perspective

- A trend within major corporations that has tied executive compensation to quarterly profit reports and other short term measurements of a company's performance has created major incentives that have led to unethical and criminal behavior by company employees
- A business and its employees at all levels should measure success over a longer period of time and not be driven only by monthly or quarterly results

2. Self-Justification

- The only person that you can't lie to is yourself
- We rationalize or self-justify unethical behavior to protect our ego and self-esteem.
- By understanding how these mind tricks work, we can prevent this process which makes unethical behavior easier to undertake and continue.

3. Priority Positioning

- How we prioritize what matters to us in life varies from person to person
- Many people believe that faith and family are the most important priorities in their lives
- In many cases of unethical and criminal conduct have resulted because people placed a higher value on money than other priorities in their lives.

4. The Corporate Culture

- Leaders must make ethical behavior part of the corporate culture within an organization
- Ethical expectations should be discussed with employees the very first day on the job
- There should be regular refresher training in ethics at all levels of a corporation
- Violations should be dealt with in accordance with a defined policy.

The Ethical Action Test

- 1. Is the action legal?
- 2. Does it comply with company rules and guidelines?
- 3. Is it consistent with company values?
- 4. Will I be comfortable and guilt-free if I do it?
- 5. Would I do it to my family or friends?
- 6. Would I be okay with someone doing it to me?
- 7. How would it look in a news story?

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