

Leadership Ethics Training: Why Is It So Hard to Get It Right?

By Linda Fisher Thornton

The headlines are full of stories about unethical leaders. We know from following those stories that unethical leadership can ruin a company. Why, then, are experienced chief learning officers having difficulty implementing effective training in leadership ethics?

The national news has featured stories about corporate greed and irresponsibility, and a large percentage of performance improvement professionals are being asked to implement companywide leadership ethics training. The time is right to make ethical leadership a central theme during leadership conversations and in leadership development programs.

The Fuqua/Coach K Center on Leadership and Ethics (COLE), in partnership with John Wiley and Sons, conducted its first annual survey of 205 executives of public and private companies. The leadership skills rated most important were

- promoting an ethical environment
- acting with authenticity
- interpreting the competitive environment
- developing trust
- demonstrating optimism and enthusiasm.

The COLE research also reported on time spent on leadership development:

“We found that most senior executives spend less than 25 percent of their time on leadership development. While this is not a surprising finding for CEOs and presidents of companies, we were surprised to learn that many executives also reported that their appointed chief learning officer and head of leader development were not spending more time developing their employees’ leadership skills.

“Another intriguing finding was the positive correlation between the amount of time spent on leadership development by the CLO or the head of leader development and the firm’s reported financial performance. Thus, while we wouldn’t expect CEOs to devote most of their time to leader development, we would expect CLOs and heads of leader development to do so—especially when spending more time translates into bottom line results.”

Leadership ethics is a top concern, and leadership development positively

affects the bottom line. Why, then, aren’t we helping leaders deal with ethical dilemmas?

Why is it so hard to do?

There are a variety of reasons why CLOs are finding that the leadership ethics problem is not easily solved: The definition of leadership ethics is still unclear; its scope is broadening, making it a moving target; ethics is hard to talk about; and the most useful leadership ethics programs are company-specific.

So, we have an unclear topic that is in flux, on a subject that is itself a gray area. We have a general discomfort talking about the subject, and an off-the-shelf training program isn’t going to fix the problem.

The definition of leadership ethics is evolving. So what do leaders need to know? There is disagreement among experts and practitioners about what responsible and ethical leadership even includes. Here we are, as learning professionals, trying to help business leaders who deal with a wide range of stakeholders that compete for their attention—the financial bottom line of the company, employees, consumers of products or services, and the community.

Why is there no formula for resolving ethical issues in a multistakeholder environment? Ethical leadership is difficult to define because

- It lives at the intersection of the fields of leadership, business ethics, decision-making, and corporate social responsibility.
- Thought leaders in the various fields do not agree on a practical definition.
- It takes the discussion of leadership into moral territory.
- How you define it may vary depending on your worldview and leadership values.
- The principles vary depending on the source.

LEADING THE CONVERSATION IN OUR ORGANIZATIONS

Here are some questions that may help you define ethical issues and appropriate leader behaviors in the context of your organizational values:

- What are the specific ethical behaviors that are required of all organizational leaders?
 - What are the consequences if they don't behave ethically?
 - What are the situations that people encounter that could lead them into a grey area?
 - How should those grey areas be handled?
 - What does it look like when leaders perform according to the organization's stated values?
 - What does it look like when they don't?
 - How should people make decisions when they encounter difficult situations?
 - Where might our leaders fall into grey areas while implementing our goals and values?
 - What are areas where we will not tolerate compromise?
 - What are areas of flexibility?
 - Where do we need to clarify our mission and values, to make it clear that we are an ethical organization, and ethics is not negotiable?
- How can we more effectively recruit, recognize, and retain ethical leaders?

- There are many academic articles on the subject, but there are few practical tools.
- To be implemented in organizations, ethics has to be discussed in the context of effectiveness and results.

The scope of leadership ethics is broadening. Leadership ethics used to be about honesty, integrity, fairness, following rules and laws, and being true to your values. Now, in the global marketplace, with fierce competition for business and resources, the scope of problems that can occur in leadership ethics has expanded exponentially.

The global scope means that the issues we encounter may involve the widely differing values, rules, and laws of multiple companies and cultures. The way that we define "leadership ethics" has to be different in this new marketplace and has to incorporate more than individual values.

To get a feel for the broader scope of how we now define an ethical company, think beyond simple compliance with laws, to include responsible corporate citizenship, achieving transparency in communication, and protecting the environment.

The table shows how the scope of leadership ethics has expanded to include issues that go far beyond legal requirements, honesty, and fairness, to include how what we do in organizations affects profits, people, and

the planet. In other words, leaders are expected to perform well, while making choices that do not harm groups not traditionally considered constituents of the organization. It is difficult for leaders to succeed in an area that is evolving rapidly and is not well defined.

Effective leadership ethics programs are company-specific. I am seeing more frequent blog posts from CLOs seeking packaged leadership ethics programs to purchase for their organizations. A packaged program can generate understanding, awareness, and knowledge about ethical issues in leadership. By going farther and asking the hard questions about ethical leadership in the context of our organization, though, we provide leaders with real direction about how to make day-to-day decisions.

If we are having difficulty defining ethical leadership, imagine how a line manager feels when faced with a tough decision and a tight deadline. No packaged program can help your leaders understand the specific boundaries of ethical leadership in your organization. Creating those boundaries is made more difficult because ethical leadership is hard for people to talk about.

Ethics is hard to talk about. As CLOs, we are not particularly comfortable dealing with an area of performance that crosses into moral territory and is not clearly defined. Leadership

ethics is all about how people handle situations when they have more than one possible path to choose from. Many of those paths are legal, but not ethical. When we ask leaders to avoid making decisions that, though legal, would be considered unethical, we are defining moral behavior.

That can seem like a very tricky role for the CLO. But who else in the organization is going to lead this conversation? We are more aware of these issues than other leaders in the organization. We are skilled at asking questions that uncover performance gaps and priorities. We are uniquely positioned to lead the difficult conversations that define leadership ethics in our organizations.

Isn't it the ethics officer's job? What happens when the responsibilities for developing ethical leadership within the organization are not clearly defined? Some CLOs may think, "Isn't it the ethics officer's job to worry about training on leadership ethics?" David Gebler, in his article "The End of Ethics? Going Beyond Compliance Requirements," clarifies how the ethics officer fits in:

"There is a challenging paradox in that the successful ethics officer of tomorrow will be the one that has the smallest organizational footprint. Their success will be in having other functions, such as organizational development, HR, and communications, be successful."

While the ethics officer can provide support, CLOs are still in the best position to lead the organizational conversations that define ethical leadership. Senior leaders may be calling for training but may not yet be able to clearly articulate what ethical leadership looks like within the organization.

Turning the answers into leadership development

Effective leadership ethics development isn't a mandatory "program" for leaders that is offered in multiple sessions at central locations. It's a way of operating that touches many aspects of organizational performance. The general wisdom is that leadership ethics should be an integrated part of every training program that leaders participate in. That integration demonstrates that ethical behavior is not optional, but is an ongoing part of the required leadership role. The integration allows facilitators and leaders to talk through difficult scenarios each time they are together, building a shared understanding of appropriate and inappropriate behavior.

Case studies that describe real situations that have happened in the organization (with the names and details changed to protect privacy) allow leaders to tackle tough ethical issues together in small group discussions. By providing a forum for conversations about ethical leadership within the organization, we are providing emerging boundaries for how leaders implement their ongoing responsibilities. These boundaries, as they are clarified, enable the organization and its leaders to

- have a dialogue about priorities, values and appropriate behavior
- move in the same direction, knowing that their chosen behavior is responsible and appropriate
- identify performance that falls outside of the boundaries
- deal with and resolve performance that falls outside of the boundaries before it erodes organizational performance and credibility.

Building an ethical organization

While making ethics an integrated part of every leadership development program is a good start, ethical leadership is best supported by company-wide

performance systems that require and reward ethical behavior. To build an ethical organization over time, CLOs can work with leaders throughout the organization to build organizational competence in areas that support effective communication and leadership.

This will make it easier to identify and correct unethical behavior (think about the headlines and lessons learned as you review this list that can get you started):

- Employees who ask tough questions of leaders are praised, not punished or ignored.
- Leaders are evaluated on how they communicate and lead, not just on their bottom line results.
- Employees are screened for ethical behavior before they are hired.
- Performance problems are corrected quickly, so that they are not given time to be considered acceptable by others.
- Recognition is given to leaders who achieve financial goals ethically, while engaging employees and using responsible leadership (not to leaders who achieve results at the expense of employees, customers, or organizational values).

The CLO, as the most knowledgeable performance leader in the organization, is a critical player in the quest for the ethical organization. We must check ourselves (are we modeling what we expect of others?) and take the lead

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in generating the critical conversations that will set the stage for ethical leadership in the years ahead. **T+D**

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