

Issue 17

Realizing

LEADERSHIP

Everyday Leadership in Our World



Linda Fisher Thornton in Conversation

ETHICAL LEADERSHIP

Realizing Leadership in Conversation

LINDA FISHER THORNTON
Ethical Leadership

with **LAURIE WILHELM**



Realizing Leadership in Conversation: Linda Fisher Thornton



LW Hello and welcome to *Realizing Leadership in Conversation*, I'm Laurie Wilhelm and today we're speaking with **Linda Fisher Thornton**.

Linda helps organizations Unleash the Positive Power of Ethical Leadership™ and she's one of the 2014 Top 100 Thought Leaders in Trustworthy Business Behavior and author of 7 Lenses: Learning the Principles and Practices of Ethical Leadership. Linda speaks and writes about the future of ethical leadership and consults

with businesses about how to bring out the best in people and organizations through proactive ethical leadership.

Welcome, Linda to *Realizing Leadership in Conversation*. Thank you for joining us today.

LFT I'm delighted; thanks for the opportunity to talk with you.

LW Thank you.

Linda, before we start chatting about your book, *7 Lenses*, I'd like to go over the definition of 'ethical leadership.' Now, usually I start these conversations with a definition but in your book, you acknowledge that there's not one universal definition of ethical leadership. Why is that?



LFT We really approach the question, “What is ethical leadership?” from so many different perspectives. Social scientists might look at it in terms of interactions with people and how we treat people, philosophers might focus more on ethical theories, applied ethics researchers will look more at what it looks like day-to-day in the workplace, and there are lots of books written about the definition of ethics but they’re all about pieces. They’re about character or some of the individual pieces of what ethics represents.

We need clarity about the whole picture and I don’t think that examining the pieces helps us make the kind of day-to-day decisions that consider the whole. My research reveals that ethical leadership is multi-dimensional, that there are more aspects of it than just one or two things and we can’t tell people, “Just do the right thing and you’ll be fine” because “do the right thing” can mean so many things to so many different people. So I built a framework that we’ll talk about today that helps people look at the multiple dimensions of ethical leadership and not over-simplify it to “just do the right thing” or “follow laws and regulations.”

LW Right - because that leaves a lot of leeway when it’s that open to do whatever you suppose is right.

LFT And that depends on personal values and someone's experience with leadership: Have they seen ethical leadership models? Do they know what it looks like in action?

LW I had a conversation with Randy Conley in the last issue about trust in leadership and I wanted to ask you, how do trust and ethics combine? What does ethics have to do with trust?

LFT Building trust is a very important part of ethical leadership. We now know how much harm is done by controlling leadership that's unpleasant and negative. It also causes physical stress and really leads to people getting sick and having negative repercussions. It also interferes with their ability to get their work done and their ability to learn and so trust-building is at the core of ethics.

There's a great quote by Michael Josephson of the Josephson Institute that says it well, "The ethical obligation is to live one's life so as to be worthy of trust." And ethical leaders build that trust by demonstrating strong character, by keeping themselves ethically competent, by demonstrating respect for others regardless of differences, by trusting people to do good work, by acting in trustworthy ways. So trust is a very important part of the whole of ethical leadership.

LW And having trust allows people to do their best because they have the confidence to do what they need to do and do it to the best of their ability.

LFT Absolutely.

LW When we look at ethics globally as you address very well in your book - the world is developing and it's changing and different people are talking to each other now. Do ethics change along with the world as it develops?

LFT It really does change as the world changes. Ethical expectations are increasing; we have a lot more information about the harm that can be caused by leadership decisions, by negative interpersonal behaviours in the workplace and the more we know about the harm that can be caused by those things, the less they will be tolerated. There's a strong movement toward honouring the respect and dignity of all people and the laws are changing to reflect that. There are strong movements towards protecting the planet and contributing to communities and society. We, as leaders, are expected to do more and more as we know more about the harm that can be caused by our choices.

LW Right. There are a lot more people watching and have the accessibility to discuss it on a whole other level than there has ever been before.

LFT That's a big point because now there are even ethical shopping apps where you can scan the barcode in the grocery store and see red, yellow or green - how ethical is that company and that product and of course, the citizen journalist - anyone can have a blog and can talk about the ethics of a company or their experience with that company. There's just so much information readily available so when we do make mistakes, they are highly visible now. It's not a secret. Our ethics are something we need to be addressing directly and not leaving to chance but really proactively managing.



LW In your book, *7 Lenses*, you have two sections in it. One is the 7 Lenses, where you identify the lenses or elements of leadership and then the other half, is the 14 Guiding Principles which tell us how to actually make this happen. Can you please briefly describe to us the 7 Lenses?

LFT Sure.

The first lens is profit. Making money and of course that's important but it has no inherent moral grounding so if we just focus on ethical profitability or just making money, then we're putting money where morality should be because there are six other areas where we need to be concerned.

Lens two is the law. That's complying with laws and it's grounded, unfortunately, in the punishment threshold. Some people think that laws are enough, you know, if you can follow the laws you're doing great. But it's actually just focusing on avoiding penalties and it is not focused on honouring the positive ethical principles and values. It's not enough to stop there.

Lens three is character. That's about being moral, being grounded in integrity and moral values, being morally aware and staying competent as the world changes.

Lens four is about people, demonstrating care and concern and respect for people and avoiding harm to them.

Lens five is community. This is about service: helping those in need, building strong communities and serving others and society.

Lens six is the planet. It's sustainable business and it's grounded in a concern for life and nature and conserving natural resources; doing business sustainably for the long run.



And the highest level, lens seven, is leading for the greater good. This is about doing good in the world, being concerned about the long-term good of society and this is about making things better for future generations and really making the world a better place and that, of course, is the highest level of ethical leadership that many organizations still aspire to.

LW It's brilliant how you isolated each element (lens) so we can look at them all individually and all together, how one impacts the other.

LFT They are connected, absolutely.

LW When we look at this to implement throughout the organization, leadership ethics - at one point it was really the realm of executives and higher-ups, but now it's come into the hands of managers and we can actually lead our departments in ways that are ethical. You've got the 14 Guiding Principles and if we could look at that and how ethics are in action in our day-to-day lives as we

lead our departments and our areas as well as interacting with other areas of the business. Can we look at a couple of those and how they impact on our jobs and respond to some of the seven lenses? Where's a starting point for someone?

LFT Let's start with **Principle Two: Be Morally Aware**. This is one that many people skip when they think about just following laws. But being morally aware means reading in your industry, knowing what the concerns are and what the ethical risks are in managing to avoid those.

I use an example in my book about a baker who has fallen into financial hard times and he is making gluten-free bread which is increasingly popular and it should turn around. He finally gets a large order for gluten-free bread and he just chooses the cheapest supplier for rice flour because he has not been keeping up, is not morally aware, and not realizing that consumers are very concerned about the levels of arsenic in the rice; there have been a number of articles about that. So he picks the cheapest one and the next thing you know, his customers are calling, "What rice flour are you using?" "Have you had it tested?" "Is there any arsenic in it?" "Is it safe?" "We want to use your product but we want to know it's safe."

Staying morally aware helps us avoid problems like that where that baker chose based on profit and making the most money but he didn't demonstrate concern for people because he hadn't stayed morally aware. He could be unintentionally harming people with the level of arsenic in his rice if he didn't choose well by choosing the cheapest supplier. There's a lot we need to balance and staying morally aware, knowing what is going on in the world in our particular industry and area is critically important part of the process.



If we look at **Principle Five: Respect Others**, this one also includes respecting differences and this is something that has been very hot issue recently and I use the example in *7 Lenses* about two managers that I contrast.

One expresses interest and concern for every employee when they walk in, they make eye contact, they're happy to see everyone, they demonstrate care and contrast that to a manager who ignores people until she needs something from them and only responds to people who have high status in the organization. That is a negative example because we are really here to honour the rights and dignity of all people and demonstrate respect and concern for all people regardless of how different they are from us and having a diverse assemblance of employees helps bring out the creativity in the organization. So we need to demonstrate care and concern for everyone who is part of the organization.

LW And one of the great things your book does when it divides into lenses, is it allow managers to, in our day-to-day lives, look at each one and how that applies to every department and complement that with the 14 Principles go through an exercise of realizing that. It can actually be done with a group of the team to say, "How are we actually looking at this?"

LFT Absolutely. And some departments focus more on individual lenses. The finance department is focusing more on profit, the human resources group will be focusing more on people, and if there are sustainability employees, they will be focusing more on Lens Six, Planet. So each area may naturally focus on certain lenses but you need to get the group together in order to get the full picture of that. One of the things I do in the book is let people determine where they are in honouring these seven lenses and where they need to go from there in order for them to continue their development toward taking full responsibility for ethical leadership.

LW So ethical leadership is really in the hands of managers, senior managers and directors now days.

LFT It's in everybody's hand. It's us individually for taking responsibility for leading ethically and then it's us together, all the managers and leaders in an organization honouring and supporting and protecting the shared values of the organization. It's something every manager has a part in and in fact, managers who are at the top of the organization sometimes set the tone for the ethics of the organization by being excellent role models and being chosen to participate in things that set the tone for the whole organization. You can lead from wherever you are.

LW One other thing your book really brings out is that ethics don't just happen. They're like values. Values are something you have to think about and you have to define and ethics are the same. You have to think about what are ethics, they don't come naturally out of nowhere.

LFT That is such an important point that we don't just go through the day automatically knowing all of these things. It's something that we need to be proactive and intentional about and it's not something we'll ever finish. This learning journey to ethical leadership is clearly a life-long journey; it's not something that you'll every say, "Well, that's checked off the list," and it's something that needs to be part of the dialogue in the organization all the time.

These values have to be part of every decision that gets made not just the one that we think, “That’s clearly an ethical decision,” but even the small ones like what paper do we order, who are we going to hire for an open job - when we’re hiring someone, their ethical track record is critically important to the values of the organization. When we’re ordering paper, we want to make sure it’s been sustainably harvested so we’re setting a good example of sustainable business. Even those little decisions need to be made based on these ethical values.

LW How often do you think these should be reviewed because, as we said before, the world is changing and developing so once we figure out our ethics and where we want to take them, how often should we review what we think about ethics and how we’re managing them?

LFT You can never talk about it enough. One of the things that is kind of startling is when you think about how often we talk about profitability in organizations, you know, “Did we make the quarterly numbers?” Are we talking about ethics as much or are we sending the message that profits are more important? So we have to be very careful about our message to people. If we just harp on the money and not on the ethics and don’t balance the message, then it leads people to believe that if ethics and profits seem to conflict, I obviously need to choose based on the profits because that’s what they’re talking about all the time.

I think this needs to be almost a constant dialogue to say, “How are we going to balance our profit goals with all of these other ethical responsibilities” and that’s where it really all comes together. The good news is that that has a very positive impact on an organization. When leaders intentionally go about taking this kind of ethical responsibility in these seven dimensions, it builds

trust, it brings out the best in people, and it releases a capacity in the organization. It creates a positive ripple effect and people are more engaged in their work, they feel more loyal, they're more committed to their companies and the Ethics Resource Center has published reports that talk about these statistics but it really brings out the best in people and the organizations.

LW Yes. And your book really helps to organize thoughts and actions around that.

Linda, thank you for taking time today and sharing your book, 7 Lenses. I highly recommend it to everyone listening today because it's really a solid book and foundation on how we can move forward with ethical businesses and, really, ethics in our lives and how we put that into action. Thank you, Linda for your time today.

LFT It's been my pleasure. I'm honoured to have the opportunity.

Connect with Linda:

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