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Council for Ethical Leadership - Sempre Avanti

By Board Chairman James D. Abrams



Always forward. The Council continues moving forward towards its strategic objectives. As part of that process, we had a well-attended retreat this month. Kudos to Joe Cook for his great summary of that event, which is included in this newsletter.

The Board of Trustees agreed that the three critical committees needed to achieve any of our plans were: Programming, Membership and Strategic Planning. Because time is of the essence, I have asked those committees to be prepared to report their critical path recommendations to the full Board at the April meeting.

I have little doubt that executing the committee recommendations will be a great foundation for the future success of the Council. Proper programming and a strong membership will enhance our ability to achieve our mission. Additionally, achieving these critical committees' recommendations will help the Board transition to one focused on governance and strategy rather than one focused on being the resource to "get it done." A goal to which I am personally committed for the simple reason that a change in focus will mean that the Council has the programs and resources necessary to provide the "traction" needed to strengthen and grow the Council. I believe the Board is one in making this transition work for the success of the Council.

The rest of this newsletter's content fits in well with our organizational aims. The ASQ poll sheds light on the attitudes of top executives towards corporate social responsibility. The Bureau of Workmen's Compensation article examines former CEO William Mabe's attempt to repair the reputation of that troubled bureaucracy. The piece on redistricting addresses an opportunity at reforming our electoral process. And the two book reviews analyze questions of character and the danger of ethical collapse in corporate bureaucracies. Read on!

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Council for Ethical Leadership

One hundred U.S. business leaders were interviewed by telephone and e-mail and responded with the input listed below. Poll participants included business leaders from Fortune 500 companies as well as ASQ corporate members. ASQ has been internationally known as a leading authority on quality for sixty years. It has more than 90,000 individual and organizational members. This report was adapted from two ASQ press releases. Editor

Social Responsibility Poll by the American Society for Quality

Seventy percent of Americans don't trust big companies, says a recent Harris poll. So what's corporate America doing about it? There's room for improvement, according to a poll of Fortune 500 companies by the American Society for Quality (ASQ).

ASQ, www.asq.org the world's leading authority on quality whose members are experts in standards development, provides a snapshot of how U.S. business leaders currently gauge the importance of social responsibility policies. ASQ conducted the poll in preparation for its launch of a U.S. team to help develop an international social responsibility standard.

Key Findings:

- Ninety-six percent of business leaders feel that having a social responsibility policy is important to the future of the U.S. economy.
- Over 60% of business leaders responded that they do have some formal social responsibility policy in place as part of their corporate strategy, while 40% don't have any plans to implement a policy. The "**Enron Effect**" may be at work, as 70% of those companies that in the poll said they implemented a social responsibility policy, did so in 2001 or later – timing that followed the publicity surrounding the Enron scandal.
- Looking at the state of U.S. business overall, 66% of business leaders believe that widespread adoption of social responsibility programs would improve corporate performance, while 22% feel social responsibility programs would not make any difference or would be a waste of time and money.

When asked about the importance that a social responsibility policy has or would have on their organizations, business leaders ranked the following benefits in terms of highest impact:

- Brand image (67%)
- Employee morale (61%)
- Reduced legal liability (60%)
- Attraction/Retention of employees (52%)
- Increased revenue (37%)

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- In recent years, the multitude of corporate scandals has shed light on the need for corporate social responsibility policies. ASQ asked business leaders: How does your organization define social responsibility? The top answers follow:
 - Acting in an honest and ethical manner with employees, customers, and the community – locally, nationally, and globally
 - Doing the right thing for the right reasons and not for short-term gain
 - Open communication
 - Integrity
 - Ethical behavior
 - Business values

Editorial

By J. Michael Houlahan

This fourth edition of Ethical Leadership includes a report on our recent board retreat, which reviewed the Council's strengths/weaknesses and charted specific priorities, assignments and objectives for the next 18-24 months. Also featured are a message from Council Chairman Jim Abrams, a report on an interesting social responsibility poll of 100 American business leaders and an article on reforming the Ohio Worker's Compensation Bureau by William Mabe, the Bureau's former Administrator/CEO.

An op-ed piece suggesting a bipartisan initiative toward eliminating gerrymandering from Ohio's political process is this month's offering in our "Debating the Issues" column. Two comprehensive book reviews and a summary of past and future lunch break speakers round out this issue.

Since we last published, there has been progress towards a national minimum wage increase with both the U.S. Senate and the House passing legislation increasing the minimum wage \$2.10 to \$7.25 an hour in three phases over 25 months. The two versions now must go to Conference Committee where the main unresolved differences appears to be the gap in mandated small business incentives between \$1.3 billion in the House version and \$8.3 billion in the Senate legislation. At this writing, it is unclear whether these differences can be bridged to garner enough support to overcome a possible presidential veto.

In Ohio, the state minimum wage increase to \$6.85 an hour with built in cost of living increases was approved in the mid-term election. However, its implementation was delayed briefly and its coverage somewhat diluted by political maneuvering in enacting enabling legislation.

Our next issue will include a biographic sketch of new Council Chairman Abrams and an op-ed piece on executive compensation.

We welcome readers' comments and solicit articles for possible publication. Views expressed in this newsletter are those of the

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Council Launches Strategic Initiatives

By Joseph R. Cook

So what do you do on a cold, February Saturday in Columbus? You hold a strategic planning session!

On February 3, the Council on Ethical Leadership (CEL) officers, members of the Board of Trustees, and special guests gathered in the offices of Nationwide Insurance, thanks to the arrangements made by Council Secretary LeRoy Johnston. The attendees were welcomed by Council President Jim Abrams and Margaret Lewis, Associate Director, The Ohio Commission on Dispute Resolution and Conflict Management, who facilitated the session and discussions.

The first hour of the session involved a frank review of the mission and purpose of the Council. Fundamental questions were discussed such as: who is our audience, what need should we be filling in the community, what should be our products, what are Council strengths, what are Council weaknesses?

There was general agreement that the overall mission of the Council to promote ethical leadership in organizations (whether business, government, academic, or non-profit) through advocacy and applied ethics education remains viable. However, challenges remain as to how to achieve the strategic directions that were developed last year.

The second part of this planning session focused on developing ideas for specific initiatives or activities to implement each of the strategic directions set out in the Council's mission statement. Break-out teams were organized and asked to brainstorm ideas for specific actions under the topics of: advocacy and education; sustainability; and networking and best practices resources.

Some initiatives developed were the following. Under advocacy and education: identify new forum meeting venues (e.g. Rotary/Lions/Kiwanis and other civic clubs); partner with Ohio Ethics Commission on panels and forums; and develop ethical reasoning/leadership forums for members. Under sustainability: expand Council membership, expand membership categories; seek governmental or foundation program grants; and expand the Council Board of Trustees. Under networking and best practices: promote brown bag lunch forums for members; continue Central Ohio Ethics Officers Breakfast Forums; and explore potential for repository of research, best practices and other materials on ethical leadership.

At the conclusion of these break-out sessions, all ideas and initiatives were collected and each member was asked to rank his or her order of priority for each item. Some of the highest-ranked priority items included: sustainability initiatives; luncheon panels and new forum venues; partnership with the Ohio Ethics Commission; group forums; and public sector dialogues.

Informative Links

See the top news stories of the day related to corporate responsibility
CSRwire.com --
Corporate Social Responsibility Newswire



Corporate Responsibility Officer magazine - formerly Business Ethics magazine now part of your personal membership benefits!

TheCRO.com

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The next step is, of course, implementation. The session concluded with the organization of three critical, standing committees with each participant to serve on one of the committees. The committees and chairs are: Membership Committee, Sallie Sherman, Chair; Program Committee, Angelo Frole, Chair; and Strategic Planning Committee, LeRoy Johnston, Chair. Each of these committees will develop plans to execute the initiatives identified as high priority.

The participants agreed that this was a highly useful and productive session. Much work remains to be done but the direction has been established to grow the Council and better serve all CEL members in the future. Stay tuned for more updates from the Council leaders.

Mr. Cook is a member of the Council for Ethical Leadership Board of Trustees and teaches Business Ethics and Social Responsibility at Capital University, School of Management. Editor

Trust and Betrayal at BWC

By William Mabe

Former Administrator and CEO of the Ohio Bureau of Workers Compensation William E. Mabe was appointed by then-Governor Bob Taft in November 2005, following a major scandal in that Agency. Mabe, a retired Nationwide executive, set out immediately to restore the Bureau's reputation and financial stability, serving until Governor Strickland took office. He contributed this article as a follow-up on a speech to one of our Council for Ethical Leadership luncheons.

The greatest challenge facing the Bureau of Workers' Compensation (BWC) following the investment scandal was restoring trust. Betrayal by a few top executives had destroyed the reputation of a once-proud agency.



Trust is the life blood of all relationships, both personal and professional. Without trust, most relationships will suffer and eventually die. Recent history reveals too many corporate and government scandals that have eroded public confidence in trusted institutions.

To move BWC forward, trust had to be restored from the top down, from the inside out. Strong leadership was essential to success. I needed to provide a clear direction, honor my commitments, forge a connection with the employees and develop a shared vision.

My first move was to establish the tone at the top. This was accomplished by having the courage to meet reality as it exists. Eat the frog – admit the organization has made mistakes. Exit the state of denial.

Acknowledge the pain and price of betrayal. Take ownership of the problem and begin the process of moving forward. ***Continued on page 9***

Tentative Upcoming Lunchbreak Programs:

March: Andy Dahle, Partner
PriceWaterhouseCoopers-
Fraud and Forensic
Accounting

April: The CRO - Ethics
Trends (Joint meeting with
the Metropolitan Club)

Council for Ethical Leadership

A small Window of Bipartisan Opportunity

By J. Michael Houlahan

Arguably the two most damaging influences on what many view as an increasingly corrupt and dysfunctional political system are the prohibitively high cost of campaigning and the distortion of election results through gerrymandering. The extraordinarily large funding necessary to mount a political campaign forces candidates to cultivate support from an ever-expanding list of powerful special interest groups. The highly sophisticated culture of gerrymandering manipulates the boundaries of legislative districts granting major advantage to the party controlling the reapportionment process.

Of course, gerrymandering and political fundraising have been with us throughout our lifetimes, but as the years go by they are employed with increasing degrees of intensity and sophistication. The end result is that increasing numbers of legislative seats are safe for incumbents. This trend only reverses itself in those rare elections where the majority party has so publicly disgraced itself that normally loyal party-line voters revolt and push a button or pull a lever for candidates of the opposing party.

Increased loyalty to party under this system is not surprising, as the preponderance of safe seats brought on by gerrymandering means the primary is altogether too often the deciding election. The most partisan voters in each party determine their candidate for the general election. The outcome of that general election is virtually guaranteed as the gerrymandered district is already weighted heavily in favor of one or the other party. This voting, skewed to the political advantage of a single party, makes it unnecessary for candidates to appeal beyond the most activist and doctrinaire portion of their base. This in turn, usually results in the selection of candidates further to the right or left of the political spectrum than is the general electorate. Such candidates, freed by gerrymandering of the need to attract independents and more moderate voters in the other party, are more apt to run divisive campaigns and support more polarizing legislation.

Remarking on this, Columbus Dispatch senior editor Joe Hallett wrote the following in an op-ed piece run on February 27, 2005:

“Competitive general elections for the state legislature and Congress, with a handful of exceptions, no longer exist in Ohio. In the November [2004] election, average victory margins were 44 points in the 18 congressional races, 35 points in the 16 Ohio Senate races, and 38 points in the 99 Ohio House races. At best, Ohio's system is anti- democratic. At worst, it is corrupt, protects politicians and is indefensible against charges that it deprives voters of choice. Without the moderating influence of competitive general elections, Ohioans are now over-represented by partisan hard-liners and ideologues uninterested in compromise.” ***Continued on page 10***

Review of [The Seven Signs of Ethical Collapse](#) by Marianne M. Jennings, J.D.

By LeRoy Johnston



Can organizational meltdowns such as occurred at Enron, WorldCom, and other companies be predicted, and possibly prevented, before it's too late?

Arizona State University Professor of Business Ethics Marianne Jennings believes so, and in this engaging and well-researched book, she identifies seven signs that boards, employees, investors and analysts would be well advised to heed if they don't want to get burned by an organization heading for collapse.

The seven signs, which Jennings convincingly shows were present at Enron, WorldCom, and many other now notorious organizations, include:

- An obsessive corporate culture to "make the numbers" at all costs.
- A culture of fear and silence.
- An iconic CEO who surrounds him or herself with young, inexperienced executives who can be controlled.
- A weak and ineffective board.
- Conflicts of interest at all levels including at the board level.
- Initial innovation and financial success leading to excessive pride and a belief that the rest of the world's rules do not apply.
- Excessive philanthropy (to atone for evil in other areas and to build ego).

Like a perfect storm, when all of these signs are present, only a miracle will save the company. The only hope for a stakeholder is to run, not walk, to the exit.

Reading Jennings' examples, one is struck by the primary role of the CEO in first building up, then destroying, these companies. In each, egocentric character flaws in the CEO changed the outcome from one of sustained success to one of business tragedy. CEO's like Ken Lay (Enron), Dennis Kozlowski (Tyco), Richard Scrushy (HealthSouth) and Bernie Ebbers (WorldCom) created innovative, successful business models that lead to great initial success. They were hailed by the business press as geniuses. What happened afterward can best be ascribed to *hubris*--the pride that comes before the fall. **Continued on**

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Questions of Character: Illuminating the Heart of Leadership through Literature by Joseph Badaracco, Harvard Business School Press, 2006. Pp. 220 with index.

Reviewed by Prof. Roy J. Lewicki



Some years ago, when I was enjoying a professional sabbatical and could take a respite from regular teaching and research, I decided to take a course at MIT. The course was called “Literature in Leadership.” It was taught as a ten-day seminar, and we read a book a day—everything from Greek classics to William Shakespeare to Herman Melville, Joseph Conrad and William Golding. I hadn’t worked this hard since I was an undergraduate thirty-five years earlier! Just keeping up with the reading was exhausting, no less having the time to reflect on the important meaning of leadership examples provided by these great works. But with some rereading, I have been able to work a few of them into my teaching, because these literary examples provide such vivid illustrations of the challenges and dilemmas of leading with ethics and character.

Joseph Badaracco’s new book, *Questions of Character*, does a lot of this work for us. Badaracco, the John Shad Professor of Business Ethics at Harvard Business School, has spearheaded the Business School’s efforts to systematically integrate ethics into the MBA curriculum. His two earlier books created the groundwork for this volume. In *Defining Moments: When Managers Must Choose Between Right and Right* (1997), Badaracco defines a number of key choice points, or defining moments, when managers “must choose between right and right”—that is, to go beyond the simplistic maxim of ethical training, ‘just do the right thing’, and to reason out more complex ethical problems inherent in leader and manager work. Analyzing these ‘right vs. right’ decisions--launching a controversial new product, or disciplining a worker you know can’t afford to lose her job—provide readers with a richer insight into how to think about complex ethical problems. In his second book, *Leading Quietly* (2002), Badaracco sets out to understand the legions of unheroic, ‘quiet’ leaders among us—“people who choose responsible, behind-the-scenes action over public heroism” to resolve tough leadership challenges. Accumulating cases from personal experience, literature and the experiences of his students, Badaracco developed criteria for defining success and failure in handling these cases, and builds his book around these challenging cases, and in doing so, sheds important light on the critical role of strong ethics and character in the development of true leadership.

Questions of Character digs deeper into the rich mine of fine literary classics to extract core issues of moral character. The author selects eight plays and stories from the likes of Sophocles (*Antigone*), Arthur Miller (*Death of a Salesman*), F. Scott Fitzgerald (*The Love of the Last Tycoon*) and Joseph Conrad (*The Secret Sharer*), and assesses the moral

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Lunchbreak Series Highlights

JANUARY LUNCHEBREAK HIGHLIGHTS

January 31st, Mike Marous, Assistant U. S. and Kathleen M. Brinkman, retired Assistant U.S. Attorney, both from the Southern District of Ohio, spoke to the Council about criminal misconduct in business. Their topic "They Know It When They See It: When Federal Prosecutors Regard Business Misconduct as Crime" was of interest to the group because of the very public case ongoing now with Hewitt Packard. Mike first shared the prosecution guidance memos published by the Washington Dept of Justice and noted the recent changes. These are the guidelines federal prosecutors use in deciding which cases to prosecute. Interestingly, they are truly "guidelines" and the federal prosecutor in charge of the case still has individual discretion as whether or not to prosecute the case. Karen then discussed when most prosecutors see business conduct crossing the line from civil misconduct to criminal conduct, how prosecutors decide whether to charge a business in lieu of an individual(s) or in addition to an individual(s), and what kinds of internal controls and preventive measures impress a prosecutor confronted with evidence of business misconduct.

FEBRUARY LUNCHEBREAK HIGHLIGHTS

In February, Donna James, Managing Director of Lardon & Associates and Past President of Nationwide Strategic Investments, shared her adventures in ethical behavior with the Council. Donna has had a varied career in both business and her volunteer endeavors. One of the stories she shared was around the controversy with Central State University while she was a newly appointed board member and the courage it took to work through the highly publicized problems. Two keys for her are trying to, "always stay on purpose" and taking the opportunity to "pray in the moment". By keeping these in mind you can focus on your end goal and take the time to gather your thoughts rather than acting out of anger, vengeance, or hurt.

Trust and Betrayal at BWC continued from page 5

To move forward, the agency and staff had to

- Acknowledge that we are capable of performing the job we are assigned to do.
- Communicate the truth, admit mistakes and be open and transparent
- Honor our commitments and have the courage to face problems.

The fastest and most effective way to regain trust was to meet the employees. I held 16 face-to-face meetings across the state over two weeks and met 2,800 employees. It was time consuming, but invaluable in making the connection on an emotional level with BWC's most important asset – the employees. These were the people who would help develop the plan and carry the message beyond BWC.

The employees were asked for their suggestions on how to turn the organization around. Their ideas became part of the solution. We became partners in our efforts to rebuild BWC. The vision became shared. The proposition to fix BWC had become emotional and tugged at their hearts. They bought into the future, but would they help execute the plan?

As the leader of an organization with low morale and poor public perception, I had to earn their trust. This was achieved by articulating our direction and presenting it in simple, bold and doable terms.

I had to prove through my actions that I would shoulder my share of the load by working hard, remaining committed to my values and my word and respecting the work of everyone in the organization. My performance became my bond. As the leader I set the tone and realized that my behavior could have an enormous emotional impact on the staff. Careless words or subtle remarks could be devastating.

To be harsh and callous is easy, but to be kind takes time and an investment. The leader who practices kindness displays the ultimate wisdom. In today's world as well as throughout history, this is a paradox of leadership. People say they want leaders to be empathetic and understanding, but be human and approachable. Yet at the same time, people want leaders who are courageous and strong. Unfortunately, society often rewards harshness and false bravado, which is perceived as strength when it really is a weakness.

A ship is a good metaphor for rebuilding trust. Anyone can steer the ship, but it takes a captain who knows the destination to set the course and select the crew. Each crew member needs to know his job and its importance to the success of the voyage.

Does your crew know their jobs? Do they believe they are essential to success of the voyage? Are you leading for personal gain or for the good of others? Are you leading with your heart or your head? Do you practice kindness and restraint?

These fundamental issues of leadership transcend all businesses and situations no matter how unique each individual voyage is. The leader sets the tone. On your voyage, what kind of captain will you be?

[A Small Window of Bipartisan Opportunity continued from page 6](#)

Also, regardless of how moderate and altruistic they may have been when first entering politics, to remain successful, the candidates must raise daunting sums of money. This requires becoming beholden to special interests willing to underwrite their campaigns. These special interests may vary, depending upon party and political philosophy; however, campaign money will not continue to be donated unless candidates prove to be loyal supporters of legislation favorable to these interests.

The midterm election held last November is an example of that rare election where perceived misbehavior of one party resulted in much larger than usual reverses at the polls. Herein may rest a small window of bipartisan opportunity for improving at least one of the practices so

corrupting to our political culture-gerrymandering. If left to their own devices, one suspects that neither party will abandon gerrymandering. The rewards are so great for the party controlling redistricting, that the temptation to continue the practice may be irresistible. However, the present political situation in Ohio is uncertain enough that neither party can be assured it will be in charge in 2011 when the next redistricting is scheduled. The political trend appears to favor the Democrats, who have just seized a majority (three) of the five positions required to dictate the next round of district realignments. However, this majority may not last until 2011, and the process could revert to Republican control.

With this in mind, now might be an opportune moment for public-spirited politicians of both parties to reach out across the political divide and attempt to negotiate legislation that would bring greater balance to the election of Ohioans to the national House of Representatives and to both houses of the state legislature. Such boundaries presumably would result in more coherent electoral districts, minimize demographics-driven redesigning for political advantage and stress the creation of more truly competitive districts for future elections. It would put into place a selection process in both primaries and general elections that is more politically neutral than the present system, which traditionally favors one or the other of our two major parties. More competitive districts usually result in more moderate, centrist candidates and can lead to greater legislative compromise and bipartisanship. This certainly would be a result the vast majority of Ohioans would favor and might build momentum for an attempt to tackle the legally and politically more difficult task of reducing the influence of special interest funding in our elections.

[Review of The Seven Signs of Ethical Collapse continued from page 7](#)

The patterns in these cases follow remarkably similar lines:

- When business conditions get tough, as they inevitably do, the CEO demands that the organization "make the numbers" at all costs (to validate the "genius" of their initial success). Double digit growth itself can be a danger sign. Competitors are left to wonder, "How do they do that?"
- The CEO allows no discontent or dissent to challenge his or her status as a genius. This message flows down to create a culture of fear and silence. Employees at all levels stop questioning and stop bringing forward solutions.
- The CEO promotes young executives (in some cases relatives) beyond their competency into an inner circle and lavishes them with high salaries and perks, creating dependency and allegiance. They, too, may be tagged by the media as "geniuses." The "young 'uns" (as Jennings call them) lap it up. When questioned, their response is that the rest of the world doesn't "get" what they're doing.
- The CEO does everything possible to create a weak board that will not probe or interfere. These include such steps as ensuring the numbers always look good, waiving (and even encouraging)

conflicts of interests of board members, finding board members who lack the necessary skills and expertise, and ensuring that board members are paid very well.

- The CEO also ignores, waives, or encourages conflicts of interest of executives. The possible conflicting arrangements are myriad, but all have the effect of squelching oversight and dissent. Examples include loans by the CEO or the company to executives, causing the company to do business with company executives, and employment of relatives.
- The CEO spreads plenty of wealth around--to employees and to charities. Nobody (including the board) wants to look under the rock when the money is flowing. The CEO's generosity (whether personal wealth or company wealth is being given) acts as an effective shield against inquiry. It also salves the conscience and feeds the ego of the CEO. Rationalization for wrongdoing sets in.

Given the critical importance of the CEO's character in creating these business tragedies, Jennings raises a fascinating question: To what extent should stakeholders be concerned about CEO behavior outside the confines of their position as CEO? For example, if the CEO cheats on a spouse, a process generally requiring lying, should anyone be concerned? "The pattern of adultery and remarriage runs across iconic CEOs," writes Jennings. What about cheating on the golf course? According to Jennings, 82 percent of CEO's admit to cheating at golf, but essentially all believe they are honest in business.

Can these organizational tragedies (and they are real human tragedies for employees and shareholders) be prevented? Jennings argues yes, but only if rapid, aggressive action is taken. Jennings provides lists of antidotal actions for each of the seven signs of collapse. A few are for the board to implement ("challenge officers on their claimed results, dig deeper on perks"). But the majority of the antidotes she offers are for executives and managers to execute, an expectation that is not realistic because of concerns about job security and retaliation. In a hierarchical organization, the tone comes from the top--the CEO. Without a strong, skilled board to challenge the CEO, one can argue that many of the antidotes are doomed to fail. This suggests that the responsibility for taking action rests primarily with the board, the only body that has the authority, and fiduciary responsibility, to ask the tough questions and rein in the CEO.

Jennings writes in a breezy, conversational style that sometimes comes off as too cute (referring for example to investment bankers as "investment lads and lassies") and she repeats some of her favorite phrases to the point of distraction. I lost track of the number of times she wrote "for those keeping score at home. . ." But she also comes up with gems like "Fraud keeps company with flamboyance," and, referring to CEOs, "Icons are highly overrated When in doubt, go with the plodder."

In the end, it's about values. "Meeting numbers does not define the values. Values determine what we will and will not do to get to the numbers," writes Jennings.

If only all organizations were run so.

LeRoy Johnston is Associate Vice President for Ethics and Internal Investigations at Nationwide Insurance. He also is a member of our editorial board.

Questions of Character: Illuminating the Heart of Leadership through Literature continued from page 8

questions and dilemmas faced by the key characters. Like most good ethicists—and teachers of business ethics—Badaracco recognizes that the power of character development is not as much in the actual decision as it is embedded in the process of framing and wrestling with the tough questions. Thus, the book uses the literary examples to frame eight major ‘diagnostic’ questions that leaders and would-be leaders wrestle with: How flexible is my moral code? Am I ready to take responsibility? Can I resist the flow of success? Can I combine principles and pragmatism? Positioning the literature against these critical questions of character, Badaracco engages the reader in a deep and penetrating reflection of their own reasoning and decision-making processes as they grapple with their own personal versions of these challenges.

There are two clear strengths of this book. First, it is a refreshing alternative to the onslaught of leadership literature that attempts to simply the dynamics of leadership into three simple rules, or ten practices, or one-minute behaviors. There are far too many ‘Leadership for Dummies’ volumes to be found in mass market and airport bookstores, and far too much focus on mediagenic big splash leaders than on those who demonstrate courageous leadership every day. Second, Badaracco’s book adds to a growing collection of writing that emphasizes the moral, character-based components of leadership, rather than a handful of behaviors or speeches. In a world in which we are continually treated to the moral and character defects of business, political and religious leaders, this contribution could not be more timely and more necessary to add to the ‘required reading’ list of current and future leaders.

The weaknesses of the book are not so much in the book itself, but in how one achieves the kind of personal insights that Badaracco reflects in his literary analyses. Some argue that applications to more contemporary business situations and leaders would ground the principles in current events. But for me, the primary concern is that the character principles derived by Badaracco cannot be absorbed or understood by simply reading this deceptively simple 220-page book. The original works need to be read; the works need to be discussed with peers, and supplemented with personal experiences and challenges each of us has faced. Finally, Badaracco’s analysis needs to be absorbed, and the challenges he outlines need to be openly discussed and debated as well. Character development doesn’t come from simply reading a book; it comes from engaging the insights of an author in an interesting story and matching them with our own experience, hearing others respond, and allowing others to challenge our own blind spots and rationalizations. The learning is in the reflection, debate and discussion process. The ‘action’ is not in reading others’ insights into leadership character, but in achieving one’s own deep personal meaning for those insights. Badaracco’s book is an

excellent first step, but absorbing his reflections may only be one of many critical steps in developing one's own character as a leader. Given the commitment to ethical dialogue and debate embraced by the Council for Ethical Leadership, *Questions of Character* could provide excellent source material for engaging our leaders in this exploration and discussion.

Professor Lewicki is the Dean's Distinguished Professor at the Max M. Fisher College of Business at The Ohio State University, as well as former Chairman of the Council for Ethical Leadership.

The author, Joseph L. Badaracco Jr., is John Shad Professor of Business Ethics and Senior Associate Dean, Chair, MBA Program at Harvard Business School

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Membership in the Council for Ethical Leadership is a valuable resource. Our \$100 individual annual membership dues entitles you to discounts on all Lunchbreak Series programs, the Annual Meeting dinner, and all other Council offerings. In addition, you receive the Council's quarterly newsletter ***Ethical Leadership*** and a subscription to the excellent national magazine ***Corporate Responsibility Officer (formally Business Ethics)***. With your support we can further our mission to promote organizational and personal responsibility. If you have questions about membership in the Council, please contact Lisa Mueller at 221-8661.

 Yes, I would like to join the Council for Ethical Leadership.

Enclosed is my check for a total of
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Please send your membership request to:

Council for Ethical Leadership

92 Jefferson Ave. Suite 108

Columbus, OH 43215

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