

Building Higher Trust 45 Trust and Ethics

by Robert Whipple: MBA, CPLP



There is a direct link between trust and ethics that is intuitively obvious. Naturally, when we find an organization that is highly ethical, we usually find a group that has achieved high trust. The reason is obvious. Highly ethical organizations are open and honest at all times. These actions tend to build trust over time.

There is another very interesting relationship between these two concepts that is not all that obvious. It has to do with protection from making ethical blunders.

Recognizing Ethical Dilemmas

I have studied ethics for roughly 30 years and taught it in business schools at two different universities. I am the chairman of the Board of Directors of an organization called Elevate Rochester, an organization that gives out “ETHIE” Awards to companies in our region that have outstanding ethical programs. My relationship with the topic of ethics is intense and constant.

One thing I have noticed is that a tricky part of trying to maintain an ethical culture is recognizing when you are facing an ethical dilemma. The reason is that leaders tend to rationalize a marginal situation and talk themselves into an unethical decision as being the right thing to do “under these circumstances.”

Many individuals and organizations have gotten themselves into significant ethical peril by this rationalization process. The leaders make a decision that is not consistent with what they have done in the past but is perfectly legal. What they have really done is taken a baby step toward the ethical edge without realizing it.

The next time a similar issue comes up, they have the prior action as an OK precedent, so this time they add some additional unconventional actions, still being perfectly legal. That is another baby step. It is the process of excusing somewhat shady things in an escalating fashion that leads to perfectly wrong actions over time.

That is how the Enron situation unfolded that led to its bankruptcy in 2006. They started out making small compromises that were legal but unconventional. Many months later, they were doing things that were totally illegal. They got there through a series of baby steps that nobody called out.

How Trust Protects You

If you have invested in a culture of high trust, you are protected from deceiving yourself into thinking a marginal call is OK. Let's say an organization has 500 workers. The leaders are contemplating showing the earnings numbers with a slightly different timing from the usual because it will make them look better.

If there is high trust, all 500 employees know it is safe to voice a concern about what is going on and not get punished for it. So, if a slightly shady practice is contemplated, some of the employees are going to speak up and say, "That may not be illegal, but it could easily lead to further compromises that might lead to an unethical decision in the future. I don't think it is right to do it."

Conclusion

Leaders make tough calls all the time, and sometimes they cannot see where they are making compromises because of the "under the circumstances" logic. By investing in psychological safety and trust within the workforce, it protects the leaders from rationalizing themselves into truly ethical problems.

Build a culture where it is safe to voice a concern, and you will have the blessing of people unafraid to tell you a contemplated action might be stepping closer to the unethical line.

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