Building Higher Trust 59 Be Ethical

by Robert Whipple: MBA, CPTD

There is a firm relationship between ethics and trust. No doubt when you read the title of this article you thought, “That’s obvious.” The issue is actually more complex than meets the eye.

Of course, you should always be ethical. There is no dispute about that. The issue becomes how do you go about determining what is ethical and what is not.

Background

I have taught ethics in three graduate schools, and I am the Chair of the Board of Directors of a not-for-profit organization called “Elevate Rochester” that gives out ethics awards to highly ethical organizations in our area. All my leadership work contains ethics because it impacts trust. My professional life revolves around the topic of ethics.

Key Point

One thing I have learned is that ethical problems in the real world are sometimes not so easy to spot. Sure, if you are embezzling money from an organization, it is not hard to figure out that you are operating unethically. Occasionally the unethical path is so obvious that you would be a fool to miss it, but that does not stop some people from doing unethical things.

The more common and insidious ethical dilemmas are not so easy to see. They often show up as two different paths that are considered by an organization. Each path has some advantages and some disadvantages associated with it.

For example, suppose you discovered that there was a flaw in a product that you sold to a customer five years ago. The customer used the product every day and did not complain about it at all. The customer was not aware of the flaw, but there was a very slim chance that the flaw could cause an electric shock sometime in the future. The question is whether you tell the customer about it or not.

© Leadergrow Inc 2021
ALL RIGHTS RESERVED

One consideration is that the product guarantee was for one year. This is five years down the line, and the customer has had no problem with the device yet. A recall would be very expensive, and it would impact the reputation of your company.

The leadership group is busy arguing among themselves which is the better path to take. They focus on the risks and rewards of each option and do not even recognize when they are dealing with an ethical problem.

Sometimes it is helpful to have a “devil’s advocate” on the team to challenge marginal decisions.

Situational Considerations

The decision process always involves the situation we are in at the moment as well as the future. The argument might sound like this. “Ordinarily we show the sales by line of business because that is the convention, but since the lines of business have been scrambled by the reorganization, nobody will be able to figure out the reporting, so we should just show the sales as one large lump in this situation.”

By making that decision, the leaders have neglected to mention the advantage of being able to hide poor performing units by showing only total sales. They have crossed the ethical line without even being aware of it.

Crossing the Ethical Line

Most ethical situations are the result of prior decisions that are not unethical but are somewhat different from the normal pattern. Once we make an unconventional (but legal) decision, it is easier to do the same the next time and add a little more flavoring to the stew. We end up walking off the ethical cliff by making very minor adjustments to what we already declared as legal in the past.

The baby steps toward the edge of the cliff are so small that nobody notices them or challenges them until it is too late. A good example of this phenomenon was the fall of Enron in 2001. Through a series of moves, Enron fooled regulators with fake holdings and off-the-books accounting practices. When the truth became known, there was no way to save the company from bankruptcy.

The Antidote

There is an antidote for this creeping disease. It is trust. If the leaders have built a culture of high trust that includes psychological safety, then people will know it is safe to say something when the leaders might contemplate doing something that leans toward unethical behavior. If you have 100 people working in the organization, then you have

© Leadergrow Inc 2021
ALL RIGHTS RESERVED

100 voices that will challenge a decision that is off-color. You are protected by your own people.

Bob Whipple is CEO of Leadergrow, Inc. an organization dedicated to growing leaders. Website www.leadergrow.com BLOG www.thetrustambassador.com He is author of the following books: *The Trust Factor: Advanced Leadership for Professionals, Understanding E-Body Language: Building Trust Online, and Leading with Trust is Like Sailing Downwind*

© Leadergrow Inc 2021
ALL RIGHTS RESERVED