Introductions:

- Participants and Presenter…
- Icebreaker
- Institute for Ethical Leadership, Rutgers Business School
Getting started...

• An unethical situation you experienced…
  • What happened?
  • What did you do?
  • What worked?
  • What did not work?
  • What would you do differently?
  • What did you learn?
Institute for Ethical Leadership
Rutgers Business School
Mission

We strengthen ethical leadership to enhance civil society

Agenda/Objectives:

At the end of this session, participants will:

1. Vote on Ethical Dilemmas
2. Discuss Why Focus on Ethical Leadership?
3. What Influences your Decision to speak up when faced with an Ethical Dilemma?
4. Building an Ethical Leadership Culture
5. Describe a Decision Making Model
6. Discuss Results of your votes...Ethical Dilemmas
How do you vote?

Instructions on how to Vote…

1. We’ll ask you a Question
2. Please write Yes or No
3. You will have 5 seconds to answer the question
4. We’ll proceed to the next Question

Vote...

1. Sharon mentions to you (her manager) that the Mayor is making personal advances towards her. The advances are not welcomed, but Sharon says she can handle it. The Mayor is up for election in November. Do you tell anyone?

✔ YES or
✔ NO
2. You screened a group of vendors, you are about to select one vendor who is the lowest price, highest quality. Your brother-in-law is an employee of the vendor you are about to select. Do you hire the vendor?

✓ YES or
✓ NO

3. A vendor offers you tickets to a Grants a Football game. Do you accept the tickets.

✓ YES or
✓ NO
4. You work with a Vendor, and you discover that the Vendor is breaching compliance regulations (this Vendor is the best vendor, low cost/high quality and there is not a second best in the market), do you report the Vendor?

☑ YES or
☑ NO

Vote...

5. A new business in town says they are a Minority & Woman Business Enterprise that qualifies for diversity metrics. You learn later that is not true. Do you bring it to the attention of the Business?
6. Your neighbor is a councilwoman. She will be away during an upcoming snow storm. Thus, she asks you to have the DPW remove snow from her sidewalk. Do you ask DPW to remove the snow?

✓ YES or
✓ NO

Define Ethical Leadership
Define Ethical Leadership:

Ethical Leadership is the way in which a leader behaves to empower people to build up our civil society.

Ethics = Culture
- The way things are done around here
- Aspirational behavior
- What we owe to our customers/stakeholders

Compliance
- Adherence to the bright line standards
- What is set forth in the contract
- Enforces minimal behavior
Why Focus on Ethical Leadership?

Non-profits
- American Red Cross
- Stevens Institute of Technology
- Cancer Fund of America Fraud Case

Business
- Enron
- Madoff
- BP
- MF Global
- GM
- NFL – Ray Rice
- Volkswagen

Government
- NJ Corruption Sweep
- NJ Bridge-gate

Education
- Sayreville HS Football Team
- Penn State
- Harvard University
- Rutgers University

Journalism
- Brian Williams
What influences your decision to speak up when faced with an ethical dilemma?

- Organizational Culture
- Your Financial Situation
- Your Home Situation
- The Stakes
- Your Ethics
- Your Gut
- Your Values
- Your Frame of Reference
- Past Experiences
- The Law
- Fear/Courage

You
• Define Organizational Culture…

• How do you build an Ethical Leadership Culture?

Define Organizational Culture:

Cultures are comprehensive, incorporated both in the…

• **visible**: architecture, physical objects, nonverbal behavior - *above the surface*
• **invisible**: thoughts, attitudes, values - *below the surface*

A culture is “the *total way of life of a people*, composed of their learned and shared behavior patterns, values, norms and material objects.”

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Meeting the Ethical Challenges of Leadership Craig E. Johnson
Building an Ethical Leadership Culture

An ethical organization is made up of a number of components. Each of these ethical organization values are found in each component.

- People and Processes
- Leadership
- Self-Regulation
- External Oversight
- Clear Policies
- Culture
IEL’s Decision Making Process for Ethical Dilemmas

1. How to Recognize
   - Is this or is this not an ethical dilemma? If so, define the ethical dilemma from all perspectives. Test with your gut, your values, organization values.
   - This could be an ethical dilemma or business problem – Black, White, Gray

2. Clarify the Facts & develop a complete understanding of the ethical dilemma. What influences your decision when faced with an ethical dilemma?

3. Create Alternatives
   - Brainstorm options

4. Evaluate Alternatives
   - (short/long term effects)
   - Evaluate effect on various stakeholders/stakeholder analysis
   - Engage others - turn to trusted advisors to discuss (do not decide in a vacuum)
   - Ask Yourself… Does it comply with the organization’s values? How will this decision make me feel about myself? Will I be proud if it is represented in the media? Does it support my personal values?

5. Decide & Implement Decision
   - Courage, involve all who need to be engaged

6. Evaluate Consequences of Decision post implementation and engage others

7. Re-affirm the Ethical Issue and the results of the Decision solved, not solved re-define

Discuss Results of your votes...Ethical Dilemmas
Program Summary & Action Planning

Based on what you learned during this program...

<table>
<thead>
<tr>
<th>One thing you will do differently going forward...</th>
</tr>
</thead>
<tbody>
<tr>
<td>One thing you learned...</td>
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Sources –


Thank you!

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Rutgers Institute for Ethical Leadership

@RutgersIEL
#ethicsmatter

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