

The Leader: A Look At Ethics

by **Frederick E Roach**

When business surveys ask what characteristics, qualities or values are critical for business and personal success, ethics -- particularly in recent years -- is high on the list. Many consider ethics the single most important ingredient for long-term success.

It is interesting to note the varying definitions of ethics. Some view it narrowly, while others see it comprehensively. To some, ethics means living within the law. To others, it involves all of life's decisions, and the striving to do the right thing in every area of life.

When looking at ethics broadly, we note that it includes responsibility, accountability, and commitment to a high standard of what is right and wrong. Inherently, ethics involves our relationships, within the organization, with customers and ultimately with the well-being of society.

In a few weeks, the human resource department will distribute Baylor's "Business Ethics Guidelines." There's an understanding that ethics have more to do with character than merely following a set of guidelines. Yet we know in our complex society, it is helpful to have specific guidelines common to the entire organization.

The most recent issue of Executive Excellence magazine featured several articles on ethics. Willard C. Butcher, retired chairman of the Chase Manhattan Corporation, wrote in one article: "Ethical behavior and effective leadership are intertwined and inseparable." He pointed out something we observed when drafting Baylor's "Business Ethics Guidelines": "We must work at making our code of conduct a living document and the practice of corporate ethics a living spirit throughout the organization."

Butcher raised a warning many are beginning to heed: "We seem to have lost sight of the fact that there are fundamental rights and wrongs in our society. We need to reassert the importance of making decisions in an ethical way. Ethical decision making isn't an option today. It is an obligation - in business, in education, in government, in our daily lives. We must practice what we preach and incorporate ethics into every decision."

Guidelines are not an end unto themselves. But they are part of all we stand for, as outlined by our Baylor Health Care System vision and mission statements; and our policies, procedures; and our laws and regulations.

"The key to how control, accountability, responsibility and authority work is ethical governance -- those beliefs, values, and morals by which the organization lives," wrote Beverly Goldberg, vice president of the Twentieth Century Fund, in another Executive Excellence article. She continued: "They shape its internal culture and external image. They are part of the framework that supports and promotes trust."

Goals In Establishing Ethical Guidelines

1. To Improve Communication

Communication is considered one of the toughest issues to conquer in any large, diverse organization. As we share the newly adopted guidelines with employees, we'll help enhance the communication process.

2. To Clarify Specific Issues

The intention of the guidelines document is that it become a "living document,"



capable of adaptation as needed. While no such document could be considered to be comprehensive, it does provide the means for the organization to gain a sense of what is considered appropriate in a specific situation.

3. To Build A Common Base

Ethics vary with the individual. If we want to have common action, then we need to provide common information. This should eliminate any feeling of having varying sets of rules for different employees.

4. To Meet Legal And Regulatory Requirements

There are increasing demands from legal and regulatory sources for compliance programs that include business ethics guidelines. In the future, we all will become more and more aware of specific demands on the organization, as well as individuals within the organization.

5. To Emphasize The Importance Of Ethics

There are times when special initiatives need to be given a higher priority. This is appropriate now because of our tremendous growth and the increased pressure of our changing environment.

6. To Help Establish Leadership Standards

Leaders influence by their action. Consistency is an important leadership trait. Because we will have ethical guidelines that will become part of the standard by which we're all measured, we can lead in becoming role models for others within the organization.