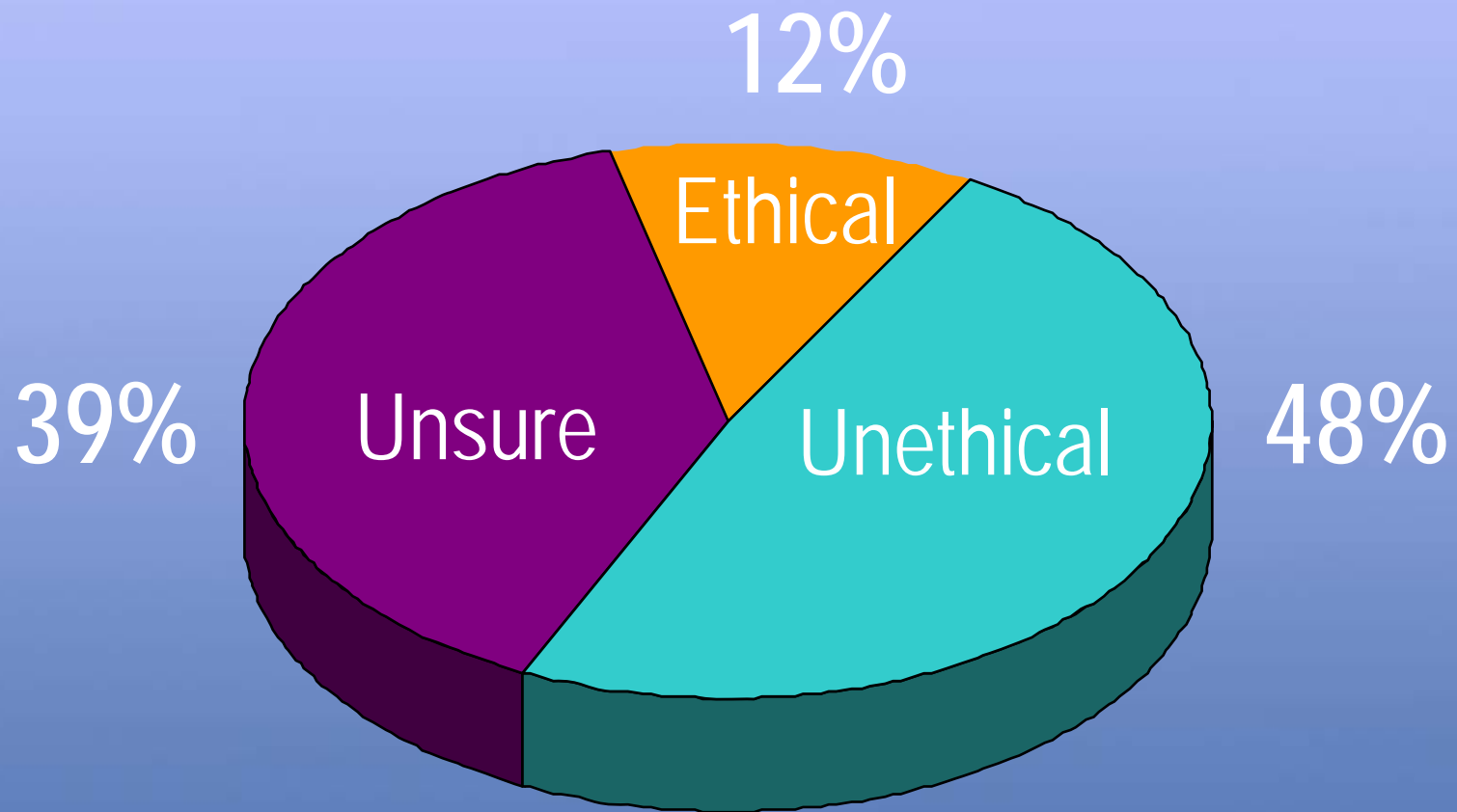


The Ethical Leader Within

Six Essential Skills for Leading and Living

Mick Ukleja, Ph.D.
President, LeadershipTraQ

Teens View of Business Leaders



Source: Junior Achievement / Deloitte, Excellence Through Ethics 2005 Survey

*U.S. Plans More
Indictments in
KPMG Tax Case*

The New York Times Sept. 6, 2005

WorldCom Head is Given
25 Years for Huge Fraud

The New York Times July 14, 2005

Krispy Kreme's Largest Franchise Sues Co.

Associated Press Sat., Oct 1, 2005

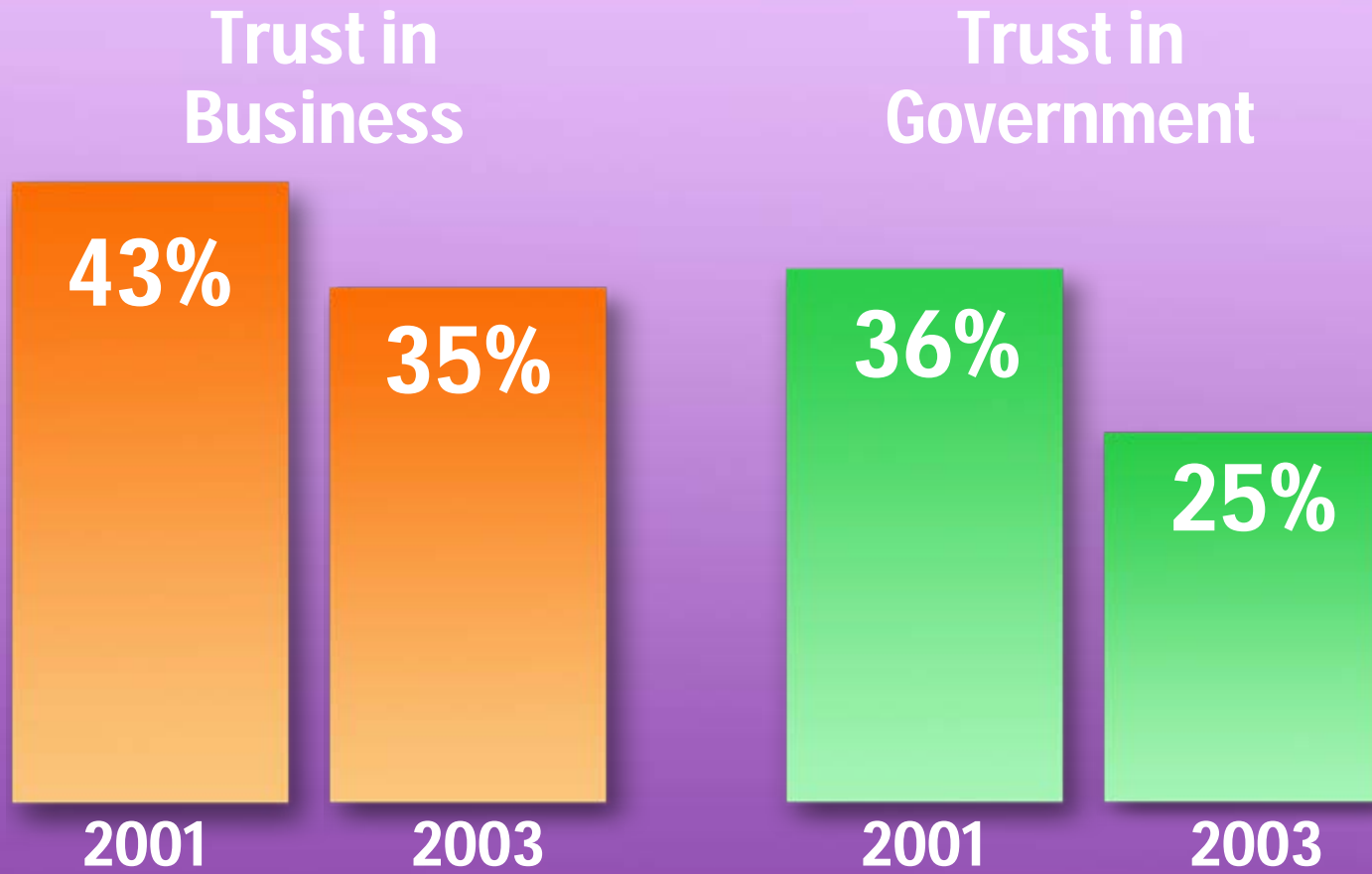
S.E.C. Wants
Day in Court
with Scrushy

The New York Times
July 8, 2005

Judge denies Ex-Tyco execs' bail request

Reuters Monday, Oct 3, 2005

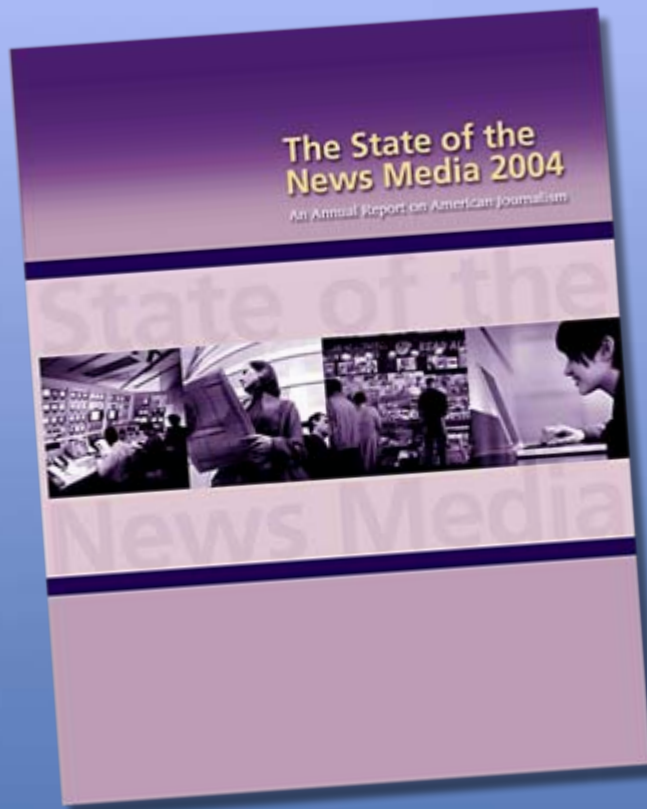
European's Trust has Eroded



Source: Trust Barometer Survey, Edelman Public Relations, 2003

Perception of Media

Americans think that journalists are ...



- Sloppier
- Less professional
- Less moral
- Less caring
- More biased
- Less honest about mistakes
- Generally more harmful to democracy

...then they did in the 80s

Public Attitudes toward Media are Declining

Number of Americans who think...

	1985	2002
News organizations are highly professional	72%	49%
News organizations generally get the facts straight	55%	35%

Source: Journalism.org, State of the Media survey, 2004

Public Attitudes toward Media are Declining

Believability of...	1985	2002
Daily newspapers	80%	59%
ABC News	83%	65%
CBS News	84%	64%
NBC News	82%	66%

Source: Journalism.org, State of the Media survey, 2004

Trust in Politics



Evening Standard

“There is a paradox with trust: those who talk most loudly about it are often trusted least. Politicians, who regularly ask for your trust, seem to be trusted least.”

Source: “Trust is a Must on the Road to Good Business” editorial, Evening Standard, 3/17/2004

Ethical Leadership

- **Ethical Knowledge**
 - Codes, rules, knowing right from wrong
- **Ethical Courage**
 - Execution in the midst of pressure
- **Ethical Conduct**
 - Behavior that aligns with knowledge

Dr. Ned Hill,
Dean of Marriott School of Management
Brigham Young University

Embrace A Purpose

LEADERS

Embrace A Purpose

“Point of view is worth 80 IQ points.”

Marvin Minsky
Professor of E.E. and C.S., M.I.T.
pioneer in artificial intelligence

Embrace A Purpose

Former TYCO CEO, Dennis Kozlowski on his philosophy of hiring ...

“I hire them same as me -- smart, poor, and wants to be rich.”

Source: Business Week 2001
“The Most Aggressive CEO”

Embrace A Purpose

Enduring Success ...

“A collection of activities viewed affirmatively by you and those you care about, now, throughout your life, and beyond.

Source: Laura Nash & Howard Stevenson
“Just Enough: Tools for Creating Success in Your Work and Life”

Embrace A Purpose

“A sailor without a destination has trouble discerning a good wind from an ill wind.”

- Seneca
The Roman Thinker

Embrace A Purpose

Test Your Excuses

LEADERS

Test Your Excuses

Ethics

No lying

No cheating

No stealing

Conduct

No whining

No complaining

No excuses

- Coach John Wooden

Test Your Excuses

“It’s not the first time you do something that gets you into trouble ... it’s the second.”

Source: The Film “Double Indemnity”
Actor, Fred MacMurray

Test Your Excuses

Former WorldCom CFO, Scott Sullivan, to the court upon entering his guilty plea ...

“I know what I did was wrong. It was a misguided attempt to save the company.”

Embrace A Purpose

Test Your Excuses

Harness Your Moods

LEADERS

Harness Your Moods

Point:

**You let your moods harness you
rather than you harnessing your
moods**

Harness Your Moods

Self-awareness

The ability to read your own emotions and accurately assess your own personality

Self-management

The ability to keep destructive emotions under control

Harness Your Moods

2003 National Business Ethics Survey ...

- Only 43% of employees with three years or less in companies report ethical/legal issues.
- 69% of employees with more than three years in companies report ethical/legal issues.

Source: Ethics Resource Center

Harness Your Moods

The relationship between pressure and ethical conduct ... a study on traffic red light violations.

- 9% are committed by people on vacation
- 13% occur on the way home from work or school
- 24% occur on lunch hours when employees are doing errands or going out to eat
- 41% occur when drivers are on their way to school or work

Embrace A Purpose

Test Your Excuses

Harness Your Moods

Insist on Integrity

Insist on Integrity

Belief

The
Integrity
Gap

Behavior

Matching our belief system to our actions
(the external with the internal)

Insist on Integrity

Psycho-neuro-immunology

Growing in integrity strengthens our immune system.

Insist on Integrity

Do The Right Thing ...

Do It Right ...

Do It Right Now!

Insist on Integrity

Winning with integrity isn't easy ...
Winning without it is impossible.

Embrace A Purpose

Test Your Excuses

Harness Your Moods

Insist on Integrity

Cultivate Trust

What is Trust?

Trust

An assured reliance on the character, ability, strength or truth of someone or something.

- Different than integrity
- Can be a feeling or a perception
- Natural

Cultivating Trust

Trust equals ...

Keeping simple agreements

plus

Doing no harm

Whom do we Trust?

Most Trusted



Mercedes-Benz



Least Trusted



Sources: Trust Barometer Survey, Edelman Public Relations, 2003 ; Trust Index, Golin / Harris, 2003; Editorial, Evening Standard 3/17/2004

ethics

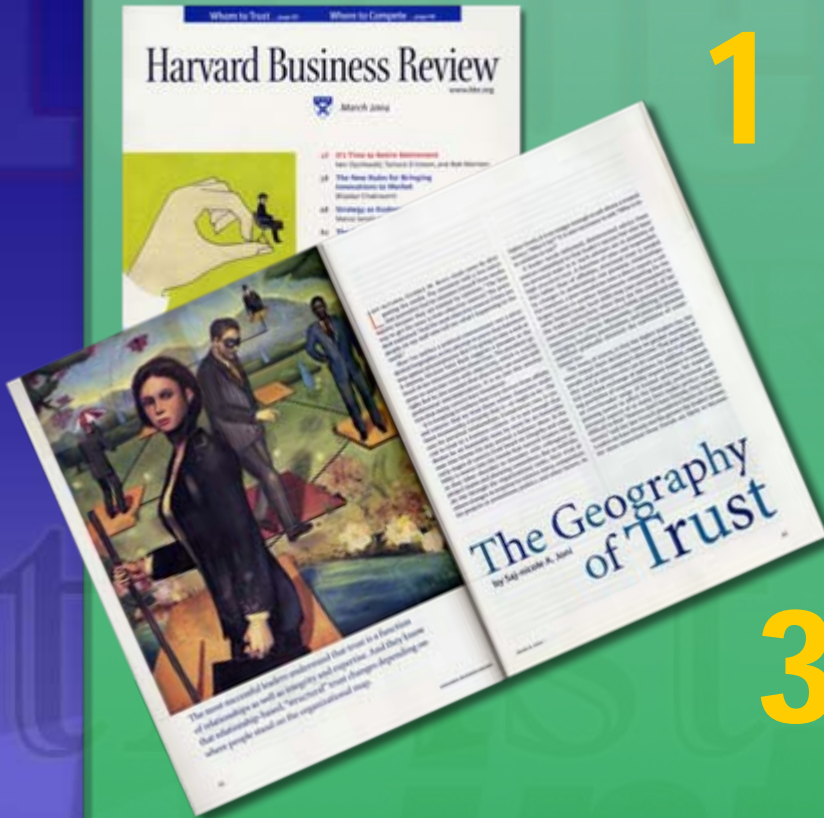
Trust is key to the
creation of a
company's reputation
and therefore,
its shareholder value

Cultivate Trust

Tylenol Incident of 1982

Primum non nocere = Above all, do no harm

3 Types of Trust



1

Personal

Based on faith in person's integrity

2

Expertise

Relies on an advisor's specific ability

3

Structural

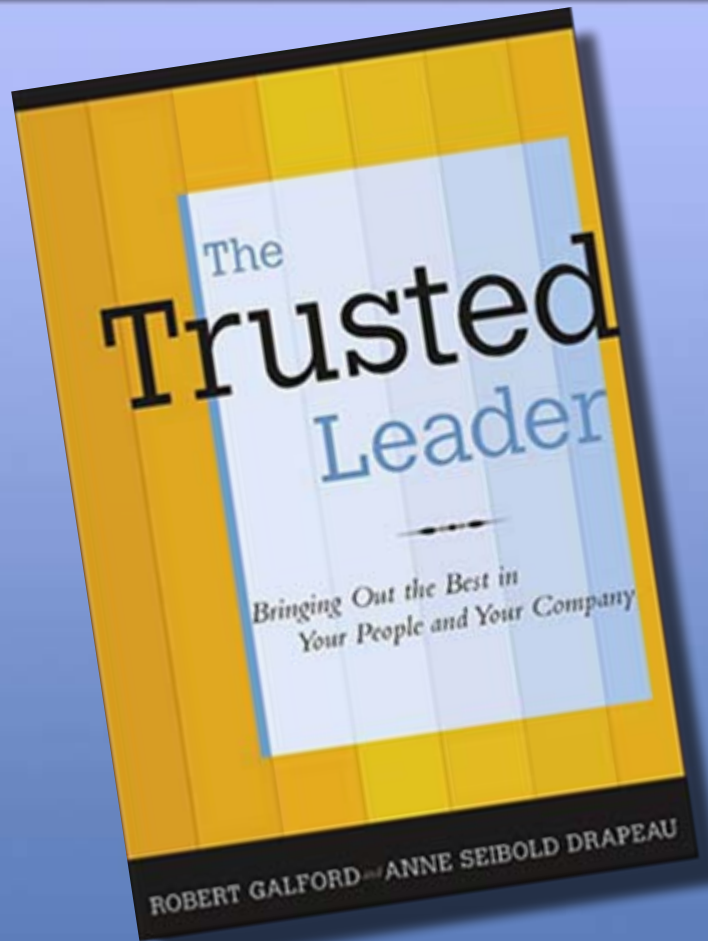
Relative to roles, responsibility and ambition

Source: Geography of Trust, Saj-nicole A. Joni, Harvard Business Review 3/04

Why is it Hard to be Trustworthy?

- Credibility takes time to build...
but can dissolve in an instant
- Dual messages can devalue trust

Repairing Broken Trust



- Figure out what happened
- Assess the damage
- Own up to the mistake
- Identify and communicate remedial actions

Source: The Trusted Leader, Robert Galford & Anne Drapeau

Embrace A Purpose

Test Your Excuses

Harness Your Moods

Insist on Integrity

Cultivate Trust

Self-differentiate

Self-differentiate

Maturity equals ...

The willingness to take responsibility for your own emotional being and destiny.

Self-differentiate

Two Driving Forces in Life

The forces for togetherness

versus

The forces for separateness

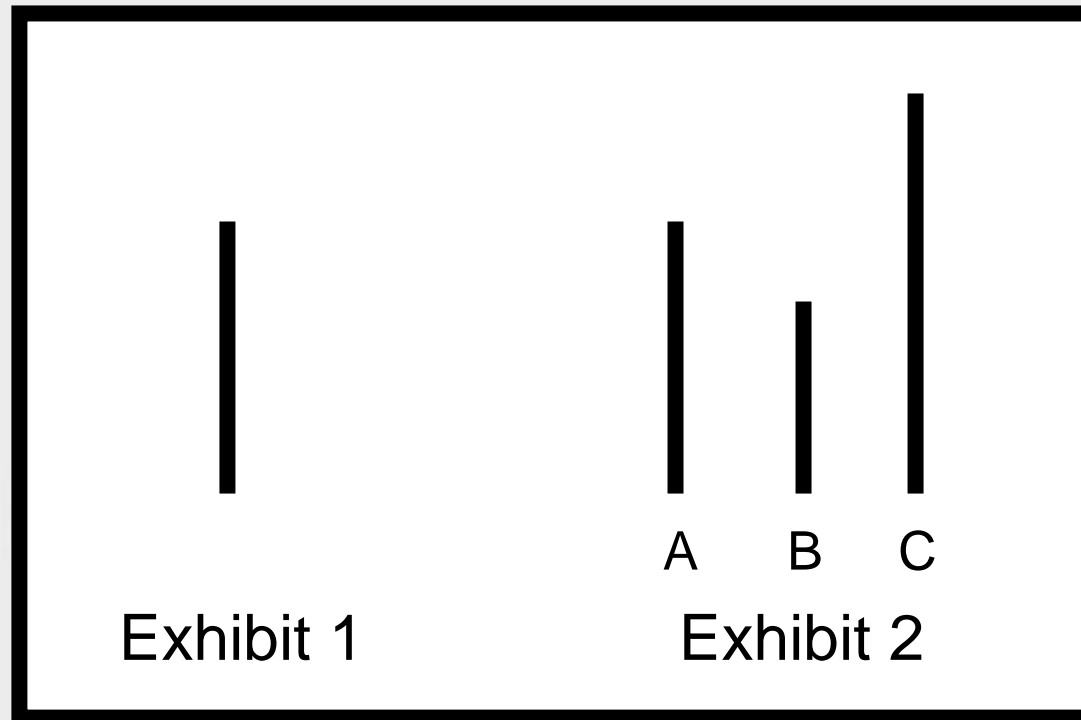
Self-differentiate

Field Theory

Source: Kurt Lewin

Self-differentiate

The Asch Study



Source: Solomon Asch

Embrace A Purpose

Test Your Excuses

Harness Your Moods

Insist on Integrity

Cultivate Trust

Self-differentiate

Ethical Leadership is an Inside Job



Dan Vasella:

“Temptation is all around us. An individual can be corrupted and if you are not careful and suspicious of your own strength, then you will fail.”

“I truly believe my ability to keep shareholders’ faith in our company depends, in the end, not on whether I make the quarter, but on who I am, what my guiding principles are, my behavior.”

“Values always decay over time. Societies that keep their values alive do so not by escaping the processes of decay, but by the powerful process of regeneration. To assist in that rediscovery is one of the tasks of leadership.”

- John Gardner
“Leadership”

“Equipping people with the transformational power of ethical leadership.”

- Ukleja Center for Ethical Leadership
Mission Statement