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# Quest

## FOR WORKPLACE EXCELLENCE

### Doing the Right Thing Is Not Always Easy, But It Is Always Right

#### IN THIS ISSUE:

DOING THE RIGHT THING IS NOT ALWAYS EASY, BUT IT IS ALWAYS RIGHT

GUIDELINES FOR MAKING ETHICAL DECISIONS

As a leader, you have the ultimate responsibility for your behavior. You are the role model for your team. You are the person who decides if you will act ethically. And when it comes to ethical behavior, which activities, functions, decisions and actions are really important? The short answer is . . . all of them!

In response to the question, "When is unethical behavior justified?" the answer is a resounding "Never!" Ethics is not a sometimes thing. Ethics is not situational or circumstantial. Being ethical is reflected in everything you do. No excuses. No timeouts. No too-busy-to-notice. No looking the other way. When it comes to honesty, respect and fairness, there is no off season.

Over the past five years, stories about business ethics have riveted and rocked our world. Until his untimely death this year, Kenneth Lay, the former CEO of Enron, claimed ignorance about the depth of Enron's financial troubles. He blamed the severity of the corporation's problems on rogue managers at lower levels in the organization. Court records reveal that many Enron executives

sold tens of millions of dollars of their stock while the public continued buying shares in the company, assured by these same executives that all was well. Worse, Enron executives authorized a change in the company's pension plan that froze workers' retirement funds in Enron stock as the value of the shares nose-dived. Workers woke up to find their pension plans worthless. As added injury, Enron's accounting firm, Arthur Anderson Inc., had difficulty explaining how it rendered a clean bill of health to a company that later

revealed countless hidden losses. In a stunning development after the announcement of a civil investigation, it was discovered that Anderson personnel had shredded documents and erased computer files reflecting accounting practices at Enron.

Harry Stonecipher, former CEO of Boeing, increased Boeing's market valuation by 50% in just 15 months. During the same period, he declared the restoration of corporate ethics to be a top priority. Stonecipher is attributed with writing Boeing's ethics policy and publicly showcasing it as a cornerstone of his leadership. All employees were required to sign the ethics policy once a year. Yet on March 6, 2006, Mr. Stonecipher

*(continued on page 2)*

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**"We need to draw the line on unethical behavior. But let's draw it with an Etch-a-Sketch and don't be afraid to shake it a little."**

was asked to immediately resign as President and CEO of Boeing because of an improper relationship with a female executive. Lew Platt, non-executive Chairman of the Board offered the following: “The Board concluded that the facts reflected poorly on Harry’s judgment and would impair his ability to lead the company.” Specifically, Stonecipher violated Boeing’s code of conduct which states: “Employees will not engage in conduct or activity that may raise questions about the company’s honesty, impartiality, reputation, or otherwise cause embarrassment to the company.”

In light of these and dozens of other disturbing examples, it comes as no surprise that leaders are bearing the brunt. In a recent study by Watson Wyatt, results show that worker trust and confidence in senior management

have fallen. Of the 13,000 employees surveyed, fewer than two out of five (39%) say they trust senior management at U.S. companies. Ilene Gochman, Watson Wyatt’s Practice Leader for Organizational Measurement, explains how this affects the bottom line: “There’s a strong relationship between trust and employee commitment. When there’s no trust, people stop working extra hours and don’t put their full effort into their projects.”

Examples of unethical business behavior in corporate America continue to both shock and fascinate us. We typically have little control over the events that hit the top of the evening news, but as leaders, we do have direct control over our own conduct. We can and should look in the mirror and evaluate our individual commitment to ethical behavior.

Learn more about how to build better employee trust and commitment. [pbsconsulting.com](http://pbsconsulting.com)

### A mini-self assessment: In the past year, have I:

- >>> Failed to admit a mistake I made?
- >>> Let someone else take responsibility for my mistake?
- >>> Accomplished personal business on company time?
- >>> Used company tools or resources for my personal needs?
- >>> Engaged in talking negatively about the company or management?
- >>> Passed judgment on a coworker?
- >>> Gossiped?
- >>> Violated someone’s confidentiality?
- >>> Sent emails to a coworker that would be an embarrassment if the boss found out?
- >>> Ignored a company policy?
- >>> Told a degrading joke about race, culture or gender?
- >>> Failed to share information that another team member needed?
- >>> Been less than completely truthful on an expense account, mileage report or time sheet?
- >>> Accepted a gift that violated company policy?
- >>> Knowingly delivered an inferior product to make a sale or meet a deadline?
- >>> Manipulated the truth to complete a goal?

“It is curious—curious that physical courage should be so common in the world, and moral courage so rare.”

Mark Twain

# Guidelines for Making Ethical Decisions

## RESPECT EVERYONE

Begin with respect. Respect for everyone, whether they're your manager, your peer, your employee, your customer or your vendor. There are no insignificant people who deserve less respect and "more important" people who deserve greater respect. Treating everyone with the same degree of dignity, regardless of their position, speaks volumes about your character.

## ACCEPT FULL RESPONSIBILITY

Take complete ownership of your actions. Hold yourself accountable for the quality within your area of influence, for using resources legally, efficiently and properly for business purposes.

Taking responsibility isn't just the ethical thing to do, it's also best for the bottom line. In a 2004 study of annual reports, Fiona Lee (University of Michigan) and Larissa Tiedens (Stanford), found that stock prices were higher one year later when companies blamed poor performance on controllable factors rather than on external issues. Their analysis of 21 years' worth of annual "Letters to the Shareholders" in three industries (pharmaceuticals, food and beverages and industrial equipment) showed that the stocks of self-faulting companies yielded an adjusted return of 14 - 19% more than the stocks of companies who blamed their poor performance on external or non-controllable factors.

## EXPECT ETHICAL OUTCOMES

Recently, while conducting a goal setting seminar, we instructed participants that the key to goal setting success is to do whatever it takes to achieve the desired outcome. An attorney in the group corrected us by saying, "Do whatever it takes, legally, ethically and morally to achieve the result." We agree. Your organization holds you accountable for your contributions and the contributions of your team. Obviously, you are expected to achieve results; however, in your quest you must never jeopardize your integrity or compromise your company by making an unethical decision. Rationalizing that "the end justifies the means" cannot be an excuse for being unethical.

In 2000, Huntsman Corp (founded in 1970 by billionaire philanthropist Jon Huntsman) was the largest privately held petrochemical and plastics business in the world. In his book, *Winners Never Cheat*, he shares a story about Huntsman Chemical opening a plant in Thailand with Mitsubishi as a partner. With approximately \$30 million invested, they announced the partnership would be building a second site. Huntsman had a "working relationship" with the country's Minister of Finance and was a guest in his home one evening. After dinner, the Minister showed Huntsman 19 new Cadillacs parked in his garage, which he described as "gifts" from foreign companies. Huntsman let the Minister know that Huntsman Corp did not engage in such "gifting" practices. Several months later, Huntsman received a call from Mitsubishi telling him that Huntsman Corp would now be required to pay various government officials kickbacks in exchange for doing business.

Apparently, Mitsubishi had been paying Huntsman's share up to that point and decided it was time for Huntsman Corp to carry its own weight. The next day, Huntsman informed Mitsubishi that Huntsman Corp was selling its interest. Mitsubishi was unable to talk Huntsman out of it and ended up paying a discounted price for the corporation's interest. In the short term, Huntsman explained, the company lost about \$3 million. However, over the long haul it was a "blessing in disguise." Several years later, during the Asian economic crisis, the entire industry collapsed.

## QUIT BLAMING OTHERS

There is no "perfect" organization. Things go wrong. Sometimes very wrong. Assigning blame to others is counterproductive; it creates a culture of defensiveness. Rather than use their ingenuity to solve problems, employees devote all their efforts to documenting their innocence. When things go awry, muster the courage to say, "What went wrong?" "How are we going to fix it?" "What did we learn from this?" "What will we do differently next time?" Keep the focus on solving the immediate crisis and proceeding proactively to assure the problem is not repeated.

“In looking for people to hire, look for three qualities: integrity, intelligence and energy. And if they don't have the first, the other two will kill you.”

Warren Buffet,  
American financier

## The Ethics Checklist

If you have questions about what is or isn't ethical, we provide this assessment:

- 1 How would I feel if everyone at my company knew I'd done (or not done) this?**
- 2 Is what I am doing legal?**
- 3 Am I following company policy?**
- 4 How would I feel if someone did this to me?**
- 5 What would Mom think if she knew I'd done this?**
- 6 What is my conscience telling me about my behavior?**
- 7 Would I want to read about my actions in the newspaper?**
- 8 What would Mother Theresa, Abraham Lincoln or Ghandi think about my actions?**

Everyone makes mistakes. Everyone knows things happen which are outside their sphere of control. And everyone knows excuses stink! Taking responsibility for your department or organization's problem and providing a clear strategy to resolve that problem is great leadership. Employees will develop trust and confidence in management and feel they have more control over outcomes. When employees hear leaders blame external factors, their motivation to become personally involved diminishes. Great leaders apologize, take ownership and get on with fixing the problem.

By respecting everyone, accepting full responsibility for results, expecting ethical outcomes and eliminating blame, you will not resort to using excuses which amount to taking the easy way out.

As you know, making the right decision isn't always easy. One CEO who knows and demonstrates the importance of making ethical decisions is Blair Sadler, the retired CEO of Rady Children's Hospital in San Diego, California. In March, 2006, the unthinkable happened at Children's Hospital. Within a period of two weeks, two employees were accused of either molesting children or being in possession of child pornography. The 2,800 employees and 750 physicians at Children's were devastated. These are the very people who have dedicated their lives to protecting children from harm. In a similar situation, some leaders may have tried to minimize the story or put a positive spin on the news. Instead, Sadler held a news conference with San Diego's Police Chief William Lansdown and stated: "Our hiring standards require extensive criminal background checks on all new employees and volunteers. We require and provide annual training on child-abuse prevention, identification and reporting for all staff." Sadler went on to say that these safeguards at the hospital were not enough to prevent these ill-intentioned people from their acts.

Take a minute to reflect on your role as ethical leader. Congratulate yourself for walking the talk when you have done so. On those occasions where you have been less than a stellar example, commit to having the courage to being above reproach the next time.

Remember, making ethical decisions is part of everything you do, everyday, every time. As Albert Einstein said, "Relativity applies to physics, not ethics."

**PBS helps develop great leaders who make the right decisions.**  
[pbsconsulting.com](http://pbsconsulting.com)

**“Integrity without knowledge is weak and useless, and knowledge without integrity is dangerous and dreadful.”**

**Samuel Johnson**

# Programs

## Services

Our services include:

- >>> **Management and Employee Training**  
Leadership  
Change Management  
Customer Service  
Negotiation  
Communication  
Sexual Harassment
- >>> **Employee Opinion Surveys/  
Customer Service Surveys**
- >>> **Management Consulting**  
Leadership Development  
Assessments  
Executive Coaching  
Organizational Assessments
- >>> **Strategic Planning**  
Mission and Vision  
Development  
Values Clarification  
Goal Setting
- >>> **Retreat and Meeting  
Facilitation**
- >>> **Keynote Addresses**

## A Sample of Our Most Requested Training Programs

### Leadership

**Lifetime Leadership—  
Leaving Your Legacy**

- >>> Understand the power of a positive, compelling vision.
- >>> Learn the value of keeping your followers a little “uncomfortable.”
- >>> Implement a change strategy and get people excited about it.

**Building a High-  
Performance Team**

- >>> Identify and apply the stages of team development.
- >>> Learn strategies to enhance team cohesiveness.
- >>> Determine critical factors for team success.

**Relationship Strategies . . .  
Building an Even Stronger Team**

- >>> Assess your dominant behavioral style.
- >>> Outline the strengths of your preferred style and the challenges you may face when you overuse it.
- >>> Recognize the characteristics of other communication styles and develop action plans to work effectively with people who prefer to communicate using a different style.

**Coaching and Counseling  
to Improve Performance**

- >>> Uncover the characteristics of great coaches and counselors.
- >>> Effectively handle performance problems.
- >>> Learn how to deal with difficult employees.

### Change Management

**Effectively Leading  
Organizational Change**

- >>> Learn techniques for dealing with personal and organizational change.
- >>> Understand why people resist change.
- >>> Recognize that personal and organizational change starts from the inside out, and get five keys for dealing with it.

### Customer Service

**Extraordinary Customer  
Service—Building Customer  
Loyalty**

- >>> Realize the benefits of giving great customer service, including profitability.
- >>> Discover how to use customer service as a competitive weapon.
- >>> Appreciate the real value of one customer.

### Negotiation

**Negotiation Skills—The Art of  
Getting What You Both Want**

- >>> Get an in-depth understanding of negotiation, and learn what makes a negotiator successful.
- >>> Acquire the behavioral tools, strategies and tactics needed to create win-win outcomes.
- >>> Improve your negotiation skills through role play.

### Communication

**Powerful Presentations**

- >>> Reduce your anxiety about public speaking.
- >>> Plan a powerful presentation.
- >>> Deliver a powerful message to inspire, inform, persuade, educate or entertain your audience.

### Sexual Harassment

**Creating a Work Environment  
for Optimal Performance:  
Eliminating Harassment in  
the Workplace**

- >>> Learn of recent legal developments in harassment cases.
- >>> Get suggestions for actions to take if someone in your workplace has done something inappropriate.
- >>> Find out what managers can do to prevent harassment and reduce liability.

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<b>Access Services</b>	<b>First Future Credit Union</b>	<b>Poway Unified School District</b>
<b>Accredited Home Lenders</b>	<b>Gibson, Dunn &amp; Crutcher</b>	<b>Reckitt Benckiser</b>
<b>Adobe Systems</b>	<b>Hewlett Packard</b>	<b>RR Donnelley</b>
<b>Alcon Laboratories</b>	<b>HG Fenton</b>	<b>San Diego Convention Center</b>
<b>American First Credit Union</b>	<b>Hitachi</b>	<b>San Diego Padres</b>
<b>American Mortgage Network</b>	<b>Household Automotive Finance</b>	<b>San Diego State University</b>
<b>Arizona State Savings &amp; Credit Union</b>	<b>Kaiser Permanente</b>	<b>San Francisco Giants</b>
<b>ATC Foothill Transit Contract</b>	<b>L3 Communications</b>	<b>Sempra Energy</b>
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<b>BHP Minerals</b>	<b>LEGOLAND California</b>	<b>SONY</b>
<b>California Bank &amp; Trust</b>	<b>Lowe's</b>	<b>The Anthony Robbins Companies</b>
<b>Callaway Golf</b>	<b>LowerMyBills.com</b>	<b>The TJX Companies, Inc.</b>
<b>Campbell Soup</b>	<b>Meritage Homes</b>	<b>Time Warner Cable</b>
<b>Charlotte Russe</b>	<b>MetLife</b>	<b>Toshiba</b>
<b>Children's Hospital/San Diego</b>	<b>Mira Costa College</b>	<b>USA Federal Credit Union</b>
<b>City of Scottsdale</b>	<b>NFL</b>	<b>WD-40 Company</b>
<b>County of San Diego</b>	<b>New England Patriots</b>	<b>Virgin Entertainment Group</b>
<b>Crain Communications</b>	<b>North Island Credit Union</b>	<b>Websense</b>
<b>Cubic Corporation</b>	<b>NuVision Credit Union</b>	<b>Wells Fargo</b>
<b>Denver Broncos</b>	<b>Option One Mortgage</b>	<b>Western Growers Association</b>
<b>dj Orthopedics</b>	<b>Palomar Pomerado Health</b>	
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