It’s time for moral leadership

“If money is the life-blood of capitalism, and charity its soul ... then who, or what, is its guide?”

Anthony Howard
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Executive Summary

Humanity is facing a crisis of leadership—but what kind of leadership is needed? Economic leadership has been tried and found wanting. The crisis is not one of political, social or economic leadership, but of moral leadership, exercised by moral leaders.

The basic building block of moral leadership is one’s moral code, or moral compass. This is a set of moral principles, informed by a sound conscience, reinforced by repeatedly acting in accord with those principles.

We demonstrate moral leadership when we follow our moral compass and our actions serve as an inspiration for others. Moral leadership exercised by moral individuals challenges the status quo and suggests there may be a better way of acting. It is not the reserve of the few or the prominent but something that should pervade the actions of all.

When a person consistently exercises moral leadership, and others are spurred to act for good because of this example, that person begins to take on the mantle of a moral leader. A moral leader is someone who projects moral force, or moral authority, in and through their life. They embody our aspirations for the better version of ourselves, in the way they live with themselves, relate to others and the deep moral insight and perspective they bring to the world. It describes someone whose entire being is constituted by a moral outlook, moral commitment, and moral courage.

The size and complexity of the challenges facing humanity, the transitions we are undergoing and the lack of traditional guides means that leaders require considerable intellectual, emotional, and interpersonal capability. This paper argues however, that the greater need is for leaders with outstanding moral competence, and that perhaps the biggest leadership risk governments, organisations, and societies face today is moral risk.

Since leadership is exercised at every level in an organisation, Boards and CEOs need to have a clear strategy and commitment to exercising moral leadership and helping their people meet not only their legal obligations, but also their moral obligations. The paper concludes by making some suggestions about how Boards and CEOs can address latent moral risk.

“What kind of leadership is needed?” Economic leadership has been tried and found wanting. This paper argues that the crisis is not one of political, economic or social leadership, but of moral leadership exercised by moral leaders.
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“Captain,” I said to the pilot with some concern in my voice as I shook him awake. “We are not holding our course.”

I was a young man in charge of 40,000 tonnes of cargo ship, steering narrow channels between jagged coral on the Great Barrier Reef off the coast of northern Australia. Like every ship taking the inside passage we had paused briefly to pick up a qualified pilot. The demands of the voyage meant he had not slept in more than 36 hours, and was quickly grabbing a few moments rest, having left very strict instructions to wake him the instant the ship deviated from its heading.

The calm blue sea stretching to the horizon belied the hazard that lay just beneath the waterline. The smallest navigational error could cut a gash in the ship and send heavy oil and sludge gushing into the pristine waters, causing untold environmental damage.

I didn’t hesitate to call on the pilot when hidden currents and subtle crosswinds began playing havoc with our course.

In an instant he was alert, gathering information. “Heading? ... Wind? ... Depth? ... Distance to mark? ...” and immediately issuing fresh directions, drawing on years of experience in these and other waters around the world.

Our ship was equipped with the latest technology, the most up to date maps, and highly trained navigators. But in this particular situation we required the help of an expert pilot who could guide us safely through.
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And now I find myself a passenger on a planet that seems to lack direction, subject to the whims and fancies of people who appear oblivious to the hazards and dangers lurking just beneath the surface.

Many people are concerned by politicians who fail to keep their word, business leaders who enrich themselves to the detriment of others, and religious leaders who fall seriously short of the ideals they uphold. Although these concerns are valid, the bigger challenge is not one of political fortitude, business acumen or social innovation. The real test is to find a new moral imagination to lift humanity above the malaise to see how things could be so much better, and moral leadership to show the way beyond the serious issues of today and tomorrow. Issues such as increasingly pugilistic national parliaments, countries unable to pay their debts, human trafficking, a widening gap between the rich and poor, access to clean water, fresh food, and safe affordable medicines, the plight of asylum seekers, and blind self-interest by individuals, organisations and nations. The list is endless.

Now it is humanity that needs pilots. Pilots who can guide us through the fog of uncertainty and ambiguity, safely past environmental, political and social challenges, and overcome the moral deficit left by a moral recession.

These pilots of humanity are moral leaders, men and women who call others to action by the power of their moral authority. They live by a deep moral code which has been slowly nurtured over a lifetime, and consistently demonstrate moral leadership by the way they navigate the challenges life throws at them. Such a code of moral behaviour is guided by a cultivated conscience which is aligned with timeless human values, rather than a set of social codes of ‘moral’ conduct as articulated by a particular faith group or culture.

Nelson Mandela and Aung San Suu Kyi are the most recognised living examples of moral leaders. These, and others like Martin Luther King and Mother Teresa, inspire us to want to be the best version of ourselves, even though we may not have met and only see them through the eyes of others. I once heard someone describe being in a meeting with colleagues when Mandela unexpectedly entered the room. He, and others, felt compelled to be better people simply because of Mandela’s presence. That is one of the defining marks of a moral leader.
Many commentators suggest that humanity is facing a crisis of leadership. While there is no shortage of examples which can serve to illustrate this view, the inevitable question that arises is “What kind of leadership is needed?” This paper argues that the crisis is not one of political, social or economic leadership, but of moral leadership, exercised by moral leaders.

As the West has drifted from its Christian roots it has failed to develop a sound moral foundation for business, society and government, placing false hope in individuals to always ‘do the right thing’. Unfortunately the embrace of moral relativism, which elevates an individual’s ‘rights’ ‘truth’ and ‘values’ above any wider social responsibility, has exposed society to significant moral risk.

Adam Smith is sometimes criticised for his misplaced faith in an ‘invisible hand’ that guides free markets towards the common good of all as everyone pursues their own interests. The weakness however is not in *The Wealth of Nations*, but in perhaps our failure to learn from his earlier work on *The Theory of Moral Sentiments*. Did Smith assume that people would act in a moral way, with trust, wisdom, honesty and integrity—virtues that appear to be in short supply today, or at least open to wide variations in interpretation? Has a failure to effectively integrate economic wisdom and leadership with moral wisdom and leadership contributed to the crises facing us today?

This paper answers in the affirmative, and proposes that one of humanities most pressing challenges is overcoming the divorce between markets and morals. Failure to find an effective reconciliation will contribute to future crises. The deeper damage done by the unfettered rise of free markets and the global financial crisis is not the suppression of economic activity but the suppression of moral consciousness. When market forces run ahead of moral considerations, and short term results become the guiding principle, greed overshadows good and unsustainable profits replace prudence.

A new kind of leadership can restore the balance between physical and moral capital. Economic leadership has been tried and found wanting. The aftermath of Lehman Brothers and the GFC continues to deliver debt, despair, frozen capital markets, and stagnant economies, with the perpetrators often oblivious to the carnage they have caused. The ledger has been skewed to the economic with almost complete disregard for the moral, as if that belonged in the
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People of great character are needed, who not only know in advance where they stand, but are willing to stand firm.

It's time for moral leadership and not the boardroom, the private and not the public domain.

It is time therefore for moral leaders to demonstrate moral leadership and balance the equation.

While markets are the source of economic capital, moral capital springs from each person, and derives from their moral competence, character and capability. This in itself is born of long years of thought and reflection, building on a solid moral foundation. The unthinking pursuit of economic goals by an impersonal ‘market’ can threaten and undermine moral goals and values. Hence people of great character are needed, who not only know in advance where they stand, but are willing to stand firm. While we may lament the absence of a new generation of moral leaders, the capability for outstanding moral leadership lies within everyone.

But how does one become such a leader, in the midst of the pace, demands and dilemmas of life?
Becoming a moral leader is a three step journey:

1. Firstly you learn to live by a moral code,
2. Secondly you exercise moral leadership in moments of decision,
3. Finally, you call others to moral action by the power of your moral authority and so are confirmed by them as a moral leader.

Learning to live by a Moral Code

Although the question of whether leaders are born or made continues to be hotly debated, there can be little doubt that moral leaders are made. The basic building block of moral leadership is one’s moral code, or moral compass. This is a set of moral principles, informed by a sound conscience, reinforced by repeatedly acting in accord with those principles.

Just as the compass on a ship points to magnetic north, enabling the navigator to chart a course with confidence, so too our moral compass needs to be grounded in some reality against which it can be measured or checked. A sound starting point is an understanding about both what it means to be human, and what promotes the good, or flourishing, of the human person. Asking whether an action promotes human flourishing has been asked since the time of Plato and Aristotle, and setting one’s compass by that bearing fosters a good life.

In setting his moral compass one CEO with whom we work finds it useful to use imaginary, but highly representative, stakeholders for a litmus test of behaviour or proposed courses of action. His perceived advisors vary according to the circumstance, but can include the battler customer from struggle street, retiree shareholders, or small business supply chain partners. He also finds it helpful to have a close colleague act as an objective sounding board when applying the litmus test.

Another CEO asks himself whether “what I am about to do will cause a problem for someone else in the future?” The answer to that question informs his actions.

Research across millennia of writing and thinking would yield a range of guiding principles that could be used with confidence as the basis for developing a moral code. Most
of these could be reduced to two maxims, and can be observed in the above examples:

- Act in a way that actively promotes good and avoids what is evil,
- What is hateful to yourself, do not do to others

Adopting these sayings, and taking the time to ponder one’s actions in the light of them, will provide sound guidance and assist in calibrating a moral compass. Doing so builds empathy, insight and self-awareness, and greater clarity about the moral trajectory of one’s life.

Having established where ‘north’ lies on your compass, the next step is to cultivate good habits.

A commitment, for example, to not doing to others what we would find hateful means that we will take the time to reflect on our actions, and ask how we would feel if someone else did that same thing to us. In a strange way, we can sometimes become embroiled in an internal argument as we try to rationalise our action. But over time, if we remain committed to this principle, we will develop habits that make it easier to put ourselves in another’s shoes and see from their perspective.

Professional athletes, military operatives and outstanding musicians all understand the value of developing good habits, so they can do what is necessary when it is necessary. And just as we can train to run a race, fight a battle, or play Beethoven, we can also train to do the right thing. Like the athlete who needs to keep working on their basic skills, we need to keep working on good habits. It is a lifelong work, which becomes easier with practice.

Plato called good habits “virtues” and held that these are acquired by repeated practice. He identified a long list of virtues, such as wisdom, patience or friendship, and noted four ‘cardinal’ virtues, which, like the four cardinal points of a compass, provide direction for a good life. These are:

- Prudence (or wisdom), which enables us to judge wisely between alternative actions with regard to what we should or should not do.
- Justice, which helps us appreciate that we are all members of the human community and so balances our interests with the rights and needs of others.
- Temperance (or restraint), which provides the self-control we use when we refuse to be overcome by destructive pleasures in people or things.
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- Fortitude (or courage), which gives us the strength to endure, or stand firm, for what is right and to confront and overcome fear when doing what is right.

Cultivating virtue is the starting point for building a life of character, based on principles, and giving us strength and direction to act for good. Benjamin Franklin made it his life’s work to acquire virtue, annotating a journal with his progress or regress with respect to the virtue he was working on developing at each moment. His list included very practical virtues like silence, order, frugality, sincerity, cleanliness and humility. Someone like Franklin can serve as an effective model in our own efforts to live a good life.

While growing in virtue it is also helpful to focus on the search for truth, beauty and goodness. These are often called ‘transcendentals’ because each is fully contained in the other (when we appreciate beauty we recognise the presence of goodness and truth for example) while each exists in itself, and yet like the horizon they are never fully reached. We are all familiar with appreciating the splendour of a sunrise or a painting, yet even when revelling in the beauty we understand that there is still more beauty, either in the day to come or the painting not yet seen.

Why is such a search relevant when leading a country or a corporation? Searching for the transcendentals fosters and encourages questions like:

- “What is the truth of the matter? What are the facts? Have these been disclosed or discussed?"
- “What is there to appreciate/ enjoy/ celebrate in this situation or with this person?”
- “What is the right thing to do, the right way to act?”
- “Is this action fair for all involved?”
- “Are we being honest here, or is something being covered up?”
- “Are we asking all the questions, or are there particular questions being avoided?”
- “Do we treat people as individuals with hopes and dreams, talents and skills, or as a unit of economic production?”
- “Are we doing anything that deprives people of freedom, including freedom of choice, and the opportunity to express opinions without fear?”

When our life and work is informed by the search for truth, beauty and goodness we are less prone to accept the undemanding answer or take the easy way out, more likely to ask deeper questions that align with guiding principles, and

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more inclined to put in the effort to practice good habits. In other words a commitment to truth beauty and goodness fosters an aspiration to be the best version of ourselves, and work to create the best version of our world.

Exercising Moral Leadership

Moral leadership is not about being able to look stakeholders in the eye and tell them you have delivered the best results. It is about looking at yourself in the mirror and being able to tell yourself you have done the right thing. It is about being able to live with your choices when these are tested against timeless values, not when tested against quarterly results or the low bar of regulatory compliance. It is about being able to sleep peacefully, not because you have won the battle over the voices that accuse you in the night, but because your actions have given them no influence.

The CEO of a major firm was acutely aware of his responsibility to exercise moral leadership, and spent considerable time pondering on the obligation he, and the firm, had to do the right thing by their customers. The challenge was not in whether or not to act well, but in how to articulate that in a way which lifted the moral bar, and which was readily understandable by colleagues and clients. He eventually settled on a mantra that aligned deeply with his own moral compass: “we don’t take advantage of others for our own gain.” This phrase is now driving a different conversation with clients, and causing people in the firm to reflect deeply on their own actions.

When we follow our moral compass our actions can be an inspiration, or example, for others. In doing so we demonstrate moral leadership.

In 1934 Chiune Sugihara resigned from his job in the Japanese Foreign Ministry because of the cruelty his countrymen bestowed on the Chinese. Later as a diplomat in Lithuania, at the risk of death from the Nazis and sacking by his Japanese employer, he used his position to issue more than 2000 visas to Jewish refugees. “I didn’t do anything special,” he said. “I followed my own conscience and listened to it.”

Following one’s conscience is a synonym for following one’s moral code, conducting one’s life in accord with a deeper set of guiding principles. Anyone can do the right thing at the right time.

Leaders are called on to make hard decisions, which become increasingly complex and difficult with greater levels of
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responsibility. Where these decisions impact the life and wellbeing of others, or our community or planet, they have a moral dimension, a sense in which there could be a 'right' or 'wrong' way to act.

When a Government chooses to increase debt levels, for example, this is usually framed as an economic debate and argued in terms of effects such as impact on jobs and the overall economy. Those in favour usually portray themselves as being fiscally responsible, and those against naturally highlight the irresponsibility of the increases. Increasing debt levels clearly has a moral dimension, as it directly impacts the wellbeing of workers, families and the environment, and almost always has consequences beyond electoral cycles and across generations.

This is not to suggest debt in itself is wrong, but to observe that most decisions have a moral aspect that cannot be avoided. Redundancies, cost cutting, outsourcing, product development, supply chain structures, international trade—all aspects of business and government—involve moral choices.

This means that conscientious leaders frequently face real moral challenges, involving difficult choices. When faced with such dilemmas people say they tend to rely on a moral code. But hundreds of interviews with influential leaders over many years by the author indicates that often what people call a moral code is actually a business or industry code of ethics, formulated in generic terms by others, rather than a deep personal moral code that informs their actions. The former is operational, whilst the latter is transformational. Codes of conduct are a helpful guide when running a business or a government (although are not necessary for people operating by a deeper moral code), but decisions made by leaders following a moral code are usually transformational: they change the world and the way we view things, since they bring not a commitment to compliance, but a commitment to deeper guiding principles.

“There are people who look at the rules and find ways to structure around them,” said Andrew Fastow, the former CFO at Enron who was jailed for his role in the deception. “The more complex the rules, the more opportunity. ... The question I should have asked is not what is the rule, but what is the principle.”

Sometimes the right moral choice costs money, when for example the firm immediately recalls products that may be unsafe for consumers. Sometimes it erodes friendships, such
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as when the whistleblower speaks out about illegal or immoral practices in the firm. Sometimes competitors gain an advantage when they provide ‘incentive’ or ‘facilitation’ payments to help transactions flow smoothly, while you hold the moral high ground.

It can be very difficult to do the right thing when we lack a moral code and the immediate outcomes of our actions feed our ego, status or bank account. Just as repeated good acts build good habits, repeated poor choices slowly render us blind to moral failure. Ken Lay and his colleagues at Enron combined the spurious measure of ‘hypothetical future-value accounting’ with financial alchemy to conjure up exponential future earnings and mark them as current revenue. Not until Bethany McLean, a writer at FORTUNE, had the temerity to suggest that the emperor was wearing no clothes was Enron subsequently exposed as a house of cards and their auditors as moral weaklings.

The human tragedy of this business disaster clearly demonstrates the moral dimensions of leadership. More than 10 years later the blow is very real to those people who lost their savings, their marriages, and sometimes their lives due to the immoral practices of those charged with leadership of the firm.

Although not everyone enjoys a leadership title, such as President, Prime Minister or CEO, everyone is a leader in their relevant domain, and hence it is incumbent upon us to demonstrate moral leadership by making wise choices within a moral framework. Exercising moral leadership is possible right now, regardless of who we are and who we lead, regardless of the challenges we confront or the problems we must overcome. Moral leadership is not the reserve of the few, nor the prominent, but something that should pervade the actions of everyone.

Perhaps take some time to reflect on your answers to the following questions. Doing so will help with refining, or developing, your own moral code and exercise moral leadership:

- “How do I resolve the moral dilemmas I face?”
- “What is my moral foundation and moral code?”
- “What am I doing to fine tune my moral compass?”
- “Do prudence, justice, courage and restraint influence my behavior?”
- “Would all my actions withstand moral scrutiny?”
- “Who looks to me for guidance and leadership?”
- “What example am I setting for others?”

Everyone is a leader in their relevant domain, and hence it is incumbent upon us to demonstrate moral leadership by making wise choices within a moral framework.
Becoming a Moral Leader

Moral leadership describes a way of acting with regard to a particular situation. It is demonstrated by anyone at any time when, in a leadership capacity, they choose wisely and well, in harmony with a moral code. When a person consistently exercises moral leadership, and others are spurred to act for good because of this example, that person begins to take on the mantle of a moral leader.

Referring to someone as a moral leader implies that they embody our aspirations for the better version of ourselves, in the way they live with themselves, relate to others and the perspective they bring to the world. It describes someone whose entire being is constituted by a moral outlook, moral commitment, and moral courage, and who has a deep sensitivity to the impact of decisions on the good and wellbeing of others.

Nelson Mandela epitomizes this personification of moral leadership, and so shines as a moral leader. His “personal qualities (a quiet manner and temperance of utterance, a sense of equanimity and an always graceful bearing) make him an icon of integrity and honour far beyond the bounds of his own country. What so much of the world actively hungers for in its public life, and so very rarely finds, is there in Nelson Mandela—leadership with moral force.”

A person who gives a moral speech is not a moral leader. The bishop or rabbi making a moral pronouncement, or the business woman or politician calling for values and ethics, are not necessarily moral leaders. They are merely fulfilling one aspect of their responsibility as leaders, reminding others of their duties and responsibilities. Using moral words does not make one a moral leader.

A moral leader stands not head and shoulders above these, but in an entirely different place. Their influence extends beyond their country, cause or domain, and is usually the culmination of many years of work on oneself and one’s beliefs.

In an eloquent opening statement from the dock at his 1964 trial Nelson Mandela outlined his views on apartheid, violence, democracy and freedom. Reading between the lines one can discern the influence of a moral code, almost certainly absorbed from his family and friends, running through his words. He concludes with:

“During my lifetime I have dedicated myself to this struggle of the African people. I have fought against
white domination, and I have fought against black domination. I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to achieve. But if needs be, it is an ideal for which I am prepared to die."\textsuperscript{15}

His speech demonstrated the existence of a moral code, of a deep commitment to truth, goodness, freedom, harmony and equality. This is perhaps the foundation to his later emergence and recognition as a moral leader.

Although beacons of humanity like Mandela, Aung San Suu Kyi, and Martin Luther King are uncommon, we can detect some elements that seem common to moral leaders. They weather the storms life throws at them, appear to live in accord with guiding principles and a well formed conscience and demonstrate:

- Leadership with moral force
- Integrity and honour
- A deep level of self awareness
- Values, courage, character, discipline
- Wise choices based on sound judgement
- Sensitivity and compassion towards others
- Intellectual freedom and respect for alternative points of view
- A search for moral principles that make sense in a contemporary world
- Commitment to peace, progress and freedom

Moral leaders live in accord with guiding principles and a well formed conscience and demonstrate leadership with moral force.
One aspect of leadership involves minimising risk in order to reach a further goal. This was the challenge faced by Ulysses when he needed to choose between the seven-headed beast Scylla and the whirlpool Charybdis. Sailing too close to the whirlpool risked the loss of the entire ship and crew, while sailing too close to the cliffs risked losing some of the men to the beast. Faced with an agonising choice Ulysses chose to risk some rather than all, with his mind set on the eventual homecoming.

Leadership often involves moral dilemmas like that, although as one CEO observed in the interviews moral dilemmas manifest themselves in an endless stream of bigger and smaller choices. These choices are often between options where none are desirable, but a choice must be made. The character and reputation of the leader is shaped by the responses made in those moments.

The size and complexity of the challenges facing humanity, and the transitions we are undergoing, requires leaders with considerable intellectual, emotional, and interpersonal capability. There are many well proven ways of measuring these attributes, and managing associated risks.

This paper argues however, that the greater need is for leaders with outstanding moral competence, and that perhaps the biggest leadership risk governments, organisations, and societies face today is moral risk. How can Boards and leaders be sure and confident that the people working in their organisations—from the Chairman to the front desk—are men and women of character who conduct themselves in accord with a sound moral code?

Since leadership is exercised at every level in an organisation, Boards and CEOs need to have a clear strategy and commitment to helping their people meet not only their legal obligations, but also their moral obligations. And since behaviour cascades from the top down, a commitment to moral soundness needs to start with the Board. Would such a strategy have helped Bob Diamond and the Board of Barclays avoid the LIBOR scandal by ensuring it never happened in the first place?

Until relatively recently the prevailing societal and commercial cultures could give one confidence that people joining the firm adhered to a similar set of values. One could assume that values like honesty, integrity, fairness and
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It's time for moral leadership respect would not only be upheld, but would have similar meanings to all. It would be a brave Board to make such an assumption today. Fairness for some means it is quite reasonable to receive a commission on the side to make up for the inequity in my pay when compared with others. Honesty for some means not getting caught for dishonesty. For those who operate in a moral fog, a code of conduct is no more binding than the posted speed limit on an open road: subject to the conditions, the skill of the driver, a margin of error, and an ability to justify one's actions.

Boards and CEOs can address latent moral risk by asking deeper moral questions of their current and future people in order to understand the moral code and character these individuals bring to the organisation. And we need to get past any embarrassment about asking.

When Barings became concerned about the trading positions taken by Nick Leeson they sent Peter Norris, the head of investment banking, to Singapore to meet with Leeson to clarify their exposure.

“Now, we've had a lot of stick over funding,” says Norris”, being ever the English gentleman.

“Brenda Granger tells me we’re borrowing all over Japan to get the funds to you. People are beginning to talk, Nick.”

“I understand. I understand completely,” replies Leeson.

“Excellent. Good man,” replies the inept Norris. Blind trust in the soundness of Nick Leeson’s moral compass sent the two hundred year old bank careening onto the rocks.

Barings, Barclays, Lehmans, Enron, and so many others demonstrate the intimate link that exists between individual behavior, organisational sustainability, and the common good of humanity. Whilst an individual acts locally, technology and interconnectivity means that unforeseen or unintended consequences are often rapid, global and traumatic.

Weak moral codes and a dense moral fog could be the most significant risk for modern countries and corporations. Whilst asking people if they are trustworthy and always act with integrity is quite clumsy— and reveals nothing— asking people to talk about scenarios and how they resolved them will provide enormous insight.
Relevant examples can be drawn from your own organisation and experience, but possible dilemmas could include when they:

- faced a moral dilemma and why they were conflicted
- had to make a choice between doing what they thought was the right thing and making more money
- had to confront their boss or peers about behavior they believed was inconsistent with either the organisation’s values or timeless human values
- had an opportunity to receive money (or a gift) via a direct payment to themselves from outside the organisation
- faced a conflict between telling a client something that would be crucial for that client’s decision making, and withholding that information for the apparent good of the firm or themselves
- were asked to pay a fee to smooth or ensure the passage of a transaction
- faced a conflict between their personal values and organizational values

The purpose here is not to adjudicate about rightness or wrongness, but to ensure at the highest levels of an organisation that there is a deep understanding of the moral codes and moral leadership operating within the firm. Doing so ultimately obviates the need for ethics and compliance officers and programs, as people do the right thing in accord with what is right, going beyond what is regulated.

Furthermore, Boards and senior leaders need to take responsibility for their own moral compass, the exercise of moral leadership, and the alignment of the firm’s values and strategy with what is morally acceptable. They can begin by exploring the challenging questions: “what is moral … what is good … what constitutes moral leadership … in this organisation?
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Uncharted waters require skilled pilots

Although not a lot of people become outstanding moral leaders who set an example for us because of who they are, anyone can exercise moral leadership, and act in ways that foster and promote truth, beauty and goodness. Simply doing what you believe a Mandela, Martin Luther King or Aung San Suu Kyi would do in a given situation can provide guidance and inspiration to others. Anyone can exercise moral leadership, while still having room for improvement in their overall life and character. Perfection eludes us all, but the opportunity to do the right thing at the right time is ever present.

Our organisations, our societies and the global community are in need of strong and clear moral leadership from people of sound character living by a moral code. It is incumbent on each of us to reflect on our moral code and the example we set for others. At every moment we are doing something that has consequences for ourselves, for others, and for the planet. And in that moment when our actions serve as an example for someone else we are exercising leadership. In the moment when we do the right thing, regardless of who is looking, we are exercising moral leadership.

Humanity faces not a fork in the road, but uncharted waters that require skilled pilots. We are operating in a moral fog of complexity, confusion and uncertainty, lacking clear guidance from legal or moral authorities. The economic, political, environmental and social risks confronting us are demanding and difficult. But the more serious challenge is one of moral imagination, moral courage, and moral leadership. How can we—individually and collectively—be the best versions of ourselves in this changed and changing world? How can we be a force for what is good and what is right in the circles in which we move?

At this historical moment humanity needs men and women of deep character, moral strength, and wisdom who can shine the light of truth into every domain they encounter. Everyone has something to contribute, and those who follow their moral compass in doing so, with a deep concern for humanity and timeless human values, stand to make the greatest contribution and leave an enduring legacy.

Any one of us could be the next Mandela. But just imagine if all of us took up that challenge.
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Endnotes

1 William Miller [Public domain], via Wikimedia Commons, http://commons.wikimedia.org/wiki/File%3AThe_Pilot_vignette_engraving_by_William_Miller_after_S_Austin.jpg, accessed 8th November 2012

2 Moral innovation may perhaps be a better term than moral imagination, as it describes a breakthrough in moral thinking. I am using this term in a different way to Robert Wright, who describes 'moral imagination' as the ability to put oneself in another's shoes, to see and understand things from their perspective. Cf Wright, R (2012), Moral Imagination and the fate of the world, The Atlantic, August 22nd 2012; http://www.theatlantic.com/international/archive/2012/08/moral-imagination-and-the-fate-of-the-world/260789/, accessed September 18th, 2012

3 Over the last several years, in hundreds of meetings and interviews, I have asked who people look up to as moral leaders. Mandela is the almost immediate response, closely followed by Ghandi, and Aung San Suu Kyi has begun to emerge more recently. But when asked to name a wider group, or emerging moral leaders in any domain, most people draw a blank.

4 Image courtesy of www.photos.com

5 It is beyond the scope or intention of this paper to review the research, but a search on topics like “first principles of morality” will keep the reader busy for a considerable time. After doing so, one could perhaps settle on Kant’s categorical imperative “Act only according to that maxim whereby you can at the same time will that it should become a universal law” (cf Kant, the Moral Order, http://www.philosophypages.com/hy/5i.htm, accessed 16 October 2012), or any number of other maxims which could serve as worthwhile guides, particularly when one also seeks for truth beauty and goodness.

6 This is a variation on the Golden Rule, with acknowledgment to Roger Cohen, “Or as Rabbi Hillel put it: “What is hateful to yourself, do not do to your fellow man. That is the whole Torah; the rest is just commentary.” Cohen, R (2012), Seeking an imperfect compromise, The New York Times International Weekly, June 16th 2012

Some readers suggested the word ‘hurtful’ may be less confronting than ‘hateful’, but unfortunately I find it easy to rationalise away things that may hurt if done to me, whereas since there are acts I would ‘hate’ others to do to me I find myself pausing and avoiding inflicting them on others.

7 The author acknowledges that although the question of what constitutes ‘good’ or ‘right’ is answered differently by different people, this does not detract from the observation that it is possible to develop good or bad habits, and to train those habits in the same way a musician practices to play music well. In this sense therefore what is good or right accords with purpose or meaning. Playing Beethoven well means playing in accord with the music.

8 Plato, The Republic, Book Four; cf also http://plato.stanford.edu/entries/plato-ethics-politics/#2.2 accessed 16 October 2012

9 Temperance has had some bad press over the years, being confused with avoiding alcohol in particular


17 Dearden, J, (1999), Rogue Trader, Newmarket Capital Group

Anthony Howard is a master of networking and conversation who has leveraged his curiosity, insights and global connections into a successful career as a CEO confidant, writer and speaker. He has both mentored and supervised mentoring engagements for leaders in the top two tiers of multibillion dollar public companies, and has written and spoken extensively on high level leadership. In 2009 he founded The Confidere Group, with a vision and mission to build a better world one leader at a time. The Confidere Group acts as confidants to leaders who are working in demanding environments to help them excel in life, leadership, and the creation of an enduring legacy, while they lead through periods of challenge, transition and growth.

Anthony maintains an ongoing global dialogue with a range of business and political leaders, writers and thinkers, to gain a perspective on the world, global transitions and high level leadership.

He has been described as an entrepreneur, a visionary and a social and corporate oracle, helping people, enterprises and institutions make sense of the world around them and to find their place in it.

Having left school to become a navigator in the Merchant Navy, Anthony still finds himself working as a navigator, helping people and organisations understand where they are, where they are going, and how to get there.

... and like everyone else he struggles not only to know what is right, but to do what is right. His life contains elements of the same moral dilemmas and moral challenges faced by everyone else.
The Confidere Group

The vision and mission of The Confidere Group is to build a better world one leader at a time.

We do this in three ways:

Firstly, by acting as confidants to high-level leaders who are working in demanding environments to help them excel in life, leadership, and the creation of an enduring legacy, while they lead through periods of challenge, transition and growth. We have a fundamental belief that outstanding leaders attract high quality talent, deliver superior results, build sustainable organisations and leave enduring legacies.

In the midst of the turmoil and pace of executive life we create a ‘safe haven’ for leaders, away from the prying eyes and ears of those who have a different agenda. This is a space where clients can do their best thinking, and have that tested by someone who understands their world, and can bring years of experience to bear on finding better questions that reveal better answers.

We help clients balance strategic, operational, stakeholder and personal demands, and focus on doing what really matters, to generate the results that make a difference.

In addition to working one on one with leaders we also create powerful ‘Search Parties’ to help organisations generate breakthrough thinking as they navigate the challenges of a world and markets in transition. These think tanks combine a wide range of resources, multiplying the organisational brain power to conduct innovative conversations around some of the pressing issues they are facing.

Our Search Party shifts the focus from planning and managing for business as usual to search out options and possibilities for the shape of business tomorrow.

Lastly we deliver keynote addresses and publish our thinking on the issues that matter to leaders who are trying to become better leaders and build better organisations.
It's time for moral leadership