
----- WHAT'S UP, DOC? -----

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"Creating Leadership Solutions for Profit and Growth"

THIS MONTH'S THEME: PROMOTING ETHICAL LEADERSHIP

Independence Day reminds us of the founding principles of our nation. And yet, these days we're reading headline after headline exposing corporate malfeasance. In this month's newsletter, we'll examine the importance of core principles to any successful organization, and offer you checklist for ethical leadership that will challenge you and your thinking. . . . And please: take a moment to consider who in your circle friends and acquaintances might enjoy the kind of high-quality, monthly content we offer in this newsletter, and forward them a copy! Our readership has been growing through word-of-mouth, and we want to continue to foster the development of a dynamic community of thoughtful leaders to examine and discuss the toughest challenges we all face. That includes executives, managers, kids' team coaches, clergy, supervisors - anyone who works to bring the best out of others. Thanks! - AJS

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THIS MONTH'S QUOTE:

"We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness." - Thomas Jefferson

1. CHECKLIST FOR PROMOTING ETHICAL LEADERSHIP

FOSTER A CULTURE OF POSITIVE DISSENT

The path of passive ethical leadership involves having an organizational ethics statement that gets dusted off or spoken of only when something extraordinarily bad occurs. This in fact is what most organizations do, and represents just the kind of absentee leadership that makes it possible for ethical "weeds" to grow in the garden - and maybe start to choke off the fruit! In order to set active ethical expectations, leaders must 1) be sure that promotions are consciously made with ethical leadership performance in mind, 2) constantly welcome and encourage the kind nettlesome, contrary opinions that challenge the organization, as long they are responsibly expressed. This is so important because positive whistle-blowers can only come forward in an organization that allows for dissenting opinion, and where ethical codes are taken seriously. In fact, if the culture of appropriate dissent is appropriately encouraged, the need for a real whistle-blower typically disappears, since the social and organizational system will regulate itself and nip any problem behaviors in the bud before they begin to take deeper root in the culture.

SPEAK THE PLAIN TRUTH - DON'T MODEL SPIN!

Ok, granted - there is information that management must keep to itself that is proprietary, or decisions that must be made public at the right time. But many leaders with good verbal skills can become adept at speaking around a question, without really saying anything of substance. When that happens, truth-telling suffers - not just in that moment, but as an example for the actions of others. "Spin" is often a strategy based on convenience and laziness - an option chosen when we don't want to say, simply, what we DO know, what we DON'T know, or that we may have better answers in the FUTURE. If, as a leader, you are not known for speaking the plain truth - even when your answers are unwelcome - then you will be setting a weak example for other to follow - and others will surely observe. What's more, if you don't make it a habit to keep your people as well informed as possible - even when there's not really anything happening at a given point in time - then you will be setting an example that may allow for the withholding of information - telling the truth only when directly asked!

CHOOSE YOUR PEOPLE WELL - SELECT FOR VALUES

Ask recruits about a time when they may have taken an unpopular stand, and listen to see if their example involves an ethical stance or merely some difference of opinion. Become more aware of ways to maximize your chances of success through well designed selection processes. Structured interview processes provide the most effective and reliable selection outcomes, and the vendor most familiar to and endorsed by Schuler Solutions is www.talentplus.com (Schuler Solutions receives no financial remuneration for recommending or for bringing business to Talent+). But whatever you do, be sure that your selection processes seek to detect and attract people with kind of values that animate your organization - and this can be done without

violating any laws or EEO regulations. You can't change a person's character in your organization, and while it is important to create a climate that encourages and rewards the best behavior and decision making, the single most important thing you can do to create an ethical organization is to select carefully and wisely.

DON'T FEAR MAKING SWIFT - BUT NECESSARY - EJECTIONS

Take ethical issues seriously. Here's a test - when you discover that one of your people has been too liberal with an expense account - perhaps using it for personal expenses - what do you do? Most managers will simply let the person off with a verbal warning - or even worse, say nothing while determining to watch the offender's future expenses more closely. But if ethical behavior is important to your organization, then this is just this type of circumstance that must be examined, documented and discussed directly. Don't take short cuts on due process, but don't ignore potential ethical violations, or minimize their importance by treating them as simple misunderstandings that can be handled "off the record." Put them on the record, even if they may stem from potential misunderstandings. That way you will be sure to avoid any future "misunderstandings," and if problem behaviors recur, you've set the stage for more aggressive action. The organizations that avoid the kind of ethical "cancers" that have beset and destroyed major organizations are the ones that take the little things seriously - and they know when to "eject" people from the organization without fear. Don't set up an internal "police state," but give responsibility while holding high standards of accountability. True leaders take the lead in setting precisely this tone for others.

2. DECLARATIONS, MISSIONS, SNAKE OIL AND CORE FOUNDATIONS

WE HAVE GOOD REASONS TO BE SKEPTICAL. . .

Even before the ethical scandals and bankruptcies that have captured our attention, we've become skeptical about mission statements and their apparent offspring - rah-rah corporate pep rallies. Certainly many of the dot-bust companies that began with such a flair - and with with good enough intentions - seemed set on remaking the world through their supposedly revolutionary new business practices and free-wheeling, fashionably hip cultures - some with game rooms and miniature playgrounds right in the office. But in the end, all too many proved to be long on hype - and self-promotion - and short on substance. And so, too often, mission statements and public efforts to build a high-performance culture seemed to be more about public relations, spin or passing fads. And when people talk more about values than they put them into practice, naturally, the rest of us can become jaded and highly skeptical of any activity that might

lead to the articulation of a (gasp!) mission statement!

. . . BUT GREAT SUCCESSES LIE ON GREAT FOUNDATIONS. . .

Take a look at "This Month's Quote" at the beginning of this month's newsletter - not a bad quote, is it? It took more than that quote - more than the Declaration of Independence - to make us a nation. But those few lines gave this country something to fight about, something to stand for, and something to work toward for over two hundred years, and we're still trying to get it right. Any organization that is going to be successful over the long haul (and I think that cases like WorldCom and Enron prove that long term success rests in part on a strong ethical foundation) has to have some living statement of core values that provides a framework for future decisions, arguments, selection and promotion decisions and organizational improvements as time goes on - just as our quotation from the Declaration of Independence has served our country over time.

SO CREATE A MIDDLE GROUND THAT IS LONG ON SUBSTANCE BUT SHORT ON HYPE. . .

Jefferson was certainly a wordsmith, and very much the dreamer, but taken as a group, the founders of our nation were battle-tested, experienced realists of the first order. Core visions or value statements may first be crafted by the idealists among us, but they are forged into reality by smart leaders who know how to take core principles and apply them to concrete action. The strongest leaders don't apologize for mission statements or hide them in a closet, nor do they over hype them or let rhetoric outpace deeds. Find a middle ground that suits the nature of your organization, and articulate (or revive) some core mission that answers the question, "If this organization did not exist, what needs would not be met in the marketplace (for-profit businesses) or in the public domain (non-profit and public agencies)? " This question gets to the very purpose of your organization or department - and you can fill in the core two or three values that will mark your organization's unique "personality" after that. (And by the way, if you don't believe your organization meets some unique need in the marketplace or in the public domain, then figure out how it can, or it will soon cease to exist, and rightly so!)

3. RECOMMENDED BOOKS AND FILMS

BOOK: "Co-Leaders: The Power of Great Partnerships," by David A. Heenan and Warren Bennis, John Wiley & Sons, Inc., New York, 1999

A nice book to revive now that we are (finally!) reexamining the kind of rock-star,

charismatic CEO culture that we have fostered (and suffered!) over the last decade. The book is not well titled in my opinion, but it has some real good stuff on models for and examples of leadership that tends to be more effective - leadership that is more about activating the talents of others than promoting the talents of the self. Jim Collins' recent book (Good to Great) calls these type of leaders "Level Five" types, based on his studies of those who have actually transformed mediocre organizations into great or highly performing ones. Whatever you want to call the, Heenan and Bennis's book is a welcome addition to the genre, and so makes the cut to be a Schuler Solutions recommendation this month.

FILM: "The Bourne Identity" - in wide release

I recently saw "The Bourne Identity" . . . and it was fun. That's what summer movies are for. I liked that it was basically a character-driven action picture that did not insult the intelligence with overblown effects or wildly contorted plot developments. But don't look for deep message or meaning: just enjoy the performances - it has a terrific supporting cast of actors in small roles, and the action keeps moving. I read the book back in 1980 when it first came out, but I confess that I remember none of it. Still, I don't think that matters. Enjoy the movie, or anything else you may see this summer. Tell me if you see something you like.

4. CHUCKLES

This past month I got my tonsils out (ouch!), so it seems appropriate - to me anyway - to include a little health care joke this time around. So here goes:

Ailments

The two young boys were discussing their ailments together in the children's ward.

"Are you medical or surgical?" asked the first, who had been in the ward for a week.

"I don't know what you mean," replied the second.

"It's simple," replied the first. "Were you sick when you came in here? Or did they make you sick when you got here?"

5. SUBSCRIBER SUCCESSES

We've renamed this section to open it to all subscribers, and not just clients, since the distribution of this newsletter is widening. And moreover, the idea behind this newsletter is primarily to promote the development of a community of thoughtful leaders (of any kind, including soccer coaches, front line supervisors, clergy, etc.) who examine the most challenging issues of the day. As this list continues to grow, we expect that more readers will submit questions, comments and success stories. So, in lieu of a specific "client" success this month, we extend this invitation to send in a brief note about your own organizational successes for future publication. Let it be something from which you or others derived some learning, so we can present it here as a small case study for everyone in this leadership learning community.

TO SHARE YOUR SUCCESS, send your story to AJ@SchulerSolutions.com
Unless your message states otherwise, we will assume that your story is NOT FOR PUBLICATION. If you do authorize that your success can be shared in upcoming editions of "What's Up, Doc?," then please include in your message the following sentence: "I authorize Schuler Solutions to publicize my success story in the newsletter 'What's Up, Doc?'"

6. ABOUT DR. SCHULER

A. J. Schuler, Psy. D. is a speaker, consultant and leadership coach who helps people and organizations become more effective, profitable, focused on their missions and able to maximize their opportunities that lead to growth. Dr. Schuler, President of Schuler Solutions, Inc., accomplishes this through speeches, seminars, consulting and one-on-one coaching focused on developing excellence in both leadership and team performance. He has served diverse organizations in the private and public sectors, including The Ritz-Carlton Hotel Company, Sony Development, Nomura Securities and the Executive Office for Immigration Review. A graduate of the Wharton School of Business, Dr. Schuler has successfully led the profitable growth of a dynamic, international consulting firm while serving as Operations Director, and has successfully coached over five hundred CEO's and corporate executives.

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8. NEWSLETTER STATEMENT OF ETHICS

NEWSLETTER ETHICS: This e-Newsletter will be sent to subscribers only upon REQUEST, though subscribers may forward this letter to anyone they wish. Subscriber identities or contact information will NOT BE DISCLOSED to any other persons or entities under any circumstances.

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P.S. - Remember to send in your comments and successes, and to forward this newsletter to at least one friend! -- AJS