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MANAGER SUPPLEMENT **IMPACT**

January - March 2012

Business Ethics

The Foundation of Effective Leadership

Business ethics are a hot topic these days; with everything from insider trading to employee theft on the rise, it is no wonder that businesses are beginning to focus on the impact of ethical leadership. However, along with this new focus comes a lot of "gray area". Many times, managers are forced to decide on issues where there are arguments on both sides - a problem that makes ethical decision-making very difficult.



Let's look at an example

Sally started her consulting business a year ago and has been doing very well. About a month ago, she decided she needed to hire someone to help her since she was getting busier and busier. After interviewing several candidates, she decided to hire the best one of the group, Mary. She called Mary on Monday to tell her she had gotten the job. They both agreed that she would start the following Monday and that Mary could come in and fill out all of the hiring paperwork at that time. On Tuesday of the same week, a friend of Sally's called to say that she had found the perfect person for her. Sally explained that she had already hired someone, but the friend insisted. "Just meet this girl. Who knows, maybe you might want to hire her in the future!" Rather reluctantly, Sally consented. "Alright, if she can come in tomorrow, I'll meet with her, but that's all." "Oh, I'm so glad. I just know you're going to like her!" Sally's friend exclaimed. Sally did like her. She like her a lot. Sally met with Julie on Wednesday morning. She was everything that Sally had been looking for and more. In terms of experience, Julie far surpassed any of the candidates Sally had previously interviewed, including Mary. On top of that, she was willing to bring in clients of her own which would only increase business. All in all, Sally knew this was a

win-win situation. But what about Mary? She had already given her word to Mary that she could start work on Monday. She only had the resources to hire one person at this point. Clearly, the best business decision was to hire Julie, but what about the ethical decision? If her business

did poorly or Mary couldn't provide enough support, the business would suffer. As a result, her family would suffer. Money was already tight with two boys in college; yet she knew Mary also had a family she was supporting. Plus, she had been so enthusiastic about starting to work. Obviously, Sally had a problem - an ethical problem. Should she hire Mary

(whom she'd already given her word) or Julie (who was obviously the best person for the job)? Questions like these touch on our deepest values. Depending on who you ask, you would get strong arguments for both decisions. This is what we mean when we talk about a "gray area." So what is the answer? According to Kenneth Blanchard and Norman Vincent Peale, authors of *The Power of Ethical Management*, there are three questions you should ask yourself whenever you are faced with an ethical dilemma.

- **Is it legal?** In other words, will you be violating any criminal laws, civil laws, or company policies by engaging in this activity?
- **Is it balanced?** Is it fair to all parties concerned both in the short-term as well as the long-term? Is this a win-win situation for those directly as well as indirectly involved?
- **Is it right?** Most of us know the difference between right and wrong, but when push comes to shove, how does this decision make you feel about yourself? Are you proud of yourself for making this decision? Would you like others to know you made the decision you did?

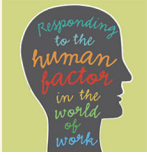
Most of the time, when dealing with "gray decisions," just one of these questions is not enough; but by taking the time to reflect on all three, you will often find that the answer becomes very clear.



A Message to Managers from Claremont EAP

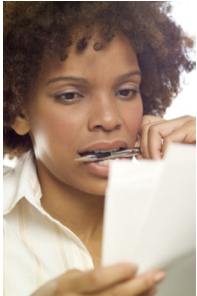
Often, the employee who needs their Employee Assistance Program the most doesn't think to call for assistance. A manager's referral to the EAP can be an effective strategy for improving an employee's effectiveness, productivity, motivation and morale. A referral to the EAP can also decrease absenteeism, reduce turnover, foster acceptance of change and reduce stress . . .

An EAP referral can make a difference.



How Honest are You?

The integrity self-test was developed by Dr. Denis Waitley. In his book, *Empires of the Mind*, Dr. Waitley outlines ten questions which he uses to test a person's honesty and sincerity level. The questions address both work and personal situations. Since the test is in a self-testing format, be as honest as you can. Remember, no one but you has to see the results if you don't want them to. Fill each blank with a score of 1 to 5 using the following scale:



- 5 = strongly agree
 4 = agree
 3 = uncertain
 2 = disagree
 1 = strongly disagree

- I don't give in to the temptation to pad my expense account.
- I do a full day's work for a full day's pay.
- I never take office items, even small ones, for personal or family use.
- If my fellow workers were as honest as I, our company would never have to worry about white-collar crime.
- Those who know me consider my word my bond.
- "Loyal and faithful friend" is one way my friends would describe me.
- Recognizing how readily we influence the behavior of others, I strive to set a good example in all my endeavors.
- Each day I work at remaining honest in all interactions, both in and out of the office.
- If my spouse's emotional and physical fidelity were equal to mine, I would be satisfied.
- In general, my approach toward others, both at home and away from home, is to treat them the way I would like to be treated.

Once you have completed the test yourself, pass it around to your employees. Often times, people get caught up in "what everyone else is doing." By raising people's awareness of their behavior, you will get them thinking about what is right and wrong. This is an excellent way to introduce your new ethics policy; not only will people realize the reasons for it, but they will also be more willing to accept the value of it. Remember, you must consider the bottom line, but make it integrity before profit.

Concerned about an Employee?

- Work quality
- Productivity
- Change in demeanor
- Attendance problems
- Conflicts or interpersonal problems

Personal problems can impact job performance.

As performance issues emerge, call Claremont EAP for a telephonic management consultation. It is free and confidential. You stay focused on the employee's performance issues while Claremont addresses the underlying cause of the problem. Claremont EAP helps good managers become better managers.

Did You Know?

- Managers can call Claremont for free consultations to discuss employee performance issues, conflicts at work, attendance problems, etc.
- Whether it's a performance issue or you are simply concerned about an employee's well-being, a Claremont management consultant can help develop an action plan for improvement.
- EAP is a tool to be used in conjunction with your organization's regular disciplinary procedures, not as a substitute.

For confidential help, call:

800-834-3773

or visit

claremonteap.com