

Leading Minds Research Project

Write-up of Senior Leaders' Forums on Leadership Ethics – 22 and 23 June 2016

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The key ethical questions at the heart of this session were:

1. What are the appropriate criteria for evaluating leaders (as good leaders)?
2. What are the key functions of a leader (that a leader ought to fulfil)?

One approach to answering these questions is to ask what good leadership 'looks like' (in a given context) and what model might best describe it. All models of leadership, such as those offered by Plato (the focus of discussion in this year's forums) imply:

- A particular view of what a leader's function is and what their goals should be.
- Particular standards against which leaders should be judged (as good or bad).

Key Conclusions:

- As in the similar discussions that took place in 2015, there was a significant emphasis on ways in which contextual factors today are putting a high premium on ethics in leadership.
- Ethical leadership, and what counts as good leadership in context, is importantly related to the (appropriate) goals and purpose for the organisation in question.
- A full understanding of what good (ethical) leadership involves will need to incorporate and combine three important threads:
 - An important role for leaders' vision, for expertise, for knowledge
 - An important role for "co-creation", giving way to / deferring to the values, judgements, priorities and ideas of members of the larger group
 - The underpinning influence of the leader's motivation and personal values

- The ability to lead ethically, and to act ethically in other ways, seems critically dependent on an individual's motivation to lead or succeed. Acting in a selfless way is often associated with stories that have good ethical outcomes, acting in self-interested ways its antithesis, for example seeking the status and reward of leadership rather than the opportunity to make a more significant contribution. Separating these motives is difficult
- Ethical leadership includes a significant role for mutual persuasion and understanding in the ways in which the contributions of individuals, senior and junior, within an organisation, are woven together.
- Understanding the trustworthiness of leaders and others will be in significant measure based on leaders' abilities to discharge the functions just described.
- A number of qualities emerged as important to ethical leadership
 - Selfless versus self-interested motives – being well-intended
 - Expert versus amateur – being well-schooled
 - Broad-minded versus narrowly focused – being well-educated or well-informed
 - Aiming towards the result, flexible about the means – being well-steered
 - Caring about the means and not just the result – a route that is well-discussed
 - An objective that is for the common good versus a win/lose outcome – being well-directed

In summary, we explored and need to continue to better understand, three inter-related aspects of ethical leadership:

- Having an ethical objective to lead towards
- Taking an ethical approach to leadership
- With an ethical personal motive to lead

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Broad learning points from the two sessions

If leadership is thought of, in part, as a means of achieving an end by helping a group of people be more effective, then it is useful to recognise the distinction between the ethics of the objective and the ethics of the way people are led in achieving it.

- Effectiveness is just about getting it done, achieving the result.
- But is it achieved by leaving a trail of destruction, or is little achieved because the leader is too concerned with being nice?
- If the approach is effective and balanced, what about the objective itself? Are we leading towards an ethical outcome?
- An ethical objective is definitely not enough – Anthony Jenkins failed at Barclays after just 18 months with a strong ethical remit, and start-ups often start with ethical objectives too, but they need investment, a strong investment proposition, and then the investor needs the exit strategy that delivers the promise so ethics go out of the window...
- An objective that is not itself intentionally ethical can contribute to the achievement of a more ethical outcome. At M&S, the impetus to do business in a more environmentally and socially aware way under the banner of Plan A started with the realisation by an individual that there was nothing preventing him from pursuing the financial goals relevant to his role in ways that would also contribute to environmental and social goals too, provided the financial goals were met. The values came from the individual, in an environment where he could win enough freedom in to act, and having shown the approach could work financially, support grew for taking a longer term more ethical view across the business.

Although financial goals can be pursued ethically, the growing interest in questioning business purpose – why is a business here at all? – can further support leaders in achieving more ethical outcomes.

- If the purpose of a business is assumed to be maximising shareholder value, then good 'ethical' leadership can result in bad outcomes for parts of society.
- If we assume value has to be created for society first, then all involved can work towards a more human result.
- This is about the decisions people make every day, not just the tough ones. What kind of person do I need to become to do what's needed around here?
- Ethics can sound like the red card in football (good vs bad) not the skills you need to play the game well – good judgement and good leadership are business examples of these skills.
- If you start with an assumption that businesses are ultimately for the benefit of people and society, not ultimately or solely to maximise financial return, then leadership is about respect and co-creation.
- The common good is a useful start point for a wider conversation that gives more legitimacy, beyond top down and a leader's view of good and bad. It is difficult to define, and can be contested, but it relates to every choice – you can't bring in the ethics afterwards. It ideally prompts thinking about all of the consequences of a choice against all of the values that matter. This is about giving people broader frameworks and allowing them to use them in an empowered way, to make choices. Eg a 7 year old girl sewing sequins onto a dress for a fast fashion retailer in the UK – some customers

outraged, some think it's great value and at least she's got a job. Are there some more fundamental human principles?

- Metrics matter – if only financial you are stuck. Need humanity and a scoring system, then many leadership models point in a more ethical direction.

The best leaders display most of Plato's models of leadership in different situations – situational leadership is all about adapting.

- In a crisis it is more useful to have Navigators or Shepherds.
- When a business has gone wrong, you might prefer a Doctor, Educator or Sower.
- With a strategy project, an Artist or even an Animal Watcher may play a part.
- In a typically complex and long-running strategic project, effective leaders will find themselves using a range of approaches at different times, with experiences including being a Conductor, a Seed-sower, a Navigator at different times, while simultaneously being a Doctor and an Artist to a degree. None were right or wrong, just useful in different ways.
- Parenting is similar, and a big part of where we learn from – parents bring a framework, and engage in Shepherding, Navigation, some Doctoring at times, with a particular set of values too. Having said that, broadly too many leaders treat people in infantile ways, unwilling to ask their “children” for a view.

Often what's needed is a mix of expertise and open-ness e.g. good at map-reading, open to different routes and destinations. This gives a clue to the need for breadth – to have a specific objective AND to recognise the way it is achieved that sees value in a balance of other perspectives and the effect on them.

- A school in crisis that's made good as if nothing else matters may represent good leadership in the short-term, but such a narrowing of priorities might be disastrous over the longer-term.
- For the different people involved, value is more than transactional – for example in a hierarchy of needs, a sense of belonging matters, so do the people in the darkest corners of the organisation still connect with those in the lightest, in the trenches in war everyone has to feel valued and like they make a difference.

Sometimes there is a desire to use a particular model in a situation it is unsuited to:

- In one sector facing entrenched cultural problems, the Doctor was the most naturally chosen style, but the patient couldn't be cured by the Doctor alone – that was part of the original problem, and people needed to take more personal responsibility for their actions
- The Artist was useful, leaving space for people to work out how to move towards an attractive alternative
- The Educator was also relevant, with people in that sector needing to learn from other industries, and to be open to learning
- The Weaver was useful in making more from all of the people already involved

- But while a good Artist can be helpful in achieving an ethical outcome, a bad Artist is a spin doctor – someone skilfully manipulating the pictures that get painted to effectively achieve an end without the true, knowing support of those involved

Why do some people leave their ethics at home when they go to work? Is it linked to these models of leadership?

- All of the models assume a leader comes and does something to other people, and assumes they have a view of 'good'.
- Is there another way that teams at different times share the role of leadership? Can leadership be plural in role, applied in ways that are mutual – is this leadership? The merits of such approaches need to be related to the objective, which is the point of the organisation.

Should you do an unethical thing to achieve an ethical outcome?

- Examples of diverting funds from a narrow-minded corporate owner to a cause that was deserving, and in the end supported by the corporate, or of taking decisions that apparently ignored direct requests to achieve a bigger more valuable outcome.
- What is 'being ethical' in any case? Few scientific, objective truths e.g. generic drugs making them cheaper for all to access, or theft of the IP that ensures more investment in new drugs in future?

If leadership is for using huge spans of influence in the face of widespread challenges, looking for the greatest mobilisation for the greatest good, then it must be about inspiring others to navigate change. More Artist and Seed-sower, not Doctor. Create a climate for others.

Is simply acting ethically within an otherwise conventional framework enough? Do leaders also require an ethical purpose for their organisation's work to achieve substantive ethical outcomes?

- Most business leaders don't think about ethics, just the objective.
- Barclays felt they needed ethics for a bit, had Anthony Jenkins for that period, then went back to its old ways, with its underlying purpose and values unchanged.

Before discussing ethical leadership, we need to understand ethics.

- Avoid tunnel vision. Socrates talked about 'bigness of soul'. Great leaders see a bigger picture
- An HBR test – imagine your funeral; what would you like people to be saying about you, thinking about you, and be true of you?

- What really matters even if no one knows it?
- If you genuinely believe you're doing the right thing, are you ethical if it turns out you aren't?

Specific thoughts on a number of Plato's leadership models

Doctor

- Where leaders can get under the skin of an issue and really diagnose well, this is very valuable.
- Courage is needed to turn insight into decisions and widespread motivation.
- Skill is needed to diagnose well and present so it is heard and acted on.
- Can be dangerous, setting up the leader with the answer and the led with the illness.
- Better if people can be helped to self-diagnose, even if terminally ill – look for the joy in what can be experienced, not the loss of what will be gone.
- Can be narrow and technical, or observational and outcome-orientated.
- Combinations can help, for example Doctor and Educator is more empowering.

Navigator

- This is military leadership at its most extreme, where the aim might be 'to close with and kill the enemy'.
- There needs to be a vision of the result, but with lots of uncertainty, people need help to navigate.
- There is also a big degree of Educator in this world too, where people learn by going to extremes well outside their comfort zones, and gradually finding useful responses becoming instinctive.
- They also learn in more Navigator ways – boring repetition for every situation, but useful despite being tough.
- A management consultancy story showed an example of strong navigation being called upon, with a new lead Partner elected just days before the financial crash, what his Partners wanted changed overnight, from accelerating growth to worrying about survival. He changed course, focused on 'holding our nerve' by continuing to invest in people, and worked with others in the team who played complementary roles – one person for example, who acted as his 'Doctor', has now himself been elected to the lead Partner role.
- The Mexican miner story – bribery and corruption were the norm, with villages dependent on the mines and run by women who support the corruption. A leader arrived who felt personally this was wrong and why else was he here but to change things, doing the right thing, creating true Mexican family values across the mines. This took a series of difficult decisions, investing more in boots, in GPS that allowed kidnapped miners to get rescued again.

Artist

- A powerful mode of leadership, a sense of the leader being up to something and sharing a vision and a sense of purpose that are infectious.

- The leader is ahead of the group, but not so far as to lose support – about judgement, timing, intuition, when to hold back, when to push and make it even bigger.
- This and some of the other models feel more productive, acting for the present and also for future generations – so the Artist but also the Sower and the Weaver.

Weaver

- An interesting model, listening to voices and creating a meaning.
- Has no beginning or end, and has two sides, the humble and the beautiful.
- Is about bringing diverse groups together to create something special – like orchestras, film crews and the like.
- The role of the leader is like the loom – providing just enough structure.
- If it goes wrong you can unravel a bit and start again.
- You need to understand the organisation's DNA and be pragmatic, working with what you have creating something valuable, telling a story without being too bound by it.
- In Persia, the kids start at one end and the father or master makes it work, whatever they've done.
- Counters some assumptions about leadership and its identity – for example still sitting at the top of the building at M&S.
- Sometimes what matters is what is missing – a freedom to do something un-prescribed. Some early progress towards Plan A at M&S came from driving through the adoption of recycled paper in the face of objections and risks. Specific actions were taken that in themselves broke rules or ignored orders in ways that might be argued to be unethical, but the aim was to prove that a bigger, more ethically valuable result could be achieved, and the risks calculated to be in proportion with the belief that the rules or orders would ultimately be more widely agreed to be unhelpful. In the end the person concerned was allowed to do a good thing as long as he made sure it didn't put the overall financial objectives of the role at risk. The key was being able to take a longer term view – that created the need to change, even if the financial outcome was assumed to be dominant.

Shepherd

- Leadership is easier when it's all going well. If forced to change, keeping everyone on board is difficult so this is a valuable role.
- But Shepherds look after the flock to eventually kill the sheep – so they are in it for themselves.

Is an Architect a useful model?

- Vision and bigness of soul.
- Plus constraints to battle with, plus politics and horse trading.

Leadership Education and Capabilities

An initial analogy to frame a question – in navigating a boat in Ancient Greece you could look ahead or look at the stars. The latter steers towards the big picture destination even though apparently looking the wrong way. The former only avoids immediate obstacles.

- Is this like studying the liberal arts versus getting professional leadership training, the bigger picture context that looks irrelevant versus the clearly useful but narrow?
- In China, respect comes from having studied Confucius, valuing the arts alongside running businesses. You see more active listening and mindfulness, setting people's own minds at rest and being comfortable in their own spaces in order to be able to lead well.
- Learning early in a career from people with very different values can be highly valuable later on, growing appreciation of different ways to interpret the same thing.
- Leadership assessments can have a similar challenge, valuing high intellect but missing the need for breadth, especially empathy and the ability to listen. People with these qualities often come from different backgrounds.
- These points are all ways of showing the value of particular forms of diversity beyond gender, race, etc. Encouraging people to read more widely, experience more in life, see that interests like playing in a chamber orchestra can teach you to pick up what's not being said in a group.
- So does this mean it's useful to be prescriptive about breadth, or is it better to be more anarchic – is there a high level pattern that's good for a leadership team or a Board?

Google helps people learn by measuring everything and coaching people to be comfortable not having the answer, using the data to think and disperse leadership more widely

Organisations are so complex that no one knows how they work in a mechanical sense.

- Broader principles more useful such as empowering the front line, letting them own problems and getting everyone else's input to help solve them

Mission Command in the military another learning model

- Your community understand your intent and because they are trusted and closer to reality, they steer towards the intent. The situation will change and there is no way to respond any other way – tempo matters – speed relative to the adversary.
- Confidence crucial – leaders in team, and team in leaders.
- Communicate intent accurately, give freedom, clear on the few things that cannot be delegated (like pressing the nuclear button).
- In the modern world, even more freedom and even more sharing information needed to stay ahead.
- Is this suitable to all groups of people? Does it need quite independent-minded characters with confidence, for example?

Individual disruptors can be useful for a group, and if they're valued for having a different view then it may be helpful if they rotate in and out of a team more rapidly than other members who bring wisdom and a useful organisational memory.

- Artists or entrepreneurs are often more free-spirited and more selfless too, so good at this

Organisations can work organically with leaders emerging without formal structure, one among equals, serving the group in different ways and maybe through different people at different times.

- WL Gore is an example of this, where the approach is protected and deliberate e.g. peer review for reward, or when you have an idea you need to attract a team to help of their own free will. There were also comments that this can feel like Lord of the Flies to some as we are political and competitive animals to some degree.

Is there a soul to an organisation? What holds an organisation's integrity together?

- People know when they are lying, cheating or stealing, but we find ways to make it feel OK – PPI selling felt wrong but 'everyone's doing it' for example.
- In banking the root of the problem was the loss of purpose – a real shared sense of why the bank existed beyond "making money". In the absence of a strong alternative, "making money" was the implied purpose, and taking decisions that would compromise the achievement of this goal against competitors became impossible, even when it meant doing things that would be widely held to be 'not right' away from the context of the business.
- Without that, people don't want to admit even to themselves that they are not behaving like a decent person, so they create a rationale that makes it OK.
- Incentives are created that encourage people to do more, and the behaviour becomes more normalised and more extreme, until eventually it all comes crashing down.
- Rebuilding will take time, and it also takes time to demonstrate an organisation is worthy of trust.
- A test is the way an organisation deals with bad news – an inconvenient whistle-blower gets suppressed and met with an unconstructive response, so the issue grows and the expectations for truth and trust diminish.

An individual, personal view shines a different light into this

- A liberal arts education forces you to be humble – always learning, less scope for right and wrong compared to maths and sciences.
- There's also the choice to be selfless, to act for a greater good, that could be encouraged or discouraged by a wider shared purpose from those around you.

- A story was shared of having been a whistle-blower twice, and being asked by headhunters why this individual would damage their own career prospects, because that's the effect it has.
- Their answer was that it's a choice to live your own life, to live with yourself, and to know how much that matters ahead of more extrinsic rewards or reputation.

Selflessness can be a powerful convening force, a characteristic of effective (and ethical) leadership

- An organisation has sprung up around a 28 year old who has brought together huge organisations – banks – around some of their most difficult issues.
- He is humble and visionary, with a sense both of enquiry around what our society should look like and of what went wrong at Barclays.
- To be trusted to need to be truthful, for instance know and calling out a problem and that you don't know the answer, but having a sense of purpose that gives direction, and the ability to ask questions that open the landscape up for others.
- This sounds like the Sower – a selfless act of throwing something away, something with potential, accepting not all will grow, and that what happens in uncontrolled but constructive.

Do we, the Demos or the people, allow our leaders not to know all the answers? Do we naturally expect all leaders to be Doctors, perceived to know the right route to take, when in practice they don't, indeed no one can, and allowing leaders to be unsure, or to do nothing, would be better routes to take?

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Next Steps

1. The Leading Minds project team (Leeds) formulate a set of key ethical issues that are central to understanding ethical leadership. This should be based on a combination of their own research and insights from the senior leaders' forums in 2015 and 2016.

An initial draft of this has already been produced – highlighting the following:

- a. What is leadership ethics? How is ethics related to leadership?
 - b. Relationship between ethical leadership and organisational purpose
 - c. Leadership and culture (incl. why good people do bad things.)
 - d. The ethical use of trust, personal credibility and charisma
 - e. Ethical handling of rival or dissenting views
 - f. Fostering conditions for critical participation in decision-making
 - g. Mere-efficiency vs. Ethical-efficiency
 - h. Ethical issues in the media of communication (e.g. mass communication vs. one-to-one dialogue, remote/electronic vs. face-to-face, etc.)
 - i. Leadership and moral character
2. The Leading Minds project team (Leeds) formulate a set of working definitions of “Leadership” and “Ethics” to be used in future detailed work on leadership ethics - so as to avoid repeatedly getting stuck on competing accounts of these concepts
 3. Forum participants and Leading Minds researchers to work together on the list of key issues identified (1. above) as follows:
 - a. Developing case studies that can help us, and other leaders to make progress in analysing each ethical issue, and in understanding what makes it complex and challenging
 - i. Participants: if there are issues on the above list (or in related areas) where you are willing to collaborate with the Leeds team on a case study, please take the initiative to get in touch
 - ii. Leeds team: approach those that offered on their feedback form to collaborate over a case study
 - b. Developing some combination of case studies and training material on each such issue to offer suggested tools for handling that ethical issue effectively.
 - c. Advising on which issues in leadership ethics are the most important / pressing / attractive.
 4. Work on agenda for 2017 Senior Leaders’ Forums
 - a. One option: Leeds team and participants to work together to develop an agenda and case-based materials based around 2 or 3 of the issues identified above.
 - b. Another option: forum sessions specifically focused on the ethical use of trust, credibility and charisma (expert input from a combination of researchers and practitioners).

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