

Ethical Leadership Effectiveness



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What is Ethics & What Makes it Difficult?



- Knowing and doing what is right
- The very meaning of ethics is open to interpretation
- The hard part is defining what is "right"
- Ethics vs. Morality



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Ensuring Actions are Ethical

- Kid on your shoulder
- Front Page of the Newspaper
- Golden Rule
- Rule of universality



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Ethical Leadership

<p>Has Two Elements</p> <ul style="list-style-type: none"> -Must act and make decisions ethically -Lead ethically 	<p>It is visible:</p> <ul style="list-style-type: none"> - The way the leader works with and treats others - Public behavior - Statements and actions <p>It is invisible:</p> <ul style="list-style-type: none"> - Character & Courage - Decision-making process
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The role of a leader in ethical situations

- Assume Responsibility
- Be Decisive
- Be Transparent
- Demonstrate Care/Concern
- Engage the Head & Heart
- Be Resilient – Prepare to come back stronger from crisis

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Benefits organizations encounter with effective ethical leadership

- Competitive positioning
- Ensures high quality customer service
- Reduces Costs/Turnover
- Motivation to better employee performance
- Builds Trust
- Creates credibility and respect
- Collaboration with other respected organizations
- Creates a good climate within the organization

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Preparing Managers to be ethical leaders

- Focus Attention
- Manager Perceptions
- Perceptions of Leadership
- Signal priorities
- Temperature check



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Your Ethical Leadership Role at CAMBIA HEALTH SOLUTIONS

Why is ethical leadership important?

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Survey Says...

CULTURE MEASURE	AT LEAST ONE ETHICS DISCUSSION ANNUALLY	NO ETHICS DISCUSSIONS	DIFFERENCE
My company is committed to ethics and integrity	94%	86%	8%
I am comfortable asking management for ethics advice	92%	79%	13%
I feel safe raising workplace ethics issues to my supervisor	86%	74%	12%
My supervisor has set the example for ethical behavior	83%	63%	20%

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We are pleased to announce that Cambia has engaged in benchmarking services for its annual Ethics Survey. The column "Benchmark" below indicates how Cambia compares to other companies.


Your team's score is calculated by multiplying the per response count by its assigned value, then dividing total count by total calculated value.
Assigned Value: Strongly Disagree =1, Disagree =2, Neutral =3, Agree =4, Strongly Agree =5

	Cambia	Benchmark
This company shows a commitment to ethical business decisions and conduct.	4.4	4.0
This company clearly communicates its expectations for ethical behavior.	4.5	4.4
Unethical behavior is not tolerated at this company.	4.3	4.1
This organization's executive leadership supports and practices high standards of ethical conduct.	4.3	4.2
I do not feel pressure to compromise ethical or compliance standards to get my work done.	4.4	4.2
I feel comfortable raising any concerns about compliance or ethics with my manager.	4.4	4.0
I would feel comfortable reporting a violation of company policies or standards of conduct if I were to observe one.	4.3	4.0
I can report unethical practices without fear of reprisal.	4.2	3.9
Where I work, ethical issues and concerns can be discussed without negative consequences.	4.3	3.9
My immediate supervisor/manager demonstrates honest and ethical behavior.	4.5	4.2

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Effects of Unethical Leadership

- Legal Issues
- Employee Performance
- Employee Relations
- Company Credibility
- Preventing Unethical Behavior



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Risks that arise when ethical leadership is absent

Volkswagen

Wells Fargo

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VW Emissions Scandal at a Glance

(Alleged) VW's culture

- Top-down decision-making
- Drive to execute
- Employees'/vendor's warnings ignored
- Disrespect for regs, regulators; failure to disclose earlier emissions issues
- Everyone incented if goals are met, execs incented heavily
- Employees afraid to speak up

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Wells Fargo Culture

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Wells Fargo Ineffective Ethical Leadership



*Video clip downloaded from CNBC

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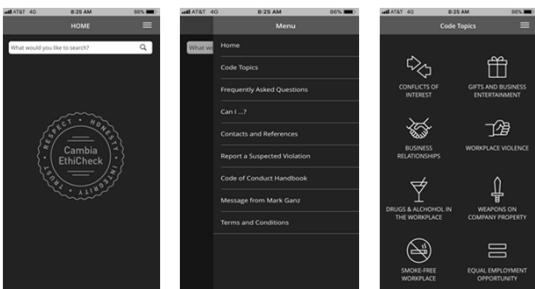
Wells Fargo Decision Making



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App Presentation



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App Presentation

The image shows three screenshots of a mobile application interface. The first screenshot, titled 'Frequently Asked Questions', lists categories such as 'Conflicts of Interest', 'Gifts and Business Entertainment', 'Business Relationships', 'Company Assets', 'Safeguarding Information and Property', 'Political Activity and Contributing', 'Fraud, Waste, and Abuse', and 'Tips for Managers'. The second screenshot, titled 'Contacts and References', provides instructions on who to report to and offers an 'App Feedback' link. The third screenshot, titled 'Report a Suspected Violation', explains what happens after a report and provides a 'GUIDE TO MAKING AN ANONYMOUS REPORT' with specific steps like describing the situation, identifying dates and locations, and indicating if a supervisor was notified.

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KEY TAKEAWAYS

1. Organizations benefit greatly from effective ethical leadership
2. Scandal can happen at any organization if a strong ethical culture is not solidified by it's leaders

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Questions?

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