Being ethical is within reach

Acting ethically may be hard work at times, but it's never impossible. For leaders, it's about considering the consequences of your decisions, going the extra mile and trusting employees. Antonio Argandoña explains how to bring out the best in people.

June 1, 2021

- **Ethics "is a practical science which is learned while knowing that we'll never fully achieve it."**
- **To act ethically, ask yourself about all the consequences of your actions on others and on yourself.**
- **Trust your employees to reduce their fear of taking actions at work and to**

©IESE Business School

encourage innovation and constructive criticism.

Excellent managers know their jobs and have the skills to do it well. On top of that, they must act ethically.

This means they are able to identify moral dilemmas and make judgments based on norms and virtues. In decision-making, these leaders consider many alternatives -- not to make a good choice, but to make the best one. They determine the criteria by which they will be judged -- economic, social and moral criteria for efficacy, attractiveness and consistency -- and point out the alternative that scores highest in all dimensions considered.

Is this type of behavior truly possible in business today? While acting ethically may complicate decision-making for executives, Antonio Argandoña, professor emeritus at IESE, insists that "being ethical is obtainable" in his latest book on managing people.

What's more, for Argandoña, being ethical should not be seen as daunting, because that could serve as an excuse for not trying. Ethics, the author says, "is a practical science which is learned while knowing that we'll never fully achieve it."

Here are tips to help you along the strenuous, but worthwhile, path of acquiring virtues:

- Seek excellence and don't settle for minimum compliance.

- Ask yourself about your primary intentions and motivations.

- Faced with a problem, seek alternatives; don't be lazy about going the extra mile.

- Don't merely trust in your own ethical instincts. Ask for advice without reneging on your responsibilities.

- You are not obliged to do the impossible, but check first to see if that's what it is.

- Do what you should do (which often isn't what you'd like or what's most convenient).

- Ask yourself about all the consequences of your actions on others and on yourself.

- Discover the real needs of others and try to meet them.

- Be exemplary and consistent.

- Do not hide or justify your mistakes: acknowledge them, ask for forgiveness and fix them.

©IESE Business School

Believe in your employees

For Argandoña, ethics is not about avoiding all mistakes, because, in any organization involving fallible human beings, mistakes are inevitable.

He emphasizes that "building trust is an important part of managing ethically: if executives set out believing their employees are lazy and incompetent, they will have lazy and incompetent employees, because they will be treated as such."

So, instead of obsessing over avoiding errors, it is better to create spaces where employees feel trusted. Give them responsibility and resources. Avoid constant checks and micromanagement. Allow workers room to err and then to correct course.

There are many benefits that stem from believing in your team: it encourages action, innovation and constructive criticism, which makes it easier for employees to identify with the organization.

In short, it is about ensuring that companies are professional environments where people enjoy harmonious, collaborative working relationships, as they should. Such places allow each person to offer up the best of themselves -- to the company, to customers, to management, to colleagues and to society.

About the book

Antonio Argandoña's 2021 book, *La empresa, una comunidad de personas* ("The company, a community of people") discusses the fundamental characteristics of and issues surrounding business organizations today, always putting people at the center.

www.iese.edu/insight

©IESE Business School