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**Lipscomb University
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“Responsible Leadership an Ethic of Right Behavior”

C. William Pollard

Etched in stone on the floor of the chapel of Christ Church College at Oxford University are the words of John Locke spoken over 300 years ago.

“I know there is truth opposite falsehood and that it may be found if people will search for it, is worth the seeking”.

During the last 15 months we have experienced a collapse in our financial markets, a domestic and global economic meltdown, foreclosures and unemployment at record levels, and there has been an unprecedented involvement of government in an attempt to correct the situation.

What were the causes for this collapse? Was the self interest of profit seekers compounded by forces of unrestrained greed a factor? Are up and down cycles of a market driven economy inevitable?

President Obama has suggested that “we have arrived at this point as a result of an era of profound irresponsibility that engulfed both private business firms and public

institutions including some of our largest corporations and the seats of power in Washington D.C.”

So, have we lost our desire to seek and know truth and to determine what is “right” for the common good? Will more legislation and regulation solve the problem? As we conduct business in a pluralistic society, can we agree on a source of moral authority? Can a business firm make money, create wealth and also become a moral community for the development of human character and social concern? Can leadership make a difference?

I believe that in answering these questions we should recognize the reality that it is people who make markets work, people who can be right or wrong, good or evil, honest or dishonest, prudent or selfish. In dynamic and changing markets, the ethical and moral judgments required of business leaders cannot be determined solely by a set of rules – nor can a socially or commercially desired result always be achieved by the interjection of more government funding.

While legislative actions may bring a higher standard of accountability and provide a “stick” of more penalties for violations, they cannot assure the honesty, character, or integrity of the people involved.

So, how can these virtues become an integral part of the way we do business? I suggest we need a transformation in how business firms are led and also how future business leaders are taught.

Effective and responsible leadership starts with the ability of a leader to define reality, and in so doing, to understand the essence of his own human nature and the human nature of the people he is leading. A responsible business leader should be concerned not just about what people do and how they do it, but also about the deeper questions of why people do their work and who they are becoming in the process.

As Peter Drucker has often noted, it is important for a leader to recognize that management is a liberal art requiring an understanding of the human condition and a recognition that our humanity cannot be defined solely by its physical or rational nature, but also has a spiritual dimension. It is this spiritual side of our humanity that influences our character, our ability to determine right and wrong, to recognize good and evil, and to make moral judgments. It is the driver for developing a philosophy of life and a world view that can provide a moral and ethical standard that is not relative, functions even when there are no prescribed rules, and focuses on the welfare of others.

In the business world, we sometimes talk about people in terms of a cost of production. But, people do not come to the workplace as a line on a profit and loss statement. They come as whole people and they must be understood and led as such. This is at the heart of character development in the work environment.

In his book, *The Fourth Great Awakening*, Robert Fogel, an economist from the University of Chicago and a 1993 Nobel Prize winner, traced the history of

religious faith in America and its effect on our society and economy. He concluded that a major issue in our culture today was simply a lack of the distribution of what he referred to as "spiritual assets". There was, he said, a void in our society in the development of the character of people and a provision for their spiritual needs. He also went on to say that in order for the business firm of the future to resolve the growing complexities of ethical issues, it will have to acquire more "spiritual capital".

In his commencement address to the students at Harvard, entitled *Worlds Split Apart*, Alexander Solzhenitsyn reminded the graduates of the misery and evil of life under a communist regime and the consequences for a society without a moral compass. He also noted, however, that he was increasingly finding in the West, a growing dependence upon no other scale but a legal one. Such a society, he said, would never reach for anything higher than a set of rules and the letter of the law, and would not take advantage of the high level of human potential and possibility. In such a culture, he concluded, there would be nothing more than a moral mediocrity, paralyzing the noblest of impulses. For Solzhenitsyn, his source of truth and moral authority came from God, an authority beyond himself and One who provided hope and potential for the people he created.

So, can the business firm become a moral community for the development of human character? As we mix the skills and talents of people at work, and work becomes a place where we attempt to accomplish certain social goals as we seek to correct the imbalances in the mix of opportunity, culture, race, and gender, can't we

also be about the process of developing the whole person and nurture their character and spiritual development? At ServiceMaster we attempted to answer these questions. We were seeking to develop spiritual capital as well as financial capital and to nurture the realization of the human potential.

As I have now retired from my leadership responsibilities at the Company and look back, I can add up the numbers that showed growth in profits, customers served, and a premium return for our shareholders. While these figures are part of a normal business assessment of performance, the conclusion for me cannot be limited to these money or value creation measurements. The real and lasting measurement is whether the results of my leadership could be seen in the changed and improved lives of people I led.

As a business firm, we wanted to excel at generating profits and creating value for our shareholders. If we didn't want to play by these rules, we didn't belong in the ballgame. But we tried to encourage an environment where the work place could be a community to help shape human character – an open community where the question of a person's moral and spiritual development and the existence of God and how one related the claims of his or her faith with their work, were issues of discussion, debate, and yes, even learning and understanding. We considered the people of our firm as, in fact, the soul of the firm.

My experience confirmed Peter Drucker's conclusions: that people work for a cause not just a living and that mission and purpose were important organizing and sustaining principles for the firm. Our corporate objectives were simply stated: To honor God in all we do; To help people develop; To pursue excellence; and To grow profitably. Those first two objectives were end goals; the second two were means goals.

We didn't use that first objective as a basis for exclusion. It was, in fact, the reason for our promotion of diversity as we recognized that different people with different beliefs were all part of God's mix.

It did not mean that everything was done right. We experienced our share of mistakes. We sometimes failed and did things wrong. But because of a stated standard and a reason for that standard, we could not hide our mistakes. Mistakes were regularly flushed out in the open for correction and, in some cases for forgiveness, and leaders could not protect themselves at the expense of those they were leading.

The process of seeking understanding and application of these objectives at all levels of the organization was a never-ending task. It involved matters of the heart as well as the head and it was not susceptible to standard management techniques of implementation or measurement. While at times it was discouraging, it also was energizing as one realized the continuing potential for creativity, innovation, and growth as there was a focus on the development of the whole person.

Now for me as a Christian, and a follower of Jesus Christ, one of the best ways that I found to lead in the development of our firm as a moral community was to seek to serve as I led to reflect the principle that Jesus taught His disciples as He washed their feet – that no leader was greater or had a self –interest more important than those being led. In seeking to so serve, the truth of what I said could be measured by what I did. My faith and the ethic of my life became a reality as I was able to serve those I led. It was the salt and light of what I believed.

In seeking to lead an organization as a moral community, one should recognize that it is not always comfortable. At times it feels like you are rowing upstream. There will always be an abundance of skeptics with questions raised regarding the mixing of the principles of faith and work and God and profit.

The values and moral standards that I have referred to in these remarks however, are not new. They are timeless. They reflect a Truth that has been tested. They represent an ethic that can be applied to the leadership of any organization or institution of society.

The leadership of people is truly a soulcraft that involves both the moral and spiritual dimension of the leader and the people being led.

Character and integrity can be developed and learned. Leadership must set the example. People's minds and hearts need to be touched and, in some cases, transformed. It is not simply an issue of more legal process, structure, and a new set of mechanical rules.

It was C. S. Lewis who reminded us: "There are no ordinary people. You have never talked to a mere mortal. Nations, cultures, arts, civilizations – they are mortal and their life is to ours as the life of a gnat, but it is immortals whom we joke with, work with, marry, snub and exploit."

So, what is a business without people? What is a corporation without integrity? What is leadership without an example of service and ethic of right behavior?

Now as I ask these questions and conclude my remarks tonight, I realize that my first introduction to the importance of bringing the values of my faith into the marketplace came over fifty years ago in a classroom at Wheaton College; a Christian institution of higher education with many of the same standards as Lipscomb University.

During the 1950's and '60's many of us at Wheaton were influenced by a remarkable professor who taught in the Business and Economics Department. He was not only a great teacher; he was a CPA, a successful practicing attorney, and a real estate developer. His devotions on ethical issues in the marketplace were legendary. Sometimes they took up the entire class period. They always reflected his practical

experience of implementing the reality of his faith with the demands of his work and included his mistakes as well as his victories.

Integrating faith and learning has been a hallmark of Christian higher education. I count it a privilege to be with you tonight and in so doing to recognize the importance of what you are all about here at Lipscomb. You are teaching and training leaders of tomorrow – leaders in business, government, education, the church, and yes, in the home. Can godly and Christian values make a difference? You bet they can. And yes, I can confirm that they can even in business. The global market place provides a wonderful opportunity for followers of Jesus Christ to live and share their faith. It is, I believe, a high calling of God; a calling that for us at ServiceMaster involved the management and employment of over 200,000 people, delivering services to over 12 million customers in the U.S. and 45 other countries.

There is a common language of performance in the market that crosses secular, cultural, and religious barriers. When there is performance people listen. And yes, as some people listen they respond to the redemptive message of God's love.

Creating a culture of character requires leaders to be intentional; to know what they believe and why they believe it; to seek truth; to know their source of moral authority; and to know what is right even when there are no rules of compliance.

Thank you again for the role you are playing here at Lipscomb in preparing the leaders of tomorrow.

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