1.0 Introduction

Aristotle talks about the pursuit of happiness through ‘Ethical Excellence’ in “Nicomachean Ethics”. How to attain performance rules with integrity and lead a successful professional life by living ethical standards is a topic which is much debated but less practiced. Despite hundreds of pages of policies, codes of ethics, codes of conduct, organizational values, and carefully defined work environments, company cultures, lapses in workplace ethics occur every day. Each failure to practice value-based workplace ethics affects one’s self-image and what he stand for far more than it affects his coworkers. But, the effect of one’s behavior on his fellow employees is real, tangible, and unpredictable, too.

Sound corporate governance has been found to be critical to enhance and retain investor trust. To say that ‘Ethical Excellence’ is one of the most critical aspects of Corporate Governance will not be a misnomer. Every day we read in newspapers about violation of ethics and law committed by professionals. Various Corporate Scandals from Enron to Satyam have time and time again proven that there is a need for good conduct based on strong ethics. Increasing hiatuses in workplace ethics and examples of high profile organizations and business heads being involved in unethical practices makes it all the more important to delve in to ways and means to deliver work excellence without compromising ethical standard. Ethically effective employees are critical to the success of a growing business. Learning about the psychology of ethics will also give us the ability to manage ethical behavior more effectively. This ability applies to our own ethical conduct as well as to the conduct of others (Trevino and Nelson 2007)—that is, to the behavior of subordinates, colleagues, and supervisors. Employees who consistently perform with good work ethics prove to be invaluable assets for their organizations.

In fact “Ethical Excellence” should be seen as sustainable source of competitive advantage for organizations and a practice that ensures long term success, customer loyalty and creating shareholder value. This paper endeavors to provide a framework for delivering efficacious performance while being ethically sound.

1.1 The Phenomenon of Ethics

What is “ethics”? Historically, the term ‘ethics’ derives from the Greek “ethos”, which means the customs, habits and mores of people or society. The exact meaning of the term “ethics” is actually difficult to pin down. In fact, it may be instructive to explore what “ethics” is not, before attempting to grasp what this phenomenon really is.
Ethics is often erroneously equated with feelings. An individual, following intense feelings may actually recoil from doing what is truly right. Feelings frequently deviate from what is ethical.

Ethics is also difficult to identify with religion. Of course, most religions advocate high ethical standards and provide intense motivations for ethical behavior. However, ethics would apply only to religious people if ethics were to be confined only to religion. But ethics applies as much to the behavior of the atheist as to that of the devout religious person.

Being ethical is also not the same as following the law. The law often incorporates ethical standards to which most citizens subscribe. But laws, like feelings, can deviate from what is ethical. The old apartheid laws of South Africa or the earlier American statues regarding “slavery” are grotesquely obvious examples of laws that deviate from what is ethical.

Finally, being ethical is not the same as doing "whatever society accepts." In any society, most people accept standards that are, in fact, ethical. But standards of behavior in society can deviate from what is ethical. An entire society can become ethically corrupt. Nazi Germany is a good example of a morally corrupt society.

With this background, we can now progress towards comprehending what ethics truly represents. The Oxford Dictionary defines ethics as “Moral principles that govern a person’s behavior or the conduct of an activity”. Ayn Rand elaborates, "Ethics is a code of values which guides our choices and actions and determines the purpose and course of our lives”. Oberlecher (2007) defines ethics as a "set of concepts and principles that guide us in determining what behavior helps or harms sentient creatures". Ethics can generally be understood as “rules of behavior based on beliefs about how things should be” (De Mott 2001), also encompassing standards relating to rights - such as the right to life, to freedom from injury, and to privacy.

In the light of these definitions, we may conclude that ethics refers to the well-founded standards of right and wrong that prescribe what humans ought to do or how they must act in their lives - usually in terms of rights, obligations, benefits to society, fairness, or specific virtues. Further, ethics also refers to the study and development of one's ethical standards and the continuous effort of studying our own moral beliefs and our moral conduct. Since feelings, laws, and social norms can deviate from what is ethical, it becomes necessary to constantly examine one's own ethical standards to ensure that these are reasonable and well founded.

Thus, ethics form the basis of all meaningful and socially acceptable human activities. Ethics influence the choices that individuals make that will eventually determine their lives, and shape, what they become. Our beliefs, standards, and personalities are formed by the way we interpret what is wrong and right, and how we act upon these interpretations.
1.2 The Role of Ethics in Life

Ethical principles are very important to human life because they comprise the basic beliefs and standards that contribute to the smooth conduct of society. Without the application of ethical norms, society would be replete with dishonesty and uncertainty - leading to conflict and disharmony. For instance, if ethics did not apply to the practice of medicine, some doctors may knowingly misdiagnose their patients for the sake of profit rather than for the person’s health and fitness. Social existence would itself become unsustainable in that case.

Being unethical clouds the mind. When we act unethically, it distorts the truth and hides the true reality from the gaze of others. The mind becomes agitated and unclear, thus affecting not only our self-image but also our image in the eyes of others. Ethical principles act as guides in the development of social norms that eventually influence the quality of our collective future.

In the realm of ethics, we are mainly concerned with two questions - What sort of actions we ought to perform, and what kind of actions must we avoid? However, prior to that inquiry, we must be very clear as to what we mean by “good” and “bad”. Only then can we ask how ethical conduct is related to the pursuit of “good” and the avoidance of “evil”.

1.3 The Constructs of Good and Bad, Right and Wrong

In common parlance, “good” means the same as “desirable”. In other words, when we claim something to be good, we mean that it is well worth desiring or acquiring by us. Thus, anything that we either hope to acquire or fear to lose is classified by us as “good”. Some have also contended that “good” means conformity to nature or obedience to the will of God. We may conclude that a thing is “good” when it ought to exist on its own account and bad when it ought not to exist on its own account.

On the other hand, most people define “right” and “wrong” with reference to some List of Commandments prescribed by their chosen holy book. However, a secular definition of “right” is ‘that which does not interfere with the lives of others and expands the fulfillment of one's potential or at least doesn't limit one's potential’. A “wrong”, on the other hand, may be defined, as ‘that which interferes detrimentally with the lives of others and limits the freedoms of others or limits the fulfillment of one's full potential’.

1.4 Morality & Ethics

The distinction between ‘Ethics’ and ‘Morality’ is not always clear. Even in some philosophical texts they both are used synonymously, while others seem to draw a clear distinction between them.

Morality is based on a sense of right and wrong according to conscience. Morals are principles and habits with respect to distinction between good and bad or right and wrong behavior. It defines how things should work according to individuals' ideals and principles. Immanuel Kant declared, “Morality is not
really the doctrine of how to make ourselves happy, but of how we are to become worthy of happiness.”

Ernest Hemingway said, “About morals, I know only that what is moral is what you feel good after and what is immoral is what you feel bad after.”

Thus, morals refer to an individual’s own principles regarding right and wrong. While ethics may refer to a series of rules provided to an individual by his/her profession, both ethics and morals both relate to the classification of conduct as “right” and “wrong”.

Another important individual characteristic linked to ethical decisions is “moral imagination” - the ability to perceive a variety of options for behavior in a situation, and to imagine the positive or negative moral consequences of each one of these (Johnson 1993). People with a high degree of moral imagination can reflect on decisions with moral implications in a very flexible manner. Having moral imagination permits them to see beyond the “rules of the game” that appear to govern the workplace and to develop a larger picture of the moral effects of their professional behavior (Crane and Matten, 2004).

1.5 The Ethical Role Model

The psychological view on what motivates us to be moral and ethical introduces the concept of self-actualizing individuals who are motivated by non-materialistic rewards. We all wish to live an exemplary life, and to achieve excellence at work. To accomplish that, there are several psychological barriers that we need to overcome. Firstly, we must remain free of wishful thinking and biases that we carry around with us. We overwhelmingly see ourselves as ethical, and rationalize even when we have behaved patently unethically. Second, we often perceive ourselves to be powerless, and thus not responsible for the harmful effects of the unethical behaviour happening around us. Finally, we feel the need to belong and be accepted by others. This makes us highly susceptible to peer-pressure and conformity to perceived authority.

The ethically upright professional can be identified by his / her actions, and by modeling what it is to be ethical. Our research has tried to capture some of the most important ethical characteristics of an “Ethical Role Model”. These are encapsulated in the Ethical Strengths Inventory below:
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<td><strong>Authenticity</strong></td>
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1.6 Ethical Development
The psychologist Lawrence Kohlberg claimed that ethical development occurs as people encounter ethical challenges actively and mindfully. Development is supported through dialogue and common reflection with others on situations and issues involving ethical questions and through confrontations with different points of view.

Kohlberg’s stage model of ethics sheds light on how people develop and change their ethical convictions and belief systems as they mature psychologically.

On the first level of cognitive ethical development, decisions are based purely on self-interest. At the preliminary stage of this level, individuals define right and wrong simply in relation to external punishments. Subsequently, they progress to define ethicality on the basis of rewards.

At the next level, people base their decisions on a desire for approval and on a wish to avoid disapproval. Behavior that is consistent with the expectations of others whom the individual deems important is considered to be ethical.

On the final level of ethical development, people view ethical decisions in terms of society’s welfare. In the early stage of this level, people reason that laws and rules should be followed because they promote the welfare of society. As human beings mature fully, they develop the capacity to think about ethics independently. Their ethical reasoning becomes more thoughtful and simultaneously more complex. They look beyond the social contract, and autonomously develop complex notions of fairness, justice, compassion, equality, and ethical principles.

2.0 Professional Ethics
Professionals exercise specialist knowledge and skill when providing a service to the public. On account of the specialized training they have received, professionals are capable of making judgments, applying their skills and reaching informed decisions in situations that the general public cannot.

Most professions have internally enforced codes of practice that members of the profession must follow to prevent exploitation of the client and to preserve the integrity of the profession. Professional Ethics encompass the personal, organizational and corporate standards of how professionals use their knowledge in accordance with the accepted principles of right and wrong that govern the conduct of a profession. One of the earliest examples of professional ethics is the Hippocratic oath, which all medical doctors are still expected to adhere to. These standards not only benefit the client but also those belonging to the profession. Disciplinary norms allow the profession to define a standard of conduct, and ensure that individual practitioners meet this standard. This allows conscientious professionals to practice in the knowledge that they will not be commercially undermined by less scrupulous colleagues. It also
maintains the public’s trust in the profession, thus encouraging the common populace to continue seeking their services.

Professional ethics are most often related to decision-making processes. Most people face the opportunity to choose between alternative courses of action in their work situations and other aspects of their lives. Professional ethics refer to choosing the option that is determined to be the moral or legal “right” choice, even if the other alternative(s) are very attractive and even if you can “get away with” the less ethical choice. Employers provide ethical principles for the workplace so that all employees follow the same standards, regardless of personal values and different cultural backgrounds. The principles allow them to voice their opinions freely and without fear, creating a sense of belonging for each employee in the workplace.

2.1 Ethical Judgment

To judge whether something is ethical or otherwise, we may strictly emphasize the consequences of the decision. The consequences of actions matter in ethical decision making. An ethical decision results in greatest benefits to society and all its stakeholders, while an unethical decision results in disadvantages and harm (Trevino and Nelson 2007).

Focusing on universally valid duties and principles regardless of the consequences of the decision is another way of looking at ethics. In this approach, ethics focuses upon the decision maker’s adherence to pre-established principles, e.g. “Keep your Promises,” “Treat everybody fairly,” and “Honesty is the best policy” and so on (Trevino and Nelson 2007). This approach encourages professionals to approach ethical issues by having them step out of the specific situation and use one or more universal principles to make the decision (Dobson 1997).

A third way of looking at ethical judgment emphasizes the character, motivation, and intention of the decision maker. “Virtue ethics” takes an agent-based perspective (as opposed to an action-based perspective); it addresses the salient characteristics of the decision maker’s personality rather than particular actions. From this point of view, ethical role models play an important part in the development of our ethical judgment (Dobson 1997).

2.3 Ethical Intensity

The psychological result of ethics-focused perception is called “ethical intensity,” which describes the extent to which an issue is perceived as ethically important by the decision maker. Ethical intensity is high when the importance of the ethical dimension of a situation is crystal clear and when ethical considerations weigh heavily in the mind of the decision maker. It is low when the decision maker is hardly aware that the decision has an ethical aspect, and proceeds to take action unconstrained by ethical
deliberations. Ethical intensity is determined by (implicit) judgments of the following six aspects of a situation:

1. **Magnitude of consequences.** Magnitude addresses the overall harm and benefit that may result from a decision.

2. **Social consensus.** Consensus expresses the degree to which social agreement exists regarding whether a certain act is morally right or wrong.

3. **Probability of effect.** The likelihood that certain behavior will lead to harm is the “probability of effect.”

4. **Temporal immediacy.** How much time lies between the unethical behavior and its harmful consequences? When consequences are in the distant future, people perceive less ethical urgency in the decision they are presently making.

5. **Proximity.** Proximity refers to how psychologically close the decision maker feels to the people who will experience the disadvantage or harm from an unethical decision.

6. **Concentration of effect.** Concentration addresses whether the harm will be spread thinly over many people or whether it will affect only a few persons.

### 3.0 Ethical Excellence

From the discussion from above paragraphs, it becomes clear that there is a case for an employee to act and behave in his profession in a way his task performance is efficacious and fulfilling at the same time doesn’t conflict with the ethical values of the organization. Achieving excellence in the work that is carried out with good intention for larger good of others is what makes organizations and its people a role model for others. In other words “Ethical Excellence” provides success that is sustainable and fulfilling.

Excellence is guided by an individual’s intention to generate constructive outcomes towards the achievement of efficacy as well as fulfillment in the performance of tasks. This demands preparedness on interpersonal plane. In fact, human fulfillment arises out of becoming - in actual practice - the best that one is personally capable of being. This entails maximizing our gifts, talents, and individual abilities so as to perform at our highest potential.

Excellence is a continuous striving to be at one’s best and operate at peak potential. Excellence denotes the state or quality of being exceptionally good or extremely meritorious, and implies perpetual efforts to advance the frontiers of accomplishment as well as fulfillment. Aristotle is reported to have said that, “Excellence is not an act, but a habit.” The habit he referred to is that of involving the whole being in one’s activities, whatsoever they may be.
Ethics should be understood as not being limited to a set of prohibitive rules; it goes far beyond a mere catalog of do’s and don’ts. The better understanding is to view the ethics of professionals as values worth practicing as a goal in itself, a necessary condition of personal and professional excellence (Dobson 1997; Pritchard 1992). From this perspective, Ethical Excellence in profession is a driving force of a career that is well lived (Solomon 1999).

Ethical excellence, thus, may be defined as achievement of efficacy and fulfillment during performance of tasks by living up one’s moral values and ethical principles. Ethically excellent work behavior results in quality, reliability, timeliness, authenticity and transparency that creates, sustains and delivers trust among all stakeholders.

**Ethical Excellence: Creating and delivering TRUST**

- **Core Values**
  - Integrity
  - Compassion
  - Transparency
  - Credibility
  - Mindfulness
  - Courage

- **Work Characteristics**
  - Quality
  - Reliability
  - Timeliness
  - Accuracy

- **Mission**
  - Customer Delight

The core ethical values are fountainhead for achieving the vision both for individual and organization. Superlative work performance when emanates from these core values, goes in long way in creating and delivering trust to all the stakeholders and results in providing the shareholder value.

### 3.1 Ethical Excellence: The Approach

Ethical Excellence is facilitated through an iterative process of three concurrent steps that form a spiral, in order to facilitate the achievement of optimal results:

- **Esteem** – An “inspired” search for the core ethical values that comprise the foundation of delivering excellence in all spheres in the past
- **Envision** – Deploying the process of disciplined imagination to envisage the setting up of ethical standards for oneself and the team so as to generate sustained success in the future
- **Evoke** – Developing and deploying a strategic action plan to “attain” the ethical vision in actual practice
3.2 Ethical Excellence: The Process

The processes of Esteem, Envision and Evoke come together to generate Ethical Excellence as follows:

3.2.1 The Esteem Phase

The process begins with an inspired crystallization of the core ethical values that comprises one’s professional heritage from the career experiences so far. It involves appreciating the best of “what is” by focusing on one’s finest past experiences or moments in time - in relation to the upholding of ethical values.

Appreciative conversations, reflective dialogue and the sharing of positive, peak experiences stimulates excitement and delight, thus ensuring a smooth launch to this sensitive journey.

The output of this phase comprises a set of 5 – 7 deeply held ethical values that have served as the foundation of one’s life and career successes so far.

3.2.2 The Envision Phase

It is well recognized that a person’s internal beliefs, feelings, and expectations are blueprints for the actual events that occur in the external world.

Accordingly, the next phase utilizes the process of disciplined imagination to envisage specific ethical behaviours, events or outcomes that one aspires to create in one’s professional life. The individual develops an understanding and conviction of what ethical standards one would like to set for oneself so as to generate sustained career success in the years to come in the form of an ethical vision.

Paired dialogue among people about future possibilities, and a creative visualization exercise that helps create vivid, metaphorical images of the future state.

3.2.3 The Evoke Phase
In this final phase, the articulated Ethical Vision is translated into a set of specifically stated ethical ideals that one would like to practice. It may even be formulated as a personal Code of Ethics, which is accompanied by a list of achievable activities, with the requisite timelines, that shall support the implementation of the Ethical Code.

Simulated exercises / case situations can to help practice the actual resolution of ethical dilemmas in order to build up their skills in resolving tricky situations where ethical ideals as well as business results need to be simultaneously accomplished or protected.

4.0 Conclusion

Ethics is fundamental to human life. Ethical conduct in personal and professional life leads to harmony in interpersonal and social relations. An ethical life is in tune with the natural order, and is therefore conducive to creating fulfillment in life. Having a clearly defined set of ethical values can be very useful as it saves a lot of confusion and having to fight with oneself. Not knowing one’s core values make it very difficult to know how to act when confronted with difficult or subtle choices. Ethics allow us to interpret rules clearly, and to function well in a variety of cultures without conflict.

An organization can build sustainable competitive advantage by delivering performance and achieving excellence on foundation of ethics and values. Lasting solutions can only be found by transforming human consciousness through an inner discipline and higher moral reasoning. An integrated, value based vision of leadership and governance will go along in creating corporate governance. A transformed organizational culture which pays highest attention to ethical conduct and moral values will strengthen sustainable roots of the company. It is also important for companies to establish an organizational culture which supports ethical conduct through a code of conduct and properly laid out corporate governance policies and procedures. Advantages of this approach include fostering ethical behavior from employees, increased inner discipline, and providing value based corporate vision. (Caraballo, Cheerla, Jafari, 2010)

Ethical Excellence no longer remains an ideological approach or wishful thinking, but is a potent tool to achieve a long term and sustainable success for individuals and organizations. It brings us a success that is fulfilling and which doesn’t come at a cost that undermines our own self and affects others life. The successful people around the world – Mahtma Gandhi, Nelson Mandela, JRD Tata etc. from history and Kiran Bedi, Dr. Devi Shetty, Dura Shakti Nagpal to name a few from today’s world – are the testimony that the ethical excellence does provide a success that is meaningful and rewarding though it may take a little longer or a little tougher to achieve the same in comparison to ‘success at any cost’.

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References


