

The crisis of leadership confronting corporate America affects each of us. One need only look at the consequences of the spectacular cascade of corporate collapses over the last few years to understand what I mean.

Tens of thousands of employees have lost jobs and savings. Tens of thousands of stockholders have seen their investments evaporate or greatly diminished. Conflicts of interest have sullied the audit profession. Mistrust is rampant, the losses are genuine. An SEC order requires CEO's and chief financial officers of large companies to swear under oath, with possible criminal penalties for lying, that their financial reports are correct. Even the innocent must prove innocence.

As one columnist has said, "The American people already know that most CEOs are selfish, greedy thieves with nothing but their own self-interest at heart, who would happily screw the American people to death if they could make a nickel on it."

A survey done for the Pew Research Center found that 66 percent of the public rated the heads of major companies as "low or very low" in terms of honesty and ethical standards.

It's pretty clear that corporations have a formidable job ahead of them to restore trust in their leaders and credibility in their earnings reports and accounting methods. But it's also true that the modern corporation can be the means for a small number of people to enrich themselves at the cost of everyone else— and that many of the abuses that have enraged the public, and brought financial ruin to employees and investors, are entirely legal.

To do so may be customary, but that doesn't make it right.

What's the difference between Kenneth Lay, Dennis Kozlowski, Bernard Ebbers, and other dishonored executives, and the "good" CEO?

The answer, I believe, is character.

Character matters; good leadership flows from character. The attitudes and actions of CEO's determine corporate conduct. A corrupt leader nurtures a corrupt corporate culture.

Call it what you will values, ethics, honor, integrity, conscience. Character has been described as doing the right thing when nobody's looking; doing what's right when there's no one to make you do it but yourself. It's also been said that character is what you do when you believe you'll never be caught.

There are too many people still too many leaders who still think that the only thing that's right is to "win," and the only thing that's wrong is to get caught. Leaders who lack a moral compass are too often focused on personal gain rather than the long-term health of their companies. Integrity character is seen as a barrier to getting what they want.

Being a corporate leader is not a license to "get what you want;" nor is it tacit permission to maximize profit, or enrich yourself, at any cost. Profits must be only one of many goals of corporations responsible for, and to, a wide variety of "stakeholders" employees, investors, customers, suppliers, and the wider public.

Character is all about the choices you make. Character implies a recognition of the principles of personal responsibility, of being accountable; an understanding that our actions have consequences, an acceptance of our obligations to those whose very livelihood is dependent on our decisions.

Warren E. Buffett, chief executive officer of Berkshire Hathaway Inc., wrote in a letter to the New York Times during the height of the scandals: "To clean up their act, CEO's don't need 'independent' directors, oversight committees or auditors absolutely free of conflicts of interest. They simply need to do what's right."

Running your business and your life by a set of personal values is never someone else's responsibility. You will find that your proudest moments will be the times when your character, integrity, or values were most challenged and you had the courage to do the right thing.

One person can make a difference. Stand up for character no matter who you are or what you do. Choose to be known for your character and your integrity, and never compromise. Choose to create a legacy comprised not of what you did to others, but of the good you did for others.

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