

# Ethical Tone at the Top

BD leaders set the ethical tone for employees by following these rules of conduct:

- As leaders, you will get the level of ethics that you demonstrate you will accept.
- Your actions must match in both words and deed.
- Review a person's ethical behavior as you hire, promote, reward, and discipline.
- Reinforce the need to achieve business goals, while living BD's core values and following its "Business Conduct and Compliance Guide."
- Engage your employees in dialogue around their current ethical dilemmas.

**F**ounded in 1897, Becton, Dickinson and Company is an organization with a long history of blending performance excellence with integrity and values. Quality and "doing what is right" were foremost in the founders' operating philosophy. For decades, criteria for what was expected of BD's leaders and associates were made known, both subtly and directly.

One of the primary factors in BD's success for more than 107 years has been the strength of its leaders. Today, BD is a leading global medical technology company comprised of three segments: BD Medical, BD Diagnostics, and BD Biosciences. Its growth strategy demands a greater number of talented, resourceful, and savvy leaders than ever before. Organization leaders are challenged to meet ever higher performance goals. The demands for performance excellence are clear for BD leaders—and so are the values and ethical standards by which they are expected to live.

 "Leaders as Teachers," March 2004 T+D.

Despite a number of proactive approaches through the years, BD has had several isolated situations that have compromised the company's integrity and values. Those situations were each dealt with directly and firmly. The outcome of each situation resulted in a stronger organization with solid and reliable BD leadership in place.

In the broader business world, the persistence of corporate scandals continues to illustrate that even the most well-meaning business leaders have underestimated the levels of personal ambition, greed, and deception prevalent with some in the business arena.

Unethical behavior that results in scandals can be prevented, or the risks minimized. The focus on selecting and developing ethical leadership is a good start, but it may not be sufficient if the ultimate goal is to create and maintain high performance and high integrity organizations. The following is a case in point. Imagine a leader who is an excellent role model of ethical behavior but who cannot

- detect deception, either in the organization or in key external relationships
- filter and screen self-serving information
- discern who to trust and who not to trust
- ensure the flow of accurate and timely information.

The absence of those skills leaves a leader vulnerable, and, even with excellent personal values and intentions, she becomes an ineffective steward of the company's resources or reputation.

The Organizational Savvy Model is a key resource in developing BD's high-performing, high integrity leaders.

By Martin Seldman  
and Edward Betof

# An Illuminated Path

### The Organizational Savvy Model

BD adapted Martin Seldman's Organizational Savvy Model to provide crucial skill-sets for leaders and their teams. It consists of positive, proactive skills that enable leaders to advance their ideas and careers while dealing with politics in an ethical way.

The Organizational Savvy Model is systematically taught as part of BD's Advanced Leadership Development Program. Beginning with the company's most senior leaders early in 2004, 1500 BD leaders are scheduled to participate in the program by 2006.

The system is designed to promote integrity within corporations. It also explains how issues—including politics, power, perception, ego, turf, hidden agenda, self-promotion, “managing the airwaves,” and trust—all play out at the higher levels of corporations in either productive or destructive ways. The savvy executive must combine integrity and solid values with a keen awareness of people and politics.

The Organizational Savvy Model was originally developed by applying Kelly Reineke's research on power dynamics to executive coaching. In coaching assignments, an approach was needed to help executives who were smart, functionally competent, and had the right values, but were at risk of derailing their careers.

The second stage in the development of the model was the creation of seminars that taught practical, proactive ways to use the skills, strategies, and signals of organizational savvy. Using case studies, skill practices, and awareness exercises, Seldman's business colleague, Rick Brandon, helped expand the model and created training that equipped participants to advance their careers while maintaining their moral compass. Joe Toto, BD's director of leadership development and learning, and Ed Betof, BD's vice president and chief learning officer, also collaborated with the group to further refine the Savvy seminar and tailor it to the unique culture at BD.

Organizational Savvy equips a leader to identify people with the right values, figure out how to get ideas implemented, and detect types of deceptive practices and behaviors, including unethical and illegal activity as well as patterns of behavior such as

- over-promising
- exaggerating
- lying
- providing partial or misleading information
- hiding bad news
- giving superficial explanations

- taking undeserved credit
- scapegoating or blaming others
- refusing to admit mistakes
- unfairly tarnishing the reputation of others
- sabotaging the efforts of colleagues
- giving insincere flattery
- telling people what they want to hear
- punishing people who criticize or challenge ideas
- over-controlling information.

Even if a leader has excellent personal values and good intentions, the absence of the ability to detect deception leaves him vulnerable in the following three ways.

**Unable to be an effective steward of the organization's resources and reputation.** In addition to internal decisions, the success of many companies depends on the choices leaders make regarding key external relationships, including partnerships, joint ventures, licensing intellectual property, franchising, and key vendors and suppliers.

**Unable to anticipate.** A leader may not anticipate power plays, political maneuvers, and potential sabotage, which in turn will undermine her leadership position. That's a classic form of leadership derailment.

**Unable to recruit the right people.** Creating and maintaining a high integrity organization involves establishing a critical mass of people with the right values and skills. If an overly political person—someone who is guided only by self-interest—attains power, he can do significant damage to an organization's fiscal and human resources.

Experience with these issues indicates that, in fact, bad things happen to good leaders in good companies. That's why organizational savvy training as a crucial aspect of the development of ethical leaders is advocated. Fortunately, the skills, strategies, and signals that comprise the model can be learned and applied fairly quickly.

### Politics

*Politics* is one of the most negative words in the English language because it's almost always used in a negative context. Common phrases heard include the following: “She's so political.” “He's only doing that for political reasons.” “It's all politics.”

In other words, in our efforts to avoid appearing political, we prevent ourselves from acquiring essential awareness and skills. That's why we offer this alternative definition of politics:

“Organizational politics: informal, unofficial, and sometimes behind-the-scenes efforts to sell ideas, influence an organization, increase power, or achieve other targeted objectives.”

You’ll notice that this definition is value-free and ethically neutral. It doesn’t tell you if the person practicing organizational politics is acting from pure self-interest or out of a sincere desire to help the team.

To determine whether someone is using political skill in a way that will help or hurt the company, we need to look at that person’s goals and values. We refer to this as the ends (self-interest vs. company interest) and the means (What can I get away with? vs. What is the right thing to do?) of political behavior.

Therefore, a person can protect and add value to the company if she uses political awareness and skill (as we have defined it) and is guided ethically by the two questions, “What’s best for the company?” and “What is the right thing to do?”

The Organizational Savvy Continuum shows us that people come to the workplace with different levels of political skill and value sets. People display a varied range of behaviors, and it can be useful to notice patterns, both in ourselves and in others.

## The less political leader

People on the LP side of the continuum ask, “What is the right thing to do?” and place a high value on staying within an ethical framework. Often, they disdain

politics and prefer situations in which facts, logic, or analysis point in a straightforward way to what is best for the organization.

These people believe that business should be a meritocracy. Skin color, gender, percentage of body fat, where you went to school, with whom you associate on weekends, and so forth, shouldn’t matter. The best ideas, and the most deserving people, should advance.

Consequently, this type of person often relies on the old saying, “The results will speak for themselves.” Doing good work will eventually be noticed and rewarded, so they feel little need for self-promotion.

Assuming this less political person is competent, the described qualities make him or her an asset to an organization. We recommend that people hold on to their values and focus on these questions: “What is best for the organization?” and “What is the right thing to do?”

However, we have found that the LP leader is vulnerable to certain career and company risks.

## LP career risks

**Being underestimated.** Letting the “results speak for themselves” can be a good approach if you’re certain that key decision makers know what you did and how you did it. Senior management may be so busy, however, that that’s not the reality.

**Becoming pigeonholed.** Sometimes the LP leader is unaware that he has a positive, but limiting, reputa-

The Organizational Savvy Continuum shows that people come to the workplace with different levels of political skill and value sets.



tion. Others at the company may describe him as “a functional expert” or “tactical.” Others may advise, “Point him in the right direction and he’ll get the job done.” As the saying goes, “The difference between perception and reality is that people make decisions based on perception.” The LP leader may ignore how perception drives career decisions.

**Not getting credit for contributions.** LP leaders dramatically increase risks to both their careers and their companies when they deal with overly political people. OP leaders are willing to take credit, assign blame, and sabotage colleagues if they think they can get away with it. LP leaders are often slow to anticipate those actions and to protect themselves properly against them. By not getting their names associated with their contributions they leave themselves vulnerable to OP tactics.

**Speaking truth to power.** Ask an LP leader for her honest feedback, and you’ll often get it. Unfortunately, not everyone in power who asks for feedback really wants to be criticized or challenged. Many LP leaders have hurt their careers by misjudging the risk of criticizing an OP person with power or powerful friends.

## LP company risks

**Not expecting or detecting deception.** The LP leader may naively trust that others within the company also want what’s best for it. That may leave the LP leader unprepared to anticipate and detect the practices of an overly political colleague. Unfortunately, an honest, sincere person is often easier to mislead.

**Allowing an overly political person to gain or maintain power.** If an OP person attains any power, it’s only a matter of time until he hurts the organization. The longer this person continues at the company, the more its resources and reputation are at risk. The LP leader may not understand how the OP leader maintains power and may not have the political skill or will to remove him.

## The savvy leader

Often, savvy leaders operate with the same core values and have the same goals as less political colleagues. They’d like the corporate world to be a meritocracy in which results and integrity are all that’s needed. In fact, they use their influence, skills, and decision-making abilities to move their teams in that direction.

However, savvy leaders’ experience and training have taught them to deal with the realities of human

nature and corporate politics. As a result, they operate differently from LP leaders in ways that both reduce their vulnerabilities and increase organizational impact.

The savvy leader

- studies power dynamics—how decisions get made, who has access to and influence on power
- builds and maintains key networks
- knows cultural norms and core values
- understands how to implement ideas
- promotes himself with integrity
- challenges ideas and addresses difficult issues without embarrassing others
- creates an accurate perception of her ideas, talents, and potentials
- factors in timing, setting, conflicting agendas, allies, and advocates in deciding which “battles” can be won
- detects patterns of deception, personal and hidden agendas, and self-serving information
- uses verbal discipline with people he doesn’t trust
- holds firm on integrity issues and is willing to take a stand.

Using those skills, signals, and strategies, the savvy leader, like the LP leader, asks these two questions: “What is best for the team?” and “What is the right thing to do?”

## Career and company risks

Savvy skills will reduce most of the career and company risks to which an LP leader is vulnerable. However, there are three potentially risky situations in which savvy leaders may need to be especially vigilant and skillful:

- An overly political person with power or access to power joins the company.
- The company merges with another organization whose culture is more political.
- The savvy leader is asked to work in a culture in which the level of deceptive practices is greater than what she is used to.

## The overly political leader

The OP leader has a deep understanding of human nature and political behavior. Unfortunately, that knowledge is used to advance self interests, even if that behavior may damage the company, its employees, and its shareholders.

The OP leader doesn't operate within an ethical framework, but instead asks the question, "What can I get away with?"

It's important to understand how an OP leader operates and how power can be gained and maintained.

**Deferential dismissive.** If an OP leader thinks you have power or access to power, you're probably not as smart, funny, or good-looking as he is telling you. An OP leader can be charming to select people. On the other hand, if you don't have power or powerful friends, or if the OP leader thinks you are a nice person who won't use your power, he can be quite dismissive. That behavior includes not returning phone calls, coming late to meetings, interrupting, teasing and sarcastic comments, and lack of cooperation.

**Access to power.** The overarching objective of the OP leader is to stay on the right side of power. The OP leader is aware that senior management have complex, busy lives and that a limited number of people gain access and exposure to them.

**Managing the airwaves.** OP leaders use their access to power and skill by managing the airwaves—sending messages early and often to achieve their objectives.

**Loyalty vs. competence.** The OP leader places a higher value on loyalty than on competence. Inside a team run by an OP leader, you'll see many decisions based on relationships, bonds, and favoritism. People who deserve to be promoted, but don't manage up correctly, may not advance. The OP leader may protect team members who perform under par or demonstrate inappropriate behavior.

While everyone is somewhat concerned about image and sensitive to criticism, the OP leader takes those issues to the extreme. She may excessively self-promote and be acutely conscious of status issues. The OP leader is often unwilling to admit mistakes and too ready to punish people who criticize him.

## OP career risks

**Too obvious.** The OP leader's behavior may be too blatantly manipulative and self-serving. His corporate "buzz" may become negative, diminishing the OP leader's credibility.

**Key supporter leaves.** If the person who is the main source of the OP leader's access to power leaves the company, the OP becomes vulnerable. Anyone that has been mistreated now has no reason not to retaliate.

**Scrutiny of deceptive practices increases.** A combination of regulatory agencies, industry watchdogs, keen

observers, and others are all helping to ensure that questionable business practices won't go undetected.

## OP company risks

The OP leader diverts a company's resources to advance his personal agenda. The company, therefore, cannot use those assets optimally, and goals aren't met. The human resource costs are equally severe.

The OP leader will have a negative impact on the company's employees, including the individuals she has attacked. People with integrity will feel trapped on the OP leader's team.

An OP leader may cost a company millions. However, if the media discover and publicize the OP leader's transgressions, the impact on the company's market value may be in the billions. In 1997, when Cendant revealed some unethical behavior, the stock dropped 50 percent in one day.

## Creating a high-integrity organization

Savvy leaders who are not at the highest level of power in an organization can still use awareness and skill to protect themselves and their team. Their ability to shape the company's culture, however, is limited.

If the savvy executive is the CEO or can influence senior management, he is capable of using organizational savvy to diminish destructive political behavior.

At BD, a primary goal of the HR planning process is to identify and elevate competent leaders who are able to achieve results, build strong organizational capability, and demonstrate BD values and ethical behavior. It's equally important to identify and remove OP team members if their behavior can't be improved through feedback and coaching. **TD**

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