

EthicalEnterprisingSM Framework

Free enterprise depends entirely on trust in transactions. Trust in the marketplace is a direct result of how well high character individuals employ highly competent business practices to create a trustworthy business.

EthicalEnterprising is the term which describes organizations that are both led according to the highest standards of character ethics and managed with the highest competency practices, on a self-regulatory basis.

Enterprise competency is the ability of a business (profit or non-profit) to provide a value-creating product or service to its intended consumer. Free market competition propels businesses to develop and manage the best business practices and models that provide true customer value and satisfaction as well as a healthy bottom line. There is no lack of resources to help businesses develop the best and most efficient practices, but this pursuit of business excellence is not enough to ensure success in the long term. Free market success demands **high character ethics**.

Character ethics are self-evident, conscience affirming truths that when acted on consistently produce virtuous behaviors, such as compassionate acts, honest answers and just decisions. These virtuous behaviors create order and build **TRUST!**



The six TRUST! principles of EthicalEnterprising have been identified through hundreds of interviews, observations, and years of consulting experiences with small, medium and large organizations. The principles are based on the premise that an organization's leaders are the caretakers of the culture. Culture is a constant; whether it is functional or dysfunctional is a direct result of leadership. **To build a culture of TRUST! requires intentional, character-rich action on the part of leadership.**



The Center for
**Character
Ethics**

*Ethical***Enterprising**SM **FRAMEWORK**

F O R O R G A N I Z A T I O N A L E X C E L L E N C E



In the Business of Intentional Ethics

The Better Business Bureau has worked vigorously for nearly 100 years promoting high standards of ethics. Yet, in the minds of many consumers, we were solely in the business of handling consumer complaints.

We knew that we needed to shine a brighter spotlight on our commitment to increasing marketplace trust... So, we launched the Torch Awards program to recognize businesses that were intentionally pursuing the highest standards of organizational ethics; putting high character into action. Over the years, a commonality among our Torch Award recipients became clear—each valued high character and ethical habits in their organizations.

Armed with this information, we set out to create a better roadmap to more intentionally transfer the essential disciplines of personal and public integrity. From 2001–2008, we field tested and adopted the BBB's *UncommonSense*™ Framework and the *Ethical/Enterprising*™ framework. These frameworks were not only the roadmap we'd been looking for, but also the inspiration and foundation for The Center for Character Ethics, a 501 (c) 3 Educational Foundation of the Better Business Bureau.

Today, The Center for Character Ethics is a powerful working collaboration of like-minded experts and organizations dedicated to increasing marketplace trust by providing practical character ethics and ethical habits training for leaders and educators, serving our current and future workforces.

Why Character Ethics? Educators relate comfortably to the term *character*; businesses, government and higher education to the term *ethics*. They are two sides of the same coin. Because we serve both sectors, the term "Character Ethics" aspires to bridge the gap and reunites these words to express "universal ethics that uniquely build high character."



Ethical/EnterprisingSM Framework for building TRUST!

Principle #1: Transformation at the “Top”

Leaders are reflective and intentionally work to increase manifestations of their own high character in the culture. >

Ethical/Enterprising leaders know that positive character traits are an essential guide to life and work. They strive to live and lead accordingly and they intentionally seek feedback in order to make personal improvements.

As a result, the leader and the leadership team:

- Identify and adopt a set of defined character ethics (such as *UncommonSense*SM Framework) and the corresponding vocabulary to animate these ideas regularly. They personally learn, communicate and demonstrate character ethics as part of their authentic leadership and management role.
- Self-assess and seek assessments from others regarding the demonstration of these character ethics and consequently, devise/implement personal plans for ethical enrichment.



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Principle #2: Reinforce and Build

Leaders reinforce and build a culture of high character ethics. >

The leader and leadership team intentionally behave and communicate with one another and stakeholders in ways that are consistent with their beliefs. Their actions follow their words which intentionally reinforces the character culture of their organization and builds a high performance business model. They:

- Identify tools and implement activities that model, teach and reinforce defined character ethics as a natural part of the communicating leader.
- Contend for the best ideas while avoiding injury to relationships.
- Prize recognition of the positive as well as correction of the error.
- Praise high character as well as competency in their verbal and written expressions.
- Intentionally identify and correct low character manifestations within the organization as an on-going, diligent practice showing no favor.
- Intentionally mentor subordinate managers to adopt these practices.
- Ensure that defined character ethics increasingly appear in the organization's written employee, vendor and customer materials and (over time) become part of every stakeholder's commentary about the organization.

“Character cannot be developed in ease and
can the soul be strengthened, vision

Principle #3: Unite the Team

Leaders unify the organization around a clear purpose and compelling convictions. >

The leader and leadership team work consistently to ensure clarity of purposes and an adherence to clear convictions that motivate and unite stakeholders. By doing so, they establish and emphasize the “why’s” of an organization—why work here, why be a customer, why be a supplier, why be who we are?

The leaders:

- Establish and articulate clear vision/mission and core convictions that give a compelling reason for the organization to exist.
- Provide a constant reference as to who the organization serves
- Set the scope, boundaries and motivation for organizational focus.
- Routinely obtain feedback from the marketplace and staff and consequently make improvements to ensure such that the organization’s practices match the mission and core convictions.

Principle #4: Steer Performance

Leaders guide organizational performance by implementing high competency management practices. >

High character must be accompanied by high competency. The leader and leadership team continually manage performance by establishing goals, measuring achievement and allocating just rewards. They establish practices that represent their commitments to the future and the means for the organization to achieve those commitments.

Such a practice:

- Establishes the goals/targets for the organization.
- Creates a rigorous basis for assessing progress and making changes.
- Provides the logics for sub-unit and individual goal setting.
- Is the guide for evaluation, incentives and recognition of performance.
- Is the guide for focusing individual employee development and deployment.
- Is used to establish measures that hold everyone, especially leadership, accountable.
- Budgets and defines the level of resources available to support the practice.
- Is the guide to reinforce the organization’s “ethical way” for solving problems, resolving conflict and inspiring constant improvement.

and quiet. Only through experiences of trial and suffering
can cleared, ambition inspired and success achieved.” Helen Keller

Principle #5: Treasure People

Leaders prize the intrinsic value of people. >

The leader and the leadership team adopt and implement human resource practices that prepare, continually support/recognize and provide opportunities for growth for all staff members.

These practices include:

- Establishing structures and roles that clarify and minimize confusion and align with the vision/mission/goals.
- Ensuring that business procedures are fully implemented to support staff and deliver desired results.
- Ensuring that people are hired for character, as well as competency, and that processes for training and preparing staff align with this goal.
- Implementing performance development coaching/mentoring processes that reinforce:
 - regular personal performance reflection,
 - character and competency strengthening,
 - performance documentation,
 - compensation justification, and
 - career planning.

Principle #6: Enthusiastically Give Back!

Leaders generously support the community that supports them. >

The leader and leadership team transfer their ethical ethos by their active engagement with their industry and the communities from which the organization derives its customers, workforce, vendors, investors and governance.

As a result they:

- Pursue industry benchmark improvement by belonging to and contributing to their industry membership standards organizations.
- Diligently and formally review their advertising, operations, risk management, governance and regulatory compliance behaviors using highly regarded and proven standards.
- Express support and good stewardship towards their environment, stakeholders and community membership through voluntary time and resource investment.

Why does *Ethical/Enterprising*SM matter?

Leading with character ethics is not just a matter of style or personal preference; it is good business. The outcome of leading with high character and high competency is order and **TRUST**, the essential pillars upon which relationships and organizational performance rest.

"High-trust organizations outperformed low-trust organizations in total return to shareholders (stock price plus dividends) by 286 percent." (Covey, S.M.R., *Speed of Trust*)