

**There Is No
Right Way To Do
A Wrong Thing**

"So Vince Lombardi was wrong. Winning is not the only thing as headlines and hearings from Wall Street to Washington confirm. Now comes a better game plan from the powerful one-two punch of Ken Blanchard and Norman Vincent Peale in a quick-reading new book, *The Power of Ethical Management*. Peale and Blanchard may be the best thing that has happened to business ethics since Mike Wallace invented *60 Minutes*."

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Editor-in-Chief
Good Housekeeping

"*The Saturday Evening Post* recommends this eloquent book to all who want to be successful managers in business. The book states beautifully what we at the *Post* have long believed, that by and large, men and women of integrity succeed in business far more frequently than those who operate without ethics."

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Editor and President
The Saturday Evening Post

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"Praise the Lord. Two courageous men have brought back the words *integrity* and *ethical* into our business world. In my opinion, this book should be required reading for all MBA students."

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"With *The Power of Ethical Management*, my good friend Norman Vincent Peale and his new partner, Kenneth Blanchard, add a whole new wing on to the mansion of American self-help literature. There are many lessons packed into this parable for moderns."

—W. CLEMENT STONE
Founder of *Success Magazine*

The Power of Ethical Management

** The One Minute Manager, Kenneth Blanchard and
Spencer Johnson, 1982*

Other Books Co-authored by Kenneth Blanchard

The Family Game: A Situational Approach to Effective Parenting

Leadership and the One Minute Manager

*Management of Organizational Behavior: Utilizing Human
Resources*

The One Minute Manager Gets Fit

Organizational Change Through Effective Leadership

Putting the One Minute Manager to Work

** The Power of Positive Thinking **
Norman Vincent Peale, 1952

Other Books by Norman Vincent Peale

The Amazing Results of Positive Thinking

The Art of Real Happiness

Enthusiasm Makes the Difference

Faith is the Answer

A Guide to Confident Living

The Positive Principle Today

Stay Alive All Your Life

The Tough-Minded Optimist

The True Joy of Positive Living

Why Some Positive Thinkers Get Powerful Results

You Can If You Think You Can

Power of the Plus Factor

The Power of Ethical Management

Kenneth Blanchard

Norman Vincent Peale

WILLIAM MORROW AND COMPANY, INC.

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To
our wives,
Marjorie McKee Blanchard
and
Ruth Stafford Peale,
for
the strength of
their companionship
and
the influence
of their thinking
on
our lives

Introduction

In writing a book on ethics we are reminded of the story of a young Englishman who had just been elected to Parliament. When he entered the halls for the first time, he approached one of the sages and asked, "Tell me, sir, do you think I should participate in the debate today?"

The old man looked at him with piercing eyes and said, "To be honest, young man, I would recommend that you keep silent. It's better that people wonder why you didn't speak than wonder why you did."

The same advice might apply to the authors of a book on ethics in business. We know we are taking a risk by speaking out on such a sensitive topic, but we feel it is important to do so.

Everywhere we turn today there are signs of ethical deterioration. In business, bright young people have made immoral millions by using insider trading information. In government, hardly a day goes by without some public official being involved in an ethical dilemma on Capitol Hill. In education, cheating scandals among students and under-the-table payments to college athletes by alumni have become commonplace.

Obviously, all these people, many of them supposedly outstanding citizens, believed that they had to cheat to win. They, along with many others, believe that nice guys finish last. We, however, disagree.

Shortly after we were introduced to each other by Larry Hughes, president of the Hearst Trade Book Group and former president of William Morrow and Company, we discovered that we believed in many of the same things.

Both of us agree that ethical behavior is related to self-esteem. We both believe that people who feel good about themselves have what it takes to withstand outside pressure and to do what is right rather than do what is merely expedient, popular, or lucrative. We believe that a strong code of morality in any business is the first step toward its success. We believe that ethical managers are winning managers.

This book hopes to prove these points.

Dealing with such a topic as ethics is like untangling a fishing line. The more you get into it, the more complicated it becomes. In fact, a number of people have told us, "You're brave men to speak out on ethics." However, being positive thinkers, we weren't easily dissuaded by such warnings. Throughout our careers we both tried to take seemingly complicated issues and talk about them in simple language that can be easily understood. That's what *The One Minute Manager* and *The Power of Positive Thinking* both did.

This book is written in a parable format because both of us believe that stories are the best way to teach. We invite you to be the troubled manager in this story. In doing this, try to resist any urge you may have to discount the applicability of the circumstances of this story because they do not exactly correspond to your own situation or environment. Even though you may not be a sales manager—or you may not even work in business—the type of situation that we have portrayed reflects common elements of any ethical dilemma. As a result, there is learning for all of us in this single scenario.

We hope the following pages will give you the knowledge to better sort the dilemmas you face and the inspiration to act in a way that is ethically consistent with your beliefs. We hope that what we say here will help make your life, and the lives of the people you care about and work with, even brighter, more productive, and happier.

The Power of Ethical Management is for everyone who faces ethical dilemmas in their lives. It is also for managers who want to know what they can do to help create a healthy work environment where people don't have to cheat to win.

—KENNETH BLANCHARD
NORMAN VINCENT PEALE
1988

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I WAS sitting at home in my favorite easy chair, but my mind was not at rest. It was 4:00 a.m. For the third night in a row I'd awakened in the early hours, troubled and confused by a problem at work that increasingly gnawed at me.

Being a division sales manager for a large high-tech company in a very competitive industry can have its difficult moments. This definitely was one of them. Sales had been down for almost six months and my boss was putting pressure on me to get my division's numbers up. I'd been involved for a month in a search for a topflight, experienced sales representative to add to my sales force, and three days ago I had interviewed a very likely prospect.

From the moment he walked confidently into my office, I'd felt this man was just the person I needed. As the interview proceeded I became more and more excited. It was obvious that I'd be lucky to get this person. He had an outstanding sales record and knew our industry backward and forward. Most intriguingly, he had just quit a top job with our major competitor, after six successful years with that company.

Throughout our meeting, I realized that this sales representative was head and shoulders above all other applicants I had interviewed, in every category. I'd just about made up my mind to hire him (pending a phone call or two to check his references), when he smiled, reached into his attaché case, and pulled out a small, square envelope. From it he extracted a computer disc, and held it up as if it were a priceless gem.

"Can you guess what's on this disc?" he said.

I shook my head.

Still smiling, his voice oozing with self-assurance, he proceeded to explain that the disc contained a wealth of confidential information about our competitor, his former employer—including profiles of all their customers and cost data on a major defense-contract bid for which our company was also competing. As we closed out the interview session, he promised me that, if I hired him, he would give me this disc and more of the same.

After he left my office, I had two immediate responses to what had just happened. The first reaction was one of rage. How could he *do* such a thing? I knew that what he proposed was wrong and because of that he wasn't the kind of person I wanted on my team. My second reaction was not as quick or as emotional, but when it surfaced I knew it was something I could not easily dismiss. The more I thought about it, the more I realized that this person was offering me and our company a virtual gold mine. He had told me enough to convince me that if I hired him, I could, most likely, bring in not only the giant defense contract but several other huge accounts—fish I'd been angling for over the past three years. It was all there within my grasp. I knew it was one of those once-in-a-lifetime opportunities. And I certainly could use such an opportunity now.

With one of our kids already in college and two more close behind, my wife and I were starting to feel a financial pinch. Without a promotion of some kind, I felt things were going to get worse before they got better. There was no better opportunity than now for a promotion because the executive vice-president in charge of sales and marketing was retiring and my boss would be moving up. His replacement was the subject of the loudest hush-hush there had been in our company since I'd been there. With the current sagging sales record of my division, I had thought I didn't have a chance. But that was before my interview with this sales representative. This would be the perfect time for me to land a large new contract.

I realized that I was caught somewhere between the two reactions of rage and temptation and I decided to go to talk to one of our senior operations managers about the situation. He had been a mentor to me ever since I'd joined the company twelve years before. After I had told him the whole story, his reply was short and to the point, and it surprised me. What he said was "Hire this guy before someone else does. I know it's a risk, but everyone in our industry tries to get reliable data on competitors any way they can. We stand to lose a real *competitive edge* if you don't strike while the iron's hot." The way he said "competitive edge" was, I knew, a mimic of my boss, who was always hitting us with those words and in that tone.

As I left his office, he patted my shoulder and winked as he assured me he knew I'd do the sensible thing.

As I wandered down the hall toward my office, I ran into my top assistant, a sharp, aggressive M.B.A. graduate. She said, "You look troubled. Anything wrong?"

I quickly motioned her to follow me to my office. Once inside I shut the door and spilled out the whole story, again. Her response was the exact opposite of my mentor's. She looked me straight in the eye and said, "Listen. Think about what you're contemplating here. Not only is what this guy doing wrong, but if you hire him, you would be supporting that kind of behavior. Besides, there's no telling when he might start stealing from *us* and selling to the highest bidder." I nodded; I'd thought of this myself. "And," she went on, "if the story ever gets out that you hired him knowing he had stolen confidential information, the whole thing could blow up in your face and give our company a bad name."

After she'd left, I sat there realizing that my two associates, rather than helping me, had made my decision more difficult. I wondered what I should do. Hire him or say "Thanks, but no thanks." Or maybe hire him but tell him not to bring stolen information. "But could I trust him to be honest once he started to work here?" I wondered. "Then again, maybe I should just turn him in—call his former boss."