

RANDOM HOUSE  BOOKS

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# The Power of Ethical Management

Norman Vincent Peale and Kenneth Blanchard

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## About the Book

*The Power of Ethical Management* proves that you don't have to cheat to win. Peale and Blanchard explain how to bring integrity back into business. And they offer hard-hitting, practical and ethical strategies that bring increased profits, productivity and long-term success.

This simple book gives you an immensely useful set of tools: from a three-step 'Ethics Check' that helps you evaluate any action or decision, to the 'Five Ps' of ethical behaviour which will clarify your purpose and your goals. This is no theoretical treatise: Peale and Blanchard speak from their enormous and unique experience, and show how integrity pays.

Norman Vincent Peale is the bestselling author of *The Power of Positive Thinking*, and Kenneth Blanchard is co-author of the bestselling *The One Minute Manager*.

*Norman Vincent Peale titles available from Vermilion*

The Power of Positive Thinking  
The Power of Positive Living  
The Amazing Results of Positive Thinking  
The Positive Way to Change Your Life  
The Power of Positive Thinking for Young People  
Stay Alive All Your Life  
Courage and Confidence  
You Can if You Think You Can  
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# The Power of Ethical Management

Norman Vincent Peale  
and  
Kenneth Blanchard



VERMILION  
LONDON

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*

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,