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PRACTICING YOUR VALUES AND PRINCIPLES

Leaders with principles are less likely to get bullied or pushed around because they can draw clear lines in the sand.

The softest pillow is a clear conscience.
—Narayana Murthy, founder and former CEO, Infosys

In gaining a clear awareness of who you are, you must understand your values and the principles that guide your leadership. Several leaders referred to their values as their moral compass. Novartis's Dan
Vasella observed, “Most people have some kind of moral compass that tells them in which direction to go.” Former Johnson & Johnson chairman and CEO Jim Burke, who made the courageous decision to recall Tylenol in 1982, said, “Without a moral center, you will swim in chaos.”

Staying centered on your values is not easy. You can easily drift off course as the temptations and pressures of the outside world pull you away from your moral center. But if you are centered through a high level of self-awareness, your compass can help you get back on track.

Values, Leadership Principles, and Ethical Boundaries

The values that form the basis for your True North are derived from your beliefs and convictions. In defining your values, you must decide what is most important in your life. Is it maintaining your integrity, making a difference, helping other people, or devoting yourself to your family? There is no one right set of values. Only you can decide the question of your values. When you do, you will be better positioned to align with people and organizations that share similar values.

When you have a clear understanding of your values and their relative importance, you can establish the principles by which you intend to lead. Leadership principles are values translated into action. They are like navigational instruments sailors use to get their bearings at sea, as they fix the direction of their travel with respect to the north. Principles enable leaders to prioritize their values and demonstrate which ones trump others.

After defining your leadership principles, you need a clear understanding of your ethical boundaries. These are the limits you place on your actions, based on your values and your standards. Where do you draw the line between the actions that are acceptable and those that are not? Exhibit 5.1 sketches the relationship.
Exhibit 5.1 Defining Your Values, Principles, and Ethical Boundaries

**Values:** The relative importance of the things that matter in your life.

**Leadership Principles:** A set of standards used in leading others, derived from your values. Principles are values translated into action.

**Ethical Boundaries:** The limits placed on your actions, based on your standards of ethical behavior.

Perhaps you have engaged in exercises in which you list your values and force-rank them in order from the most important to the least. While these exercises are helpful in clarifying what is important, you do not know what your true values are until they are tested under pressure. It is relatively easy to list your values and to live by them when things are going well.

It is under pressure—when your success, your career, or your life hangs in the balance—that you must decide what your values are. When you are forced to make trade-offs between your values under difficult circumstances, you learn what is most important in your life and what you are prepared to sacrifice for. Those who develop a clear sense of their values before they get into a crisis are better prepared to keep their bearings and navigate through difficult decisions and dilemmas when the pressure mounts.

Sara Lee CEO Brenda Barnes said, “I attribute my success to values that were instilled in me in my upbringing, things like honesty, integrity, and treating people with respect. You can’t fake your values. You have to live by them. You are who you are.”

**David Gergen: Discovering His True North.** David Gergen wanted to lead a life that was consistent with the values he learned from his family and the Durham community where he grew up. He became the first person to serve as White House adviser to
four presidents of the United States: Richard Nixon, Gerald Ford, Ronald Reagan, and Bill Clinton. Gergen served in the Nixon White House during the aftermath of the 1972 break-in at the Watergate headquarters of the Democratic National Committee. That experience convinced him to follow a basic leadership principle—"act transparently"—that has helped him stay true to his values.

Gergen was twenty-eight when he was hired as a White House speechwriter during Nixon's first term. He had a ringside seat for history as it was being made. "When I first arrived, the power, glamour, and status went to my head," he said. He would later come to realize how naive and unprepared he was for the events of the next few years.

His ambition helped him become a rising star in the Nixon administration. He recalled, "I was grasping for the brass ring and was as ambitious as everybody else, probably more so." After Nixon's 1972 reelection, Gergen was named head of the president's speechwriting and research team, with responsibility for supervising fifty people. "It was tempting to fall into the trap of thinking I was important, instead of recognizing that people think you're important only because of where you're standing. I had some of the arrogance that other people in that administration had," he confessed.

When stories about the Watergate cover-up began to emerge in early 1973, Gergen did not believe the allegations were true. "We were continuously reassured that neither Nixon nor anyone high up in the White House staff had done anything wrong," he explained. "Nixon told us that directly, and Haldeman and others confirmed it in the most adamant terms." As public focus on Watergate intensified throughout 1973 and 1974, an increasing number of staff members resigned, including some of his own team, but Gergen did not feel he could leave. "My resignation would have made a public statement about my lack of belief in President Nixon's integrity. So I stayed and kept hoping against hope he was innocent."
Gergen learned of Nixon’s guilt only two days before the news broke in August 1974. Even then, he did not feel he could leave, lest he be viewed as “a rat leaving the sinking ship,” especially when President Nixon asked him to write his resignation letter. As he watched Nixon leave the White House for the last time in his helicopter, Gergen thought his own career in public life was over. He recalled the infamous 1919 Chicago Black Sox World Series team, whose players were accused of cheating and banned from baseball for life. “I thought I’d never play again,” he said.

Watergate was an epiphany for me. It shattered my notion that, because you are in a position of power and glamour, you can rise above being challenged. You can’t.

Almost immediately, Gergen’s phone stopped ringing. “Suddenly, you’re not as glamorous as you were. You realize just how fast it all comes and goes.” During the lonely and depressing days that followed, Gergen was most impressed by the people who stood by him—primarily his old friends from Durham and his college classmates.

When you’re in trouble and all your defenses get stripped away, you realize what matters and who matters. That’s when you need to get back to your roots and to your values.

The people who were innocent have come back to outstanding careers. Jon Huntsman, the founder and chairman of Huntsman Corporation, was one who did that. Hank Paulson is another person who came through it and had an extraordinary career as CEO of Goldman Sachs and now as Secretary of the Treasury.

“Since that searing experience with Watergate,” Gergen concluded, “I have always favored transparency.”

I have frequently disagreed with those I worked for, because the Watergate lessons were so vivid in my mind. They remind you that you have
to stay true to your values. Nixon did not have a moral compass, and everything went off track.

David Gergen’s Watergate experience was formative in his development as an authentic leader. He recognized he had been seduced by the glamour and prestige of being at the center of the world’s power and needed to return to his authentic roots and the people who were there for him when his world was collapsing. This early experience improved his ability to advise Presidents Ford, Reagan, and Clinton and to become a wise teacher of future leaders as director of Harvard’s Center for Public Leadership.

Keith Krach: When Values Conflict. You may not know for certain what your values are until you find yourself under the pressure of having your values in conflict, or you find the values of the people with whom you work differ from your own.

That was the situation former Ariba CEO Keith Krach faced in his early thirties following a successful experience at General Motors (GM), where he was the youngest vice president ever. Krach left GM to become COO of a Silicon Valley start-up named Qronos Technology with the promise of becoming CEO within a year. “My career was like running the hundred-yard dash and getting smacked in the face with a two-by-four,” he said.

The company didn’t have the same values I had. The CEO used to say, “Let’s hide this from the board.” After a few months, it was crystal clear to me I had made a mistake. With its values, the company was never going to survive. Although I had never resigned from anything in my life, I realized that if I stayed there much longer, I wouldn’t be able to look myself in the mirror.

Krach prided himself on being loyal and having integrity, so these two core values were in conflict inside him. Although the situation was difficult, he did not want to give up, but he did not feel that he was being true to himself. His best friend told him, “You
don’t look good. If you have your attitude and enthusiasm, you’re an A-plus performer. But you’ve lost it. You’re like a D-minus. There is no in-between for you. You should quit.”

The moment of reckoning came when his wife was giving birth to their first child. Krach was at her side during labor, yet the CEO kept calling, demanding that he come to work. “We have a big partner meeting with IBM,” the CEO told him. Krach responded, “That’s anatomically impossible. I’m going to see my son born.” After a few minutes, Krach’s values clicked in, and he reached clarity in his mind. He called his boss back and said simply, “I quit.”

*That was a big moment in my life. I immediately felt a sense of relief. I learned more at Qronos than in any year in my life about what’s important in terms of values, trust, and integrity. It was like a process of tempering steel that made me much more resolved about my values.*

**Jon Huntsman: Testing Values Under Pressure.** In preparing for a day when your values conflict with those of your organization and with each other, you need to decide what you want to stand for in your life. How will your obituary read? What do you want people to say at your funeral?

The life of Jon Huntsman, founder and chairman of Huntsman Corporation, a $13 billion chemical company, offers an interesting example of the way one person answered these questions. To the outside observer, Huntsman seems to lead an idyllic life, one marked by integrity, clarity of values, a large and successful family, and material success. Yet Huntsman has been tested at least three major times in the most severe ways. Each time he was forced to look deep inside himself to determine what he stood for.

Huntsman has strong views about his values and the importance of values in the lives of others. When he asserts, “There is no such thing as a moral agnostic,” Huntsman’s clarity forces you to reflect on your own values.
Each of us possesses a moral GPS, a compass or conscience programmed by parents, teachers, coaches, grandparents, clergy, friends, and peers. The compass is an integral part of our being. It continues to differentiate between proper and improper behavior until the day we die.

Huntsman, who was born in a humble family in rural Idaho, says his values and leadership are inextricably linked to his family roots. Although he was close to his mother, he never developed a close relationship with his father, who was a stern disciplinarian. “My mother was a sweet, loving person who never said a negative word about anyone. Because of her, my heart has always been soft. He observed, “I was taught to play by the rules: be tough, be competitive, but do it fairly.”

The principles we learned as children were simple and fair. With moral compasses programmed in the sandboxes of long ago, we can navigate career courses with values that guarantee successful lives, a path that is good for one’s mental and moral well-being, and the opportunity for long-term material success.

Huntsman’s leadership abilities were evident from a young age. He garnered his first leadership opportunity when he was elected president of his sixth-grade class—and the seventh-grade class, the eighth-grade class, and the ninth-grade class. Then he moved to Palo Alto High School and became president of the eleventh-grade class.

At the University of Pennsylvania Huntsman was elected president of the senior class and his fraternity and was selected as the outstanding undergraduate by the fraternity’s international organization. He had a mission for each of his leadership roles and worked to get all the people associated with him to buy into that mission.

When he was just out of college, his mother developed breast cancer and died in her fifties. “She suffered so much that it broke my heart,” he said. Nor was her suffering the family’s only brush with cancer. His father died of prostate cancer, and his stepmother
died from ovarian cancer. Like a dark cloud hanging over the family, cancer struck Huntsman himself twice, but he overcame it.

Emerging from the sadness he felt over his mother’s struggle and death, he was determined someday to create a cancer research institute. His dream came true decades later when he and his wife, Karen, founded the Huntsman Cancer Institute in 1995. As of 2007 the Huntsmans have donated and raised over $350 million to make it one of the most respected cancer institutes in the world. Huntsman’s own experience with cancer convinced him that the best therapy was knowing how much others cared about him. Behind his desk, he has a sign that reads, “The greatest exercise for the human heart is to reach down and lift another up.” “That,” he says, “is exactly what life is all about.”

Like David Gergen’s, Jon Huntsman’s moral compass also was tested when he went to work for the Nixon administration in 1972, shortly before the Watergate incident. After founding his own company, he was hired by Elliot Richardson, secretary of Health, Education and Welfare (HEW), as associate administrator of social services. His success in installing a management by objectives program that saved $100 million in its first six months brought him to the attention of the White House. Shortly thereafter, he was hired by Bob Haldeman, President Nixon’s powerful chief of staff. He found the experience of taking marching orders from Haldeman “very mixed.”

I had been CEO of a company and then was running a big division at HEW. I wasn’t geared to take orders, irrespective of whether they were ethically or morally right. We had a few clashes, as plenty of things that Haldeman wanted to do were questionable. An amoral atmosphere permeated the White House.

One day Haldeman asked Huntsman to help him entrap a California congressman who had been opposing a White House initiative. The congressman partially owned a plant that reportedly employed undocumented workers, and Haldeman wanted
to gather information that could be used to embarrass him. Huntsman’s task was to place some Latino employees from his Huntsman facility on an undercover operation. He said, “I was under the gun from Haldeman to call my plant manager.”

There are times when we react too quickly and fail to realize immediately what is right and wrong. This was one of those times when I didn’t think it through. I knew instinctively it was wrong, but it took a few minutes for the notion to percolate. After fifteen minutes, my inner moral compass made itself noticed and enabled me to recognize this wasn’t the right thing to do. Values that had accompanied me since childhood kicked in. Halfway through our conversation with our plant manager, I said to him, “Let’s not do this. I don’t want to play this game. Forget that I called.”

I informed Haldeman that I would not have my employees spy. Here I was saying no to the second most powerful person in the country. He didn’t appreciate responses like that, as he viewed them as signs of disloyalty. I might as well have been saying farewell. So be it. I left within the next six months.

As one can see from the photo of the seventy-three family members that graces his annual Christmas card, Huntsman is extremely proud of his large family. Just a year after resigning from the White House staff, he and Karen faced a big test when their youngest son, Mark, was born with severe mental limitations. Mark’s doctor told his parents that their son would not be able to read, write, or go to school, because his mental capacity would never go beyond that of a four-year-old. The doctor recommended that Mark be committed to an institution. The doctor’s proposal to institutionalize Mark represented an impossible values conflict for the Huntsmans. Family was everything to them, and Mark was just as much a part of their family as their other children. They decided that, whatever it took, Mark would live at home.

When Penny and I visited the Huntsmans for a tour of their cancer institute and hospital in 2002, Jon proudly introduced us to Mark, who greeted us with a friendly smile and a big hug. “Mark
doesn’t know what people do for a living, and can’t tell a custodian from a CEO,” Huntsman told us. “He judges people only by the goodness of their heart. He sizes up individuals quickly and spots phonies immediately. If their heart is good, he gives them a big hug. Every day I learn from watching him. He has been the role model and anvil of our family.”

In 2001 Huntsman faced the biggest challenge of his career. His company was on the verge of bankruptcy. The company’s desperate condition was less a function of its own missteps than the deep recession in its chemical and packaging markets. Prices and profit margins were falling rapidly as competitors continued to produce far more than the shrinking demand. To make matters worse, energy costs and raw material prices were spiraling out of control. As a consequence, Huntsman’s high-yield bonds were trading at 25 cents on the dollar.

Although he had made his son Peter the CEO, Huntsman was still chairman of the board, founder, and the company’s largest shareholder. On a somber day, financial experts, lawyers, representatives of his eighty-seven lenders, and bankruptcy experts from New York and Los Angeles gathered in Salt Lake City and presented him with their unanimous opinion. Huntsman had but one choice: seek a court-supervised Chapter 11 bankruptcy or sit helplessly by as creditors shut the company down altogether by refusing to ship vital raw materials.

Listening patiently to their analyses and entreaties, he thought to himself, “I will not let this company be seized by corporate lawyers, bankers, and highly paid consultants. Not one of them can comprehend my notions of character and integrity.” Huntsman answered in a single word: “No.” To him, bankruptcy was not an option. His name was on the door—and on the debt. He believed his integrity was at stake.

There are times when the consultants and lawyers and outside advisers would like to tell us how to run our lives. Are we men and women of character, integrity, kindness, and charity, or are we going to be
motivated by what somebody else says? At the end of our life, we have to determine what we want said at our funeral.

Huntsman called his team together day after day in the darkest of hours and told them, “We are going to make it. Our name is on the door. We will go to every one of our bankers, all eighty-seven of them, and carve out deals that we can live with. We will bring in our bonds and redeem them for equity.”

The company went through three years of turmoil, as Huntsman refused to give in. The only person standing with him throughout this crisis was his wife. As he observed, “Karen was a great cheerleader and supporter.”

You have to have someone next to you who is tremendously sympathetic. My bankers and close associates abandoned me, so for years Karen was the only one there for me. That’s because she knew me best. She knew how critical it was to me to maintain my integrity. If one person lost one penny anywhere along the line, I would have lost my character as a man.

During the process Huntsman had a heart attack and contracted Addison’s disease as a result of his run-down immune system. However, he said with pride, “I repaid every single debt.”

As of today, the bondholders have been paid 100 cents on the dollar. Huntsman’s creditors have been paid in full and have extended us more credit. Huntsman stock is listed on the New York Stock Exchange and is doing well. Our earnings are the highest in history.

Reflecting on his brush with bankruptcy, Huntsman commented, “At the end of the day, the creditors were our salvation. Building good will, being honest and kind, and paying your bills along life’s pathway come back to serve you when you’re down and out.”

There are times in our lives when we have to ask ourselves, are we going to let this erosion of our life happen, or are we going to step up and change
it? Your life speaks for itself. If I had tried to cheat somebody during my lifetime or did not play by rules, they would have exercised their natural rights when I got in trouble. The human heart and the human soul have an enormous amount of capacity to change direction in a positive way if we just keep outsiders from influencing what we’re doing.

Again and again, Huntsman’s True North was tested in the most severe ways. Yet he remained true to his values, without deviating. It is highly unlikely he could have done so without a high level of self-awareness and clarity about what he believed.

Do you know how you will respond in similar situations? What are you going to stand for in your life? Once you know that, it is essential to be true to what you believe. The only way to prepare for crises like these is to understand your values and then determine your leadership principles.

Principles are values translated into action. Having a solid base of values and testing them under pressure enables you to develop the principles you will use in leading. For example, a value such as “concern for others” might be translated into a leadership principle such as “create a work environment where people are respected for their contributions, provided job security, and allowed to fulfill their potential.”

All leaders operate with principles, even if they do so subconsciously. Take the basic question, “What motivates people?” Some leaders believe that people are motivated to do as little work as possible. They lead by a principle that establishes strict rules of conduct and behavior and enforces them rigidly in order to force people to work. In response to the same question, other leaders believe that people genuinely want to do good work and find significance through their work. They operate with a principle of empowerment that gives people freedom to do their work, encourages them to excel, and trusts them to monitor themselves.

**Narayana Murthy: Leading with Principles.** Narayana Murthy is a successful entrepreneur who founded Infosys on a clear set of guiding principles from which he has never deviated.
Murthy grew up in lower-middle-class surroundings in southern India. His father was a civil servant who prided himself on his ethical standards and who taught his children a clear sense of values. In his youth Murthy was influenced by the teachings of Mahatma Gandhi and was involved with socialist youth organizations. He became a strong believer in the redistribution of wealth as a method of alleviating India’s massive poverty.

After Murthy’s graduation from his university, his professor nominated him to go to Paris to install a logistics and baggage-handling system at Charles de Gaulle Airport. Murthy was fascinated by the intellectuals he met at Parisian cafés in the late 1960s. Describing his time there, he said, “As a twenty-three-year-old Indian, I grew up on a heavy diet of Nehru’s socialist philosophy. In Paris I got the inspiration for compassionate capitalism. I learned how French people put the interest of community ahead of their own interest.”

In the process, Murthy imbibed an atmosphere of action and inquiry that gave rise to four guiding principles. First, the only way to remove poverty is to create new jobs and more wealth. Second, there are only a few people who can lead the creation of these enterprises and create jobs and wealth. Third, these people need incentives to create wealth in a fair manner. And, finally, it is not the responsibility of the government to create jobs or wealth; the government’s task is to create an environment where a fair incentive system encourages people to create more jobs and more wealth. Murthy explained,

As I look back on the idealism of my youth, I realize that people need opportunities, incentives, and competition in order to better themselves. This is the essence of capitalism. If you combine the spirit of capitalism with fairness, decency, transparency, and honesty, the result is compassionate capitalism.

Returning to India, Murthy and a group of younger colleagues founded Infosys Technologies in 1982 and built it into India’s leading IT outsourcing company. Infosys gave Murthy the platform to
translate his values into his business principles and to be clear about his ethical boundaries. "Our dream was to demonstrate that you could run a business in India without corruption and create wealth, legally and ethically," he explained.

From the outset, Murthy and his colleagues wanted to create India's most respected company. Despite the difficulties of starting the business, Murthy and his team adhered to a principled approach. "It was a crisis throughout," he recalled. "We were forced to finance growth out of our earnings, but that instilled discipline."

Because Murthy refused to pay bribes, Infosys had to wait a year for installation of a telephone line. "What drains your energy or enthusiasm is not the fiscal problem, but violating your value system. Leaders with principles are less likely to get bullied or pushed around because they can draw clear lines in the sand. We always believed that the softest pillow is a clear conscience. I feel fortunate that we have never had a situation where we lost sleep because we did something wrong." Eventually, the demands for bribes ceased. "If you refuse to buckle on the first couple of transactions," said Murthy, "they will go trouble someone else."

Compliance with the value system creates an environment that enables people to have high aspirations, self-esteem, confidence in the future, and the enthusiasm to take on very difficult tasks. Leaders have to "walk the talk" and demonstrate their commitment to the value system. There is a direct correlation between the value system of our company and the success we have had over the last twenty-four years. I hope this is justification for our people to accept our values and run with them.

I have rarely met a business leader who is as intentional about knowing his values and establishing his leadership principles as Narayana Murthy. His experience living in France had a formative impact on his thinking about his principles and led to the growth and success of Infosys. Murthy has had the courage to stick to his values, going contrary to many cultural norms in India, and he has adhered to his principles throughout his career.
Judy Haberkorn: Acknowledging Mistakes. Verizon’s Judy Haberkorn operated with a clear principle in dealing with customers: “Always be open and transparent.” That principle was tested when one of her people made a significant mistake, one for which Haberkorn thought she might be fired. In attempting to save money, an employee decided to send consumers their telephone PIN numbers in unsealed envelopes. The envelopes wound up in building lobbies below the mailboxes where anyone could steal the name, phone number, and PIN. When she took the issue and her concerns to her boss, Haberkorn was told not to worry. “It will die down,” he said. Frustrated, she responded, “This is a test of how to handle a disaster versus how not to handle it, much like Johnson & Johnson Tylenol.”

If you don’t want to do this the Tylenol way, then fire me right now and put somebody else in this job. As long as I’m in charge, we’re going the Tylenol route. I am sending a telegram to every one of our customers explaining what happened. We will pay for any calls made inappropriately as a result of this disaster, and immediately give customers a new calling-card number and PIN. I will be on the local news shows tonight to explain what happened and what Verizon will do.

As a result, the issue went away. Reflecting on her experience, Haberkorn noted,

It cost us some money, but there was no doubt in anybody’s mind that we did the right thing. A mistake happened, and it was costly. To have our customers feeling we didn’t care about their security and were careless with their privacy would have been a far greater disaster.

It isn’t easy to take on your boss. Most people would feel they would be protected if their boss told them to do nothing. For Haberkorn, her principles of how to treat customers were worth challenging her boss and taking the corrective action anyway. Her actions took a lot of courage, a mark of an authentic leader.
Setting Ethical Boundaries

Your ethical boundaries set clear limits on what you will do when you are tempted or are under pressure or when you start rationalizing a series of marginal decisions. If you establish clear boundaries early in life, your moral compass will kick in when you reach your limits and tell you it is time to pull back, even if the personal sacrifices may be significant. That’s what Enron leaders Ken Lay and Jeff Skilling lacked as they lurched from deal making into dishonesty and destroyed their company.

One of my MBA students, who had just returned from a tour of duty in Iraq as a counterintelligence officer in the U.S. Marine Corps, told a poignant story of how he used ethical boundaries to set limits on his behavior. Before he left for Iraq, he made a list of the things he would not do, even under the most extreme circumstances. He put the list in an envelope and kept it with him. When he came under pressure in Iraq, he frequently pulled it out as a reminder of the ethical boundaries he had established for himself.

One way leaders understand their ethical boundaries is to use the New York Times test. Before proceeding with any action, ask yourself, “How would I feel if this entire situation, including transcripts of our discussions, was printed on the first page of the New York Times?” If your answers are negative, then it is time to rethink your actions; if they are positive, you should feel comfortable proceeding, even if others criticize your actions later.

Leading by Values

Many companies these days are shifting from management by objectives to leading by values. IBM CEO Sam Palmisano is using this approach to unite IBM employees as a powerful global force in information systems. When he took over from Lou Gerstner, his iconic predecessor, Palmisano did not create new values or merely reiterate the values professed by founder Thomas Watson. Instead, he employed a company-wide online process in
which all employees around the globe had the opportunity to participate for three days in determining what IBM's values should be. Palmisano is using the values emerging from this process to integrate IBM's 350,000 employees into a global integrated network.

Medtronic founder Earl Bakken first exposed me to leading by values when I joined the company in 1989. For the next thirteen years we used the company’s values to unify employees around a common purpose and philosophy of doing business. At first, we had some employees, concentrated in the international division, who did not take us seriously and continued to do business according to their local practices. Internal audit reports turned up repeated violations of company standards in those countries.

I decided we had no choice but to make significant management changes. Rather than focusing on lower-level employees, we started by replacing the heads of international, Europe, Asia, and Latin America with leaders who were committed to leading by values. When violations were uncovered, we made a public statement about what had happened and what actions the company was taking. The new international leaders gave us the confidence that we could expand the business rapidly without constantly worrying about ethical violations. When the company went through a rapid growth phase in the mid- to late 1990s, the leading by values philosophy became an invaluable tool for rapidly introducing new employees to the company’s culture.

As we search for our True North, it is important to acknowledge how easy it is to get pulled off course. The pressures to perform, the ingrained fear of failure, and the rewards for success can cause us to deviate from our values. By knowing our ethical boundaries and testing our values under pressure, we are able to get back on track.

*Note to the reader: Before going on to Chapter Six, you may want to complete the Chapter Five Exercise found in Appendix C.*