Each year, the McGowan Symposium convenes students and faculty from the nation’s premier business schools, the media, and leaders in business, government and academia for challenging discussions on the integration of ethical practices into today’s leadership circles.

The Symposium represents a new energy and a sharing of ideas, explains Sue Gin-McGowan, President of the William G. McGowan Charitable Fund. It invites great minds to come together for thoughtful debate and serves as the capstone of the McGowan Fellows Program, a scholarship program designed to foster a generation of future business leaders. Both the Fellows Program and the Symposium are inspired by the legacy of business maverick William “Bill” McGowan and his commitment to compassionate philanthropy and ethical leadership.

“Bill demonstrated that doing well can also mean doing good,” said Gin-McGowan as she welcomed participants to the 2011 McGowan Symposium on Business Leadership & Ethics at Georgetown’s McDonough School of Business. And an afternoon of thought-provoking dialogue began.

Who is more ethically challenged: business or government?” Georgetown Professor Bill Novelli asked at the start of the Symposium.

There is no easy answer. Calling for a vote – all for business, say “I” – would have been a quick way to settle the issue and get back to answering email. Instead, participants took the opportunity to do something that doesn’t happen often in the hustle of everyday lives: They took an afternoon to really think about the layered question, and they paused to ask themselves:

- Why is there failing trust in big business and lack of confidence in our political leaders right now?
- How lasting is this loss of faith and how dire is it?
- As leaders, how can we create an environment of high ethical standards within our organizations, among our constituencies and in our communities?

Ernie Anguilla, Bank of America, Debbi Jarvis, Pepco Holdings, Inc., Ed Montgomery, Georgetown University, and Clive Crook, The Atlantic, discuss how public and private leaders might restore confidence.

“Our Fellows honor Bill [McGowan’s] belief that profit without principle is an empty and self-defeating enterprise.”

Sue Gin-McGowan
William G. McGowan Charitable Fund
To explore these questions, participants heard from Jim Clifton, CEO of Gallup, Clive Crook, senior editor of *The Atlantic* and a contributing editor of *National Journal*, Ernie Anguilla, Bank of America’s SVP for Corporate Communications, Ed Montgomery, Dean of Georgetown’s Public Policy Institute, and Debbi Jarvis, VP for Corporate Citizenship and Social Responsibility at Pepco Holdings, Inc. Leaders and Fellows from the McGowan Fund and Georgetown’s McDonough School of Business also spoke, and guests participated in a live case study with Eric Dezenhall, CEO of Dezenhall Resources, Ltd.

Jim Clifton, a leader in public opinion research, challenged attendees to examine the eroding trust in today’s leaders. Pointing to a slide of Gallup World Poll rankings of the most- and least-trusted governments around the globe, Clifton said that while Americans have a higher trust in their leaders than in most countries, we have hit a very low point.

“Americans are an honest tribe of folks, but we are more divided than ever right now. If you don’t have trust as a leader, then you can’t succeed,” he said. And this plummeting confidence in public and private leaders could soon become a huge problem for the United States. “The most talented people in the world migrate to areas of high ethical standards,” he said.

### Public Confidence in Institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>% Great deal</th>
<th>% Quite a lot</th>
</tr>
</thead>
<tbody>
<tr>
<td>The military</td>
<td>47</td>
<td>31</td>
</tr>
<tr>
<td>Small business</td>
<td>28</td>
<td>36</td>
</tr>
<tr>
<td>The police</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>The church or organized religion</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>The medical system</td>
<td>15</td>
<td>24</td>
</tr>
<tr>
<td>The U.S. Supreme Court</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>The presidency</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>The public schools</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>The criminal justice system</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Newspapers</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>Television news</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Banks</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Organized labor</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Big business</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Health maintenance organizations (HMOs)</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Congress</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Clifton discussed rankings of the most- and least-trusted professions, according to Americans. Gallup’s annual Honesty and Ethics poll asks respondents to grade occupations on perceived trust and honesty. Not surprisingly, the military and small business rank high on trust, while Congress and big business, such as banks, rank near the bottom. What is surprising, Clifton noted, is that banks used to be much more trusted, according to surveys from years past. He pointed to this trend as crucial for restoring confidence in the country.

“Where is one place where a loss of leadership and integrity hurts the country? It’s the loss of trust in the banks. Where’s the trigger for business to start taking off again? It’s in trust for banks,” he concluded.
In an exchange, moderator Clive Crook then posed this question to Clifton: “Have you found that this distrust of big business and faith in small business is distinct to Americans?”

It seems uniquely “American” to have trust in small business, especially given the fact that such a large portion of Americans work in small businesses, Clifton responded. We envision small business folks as hard-working entrepreneurs who have earned their success.

Crook questioned whether people think big business is in cahoots with government and whether the two are innately untrustworthy. Clifton explained that the general public doesn’t believe that most businessmen or politicians have made it on their own. “Until small businesses and citizens have trust in the environment here, we can’t come back as a country,” he said.

Following, a panel of industry and academic leaders shared experiences and insight into “Leading Through Challenge: Retaining Public Confidence.”

As to how long the crisis of confidence may last, Bank of America’s Ernie Anguilla recommended patience and said trust for big business will recover with the economy. “We used to be the most trusted bank in America, and now we’re down with our peers. It’s going to take years to turn this around. Everything about our business is tied into the American economy,” he said.

Georgetown’s Ed Montgomery, who also was a political appointee in the Obama and Clinton administrations, said it could be even more difficult to regain the public’s trust in business and public leaders. “Nowadays, we get to see the warts of our leaders,” he explained. “To restore faith, you have to restore the idea that these leaders have earned it.”

Anguilla and Montgomery, along with Pepco’s Debbi Jarvis, agreed that there has been a steady erosion of faith in U.S. institutions. And that trend is not likely to disappear anytime soon.

Within this context and climate, the question then becomes – as business and civic leaders – how do we restore public trust and confidence at such a time?

It starts with personal integrity, Jarvis suggested. “What do you say you’re going to do and what actually happens?” she explained. Integrity comes from the top down. When leaders in business and government set the standard, the communities that work with them and for them will follow the lead. Leaders have the opportunity to reinforce the importance of integrity, and then it becomes contagious within a community.

This is something participants heard in different forms throughout the afternoon. In fact, the idea that leadership and organizational trust starts with the personal character of the organization’s leaders would reverberate with Bill McGowan himself, said longtime friend and colleague Gene Eidenberg.

“Doing good is something that makes our employees do well. Making our employees feel valued helps our business. We must help individuals feel pride in their company.”

Ernie Anguilla
Bank of America
Once personal integrity is established and it comes time to building public trust as a corporation or organization, the focus should be on collaboration and communication, panelists observed. “It’s about communicating, telling the real story, balancing the information that you have and knowing what and when to share with customers,” said Jarvis, a longtime broadcast news professional before joining Pepco.

Informing stakeholders about corporate responsibility, social enterprise and sustainability efforts within the organization also helps to inform the public of the organization’s intent, panelists agreed. “As a company, we have found it’s possible to do well by doing good,” Jarvis said. “But we must be intentional,” she added.

Crook then challenged panelists Anguilla, Jarvis and Montgomery on the notion that business ethics is a win-win. What if doing good costs us something? He then offered as example Steve Jobs, who believed that by focusing solely on Apple’s core business, and not on philanthropy or “giving bucks,” the company was actually bettering society. And Apple is now one of the world’s most admired companies.

One perspective, as Montgomery suggested, is that companies like Apple may define ‘good’ in their business too narrowly. “Doing good is something that makes our employees do well,” said Anguilla. “Making our employees feel valued helps our business. We must help individuals feel pride in their company.”

At the same time, Anguilla acknowledged, there are responsibilities the company must meet. “In the end, however, we are a business, and we are thriving for the shareholders,” he said. “If you can’t prove the benefit to our core business, then support for such projects might go away.”

Rarely do we encounter a straightforward ethical dilemma where we must choose between “right” and “wrong” actions. That’s why determining the best way to teach or learn ethics is always a controversial endeavor, especially at business school.

As concluding speaker Eric Dezenhall advised, practicing making decisions in ethically “gray” or crisis situations is a crucial exercise. Dezenhall then led the group through an interactive case study on the Toyota “unintended acceleration” crisis. Dezenhall asked the audience to imagine they were Toyota executives during the 2010 crisis. What is the first thing they would do? “Definitely express sympathy to the victims,” said an audience member. “No, don’t express sympathy or else you’re admitting it was your fault,” another countered. “Get your engineers to find out what exactly went wrong – ASAP,” said a third person.
Later in the discussion, Dezenhall added more information to the live case study: There is no such thing as “unintended acceleration.” With this knowledge, do you place fault on the owner, the so-called victim? “Do you blame them to save yourself? Blame vendors?” Dezenhall asked. While opinions differed, the participants did all agree that talking through tough decisions gives leaders a chance to think through and analyze the intricacies of these types of ethical dilemmas.

When discussing the need to act ethically as an organization, Dezenhall tempered the prior panelists’ emphasis on communication. “Don’t try to communicate your way out of everything,” he advised. Often, you must find and fix the root of the problem. “You can’t tweet your way out of a crisis like this,” he said, referring to the Toyota case study.

By day’s end, participants realized the value of taking time out to focus on business ethics. “We’ve asked hard questions that are easy to ignore,” Crook said in conclusion.

As the participants headed back to their real lives, all were challenged to take the afternoon’s discussion a step further. It is easy for ethics to become submerged in a hyper-competitive, high-stakes business environment. As leaders, we take for granted that we will always make the “right” decision. But, if there’s a business answer to a question, maybe we should take a moment to stop and think before answering that question “per usual.”

As most know from experience, it is not just business and government that are ethically challenged. Ethics must rise above it all. We can teach it, we can learn it, but, when challenging events unfold, we must practice ethical decision-making and behavior.

And, as for business and government, they have no choice but to collaborate. The problems of the world today are such that it’s going to take the private and public sectors working together. Each brings a different perspective and the solutions may lie at the intersection. All sectors are going to have to find a way to gain trust – starting with leaders in business and government doing what they promise in order to regain public confidence.

“So, who is ethically challenged?” Novelli asked again. “The answer is: business is, government is, we are.” And that is not something we cannot afford to ignore.
About Our University Partners

The McGowan Fund partners with top MBA programs across the United States to identify candidates for the McGowan Fellows Program. Each year, one of the 10 university partners co-host the McGowan Symposium on Business Leadership and Ethics.

The 2011 co-host was Georgetown University’s McDonough School of Business, a premier business school located at the center of world politics and business in Washington, D.C. Some 1,400 undergraduates, 1,000 MBA students, and 500 participants in executive education programs study business with an intensive focus on leadership and a global perspective. Learn more at [http://msb.georgetown.edu](http://msb.georgetown.edu).

The Global Social Enterprise Initiative at Georgetown University’s McDonough School of Business prepares current and future leaders to make responsible management decisions that create both economic and social value. It is led by Founder Bill Novelli and Executive Director Ladan Manteghi. Learn more at [http://socialenterprise.georgetown.edu](http://socialenterprise.georgetown.edu).

2012 McGowan Symposium

The next McGowan Symposium will be held at Northwestern University’s Kellogg School of Management in 2012.

“A Fellowship in the Spirit of William McGowan

The William G. McGowan Charitable Fund is a philanthropic family foundation established in 1992 to perpetuate William McGowan’s tradition of compassionate philanthropy and ethical leadership. Through the McGowan Fellows Program, the Fund supports and inspires emerging business leaders. The capstone of the Fellows Program is the annual McGowan Symposium on Business Leadership and Ethics, which brings together students and faculty from the nation’s premier business schools, the media, and recognized leaders in business, government and academia for challenging and thought-provoking discussion on the integration of ethical practices into today’s leadership circles.

Bill Novelli
Georgetown University
McDonough School of Business

Our initiatives share common values, both cultivating future leaders to be entrepreneurs and make responsible business decisions. We need collaboration and effective public private partnerships. And, above all, we need strong principled leaders.”