

Moral Compassing

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December 1989

When managing in the wilderness of the changing times, a map is of limited worth. What's needed is a moral compass. When I was in New York recently, I witnessed a mugging skillfully executed by a street gang. I'm sure that the members of this gang have their street maps, their common values - the highest value being, don't fink or squeal on each other, be true and loyal to each other-but this value, as it's interpreted and practiced by this gang, does not represent "true north" - the magnetic principle of respect for people and property. They lacked an internal moral compass. Principles are like a compass. A compass has a true north that is objective and external, that reflects natural laws or principles, as opposed to values which are subjective and internal. Because the compass represents the eternal verities of life, we must develop our value system with deep respect for "true north" principles. As Cecil B. deMille said about the principles in his movie, *The Ten Commandments*, "It is impossible for us to break the law. We can only break ourselves against the law. "

Principles are proven, enduring guidelines for human conduct. Certain principles govern human effectiveness. The six major world religions all teach the same basic core beliefs - such principles as "you reap what you sow" and "actions are more important than words." I find global consensus around what "true north" principles are. These are not difficult to detect. They are objective, basic, unarguable: "You can't have trust without being trustworthy" and "You can't talk yourself out of a problem you behave yourself into." There is little disagreement in what the constitutional principles of a company should be when enough people get together. I find a universal belief in: fairness, kindness, dignity, charity, integrity, honesty, quality, service, and patience.

Consider the absurdity of trying to live a life or run a business based on the opposites. I doubt that anyone would seriously consider unfairness, deceit, baseness, uselessness, mediocrity, or degradation to be a solid foundation for lasting happiness and success.

People may argue about how these principles are to be defined, interpreted and applied in real-life situations, but they generally agree about their intrinsic merit. They may not live in total harmony with them, but they believe in them. And, they want to be managed by them. They want to be evaluated by "laws" in the social and economic dimensions that are just as real, just as unchanging and unarguable, as laws such as gravity are in the physical dimension.

In any serious study of history - be it national or corporate - the reality and verity of such principles become obvious. These principles surface time and again, and the degree to which people in a society recognize and live in

harmony with them moves them toward either survival and stability or disintegration and destruction.

In a talk show interview, I was once asked if Hitler was principal-centered. "No," I said, "but he was value-driven. One of his governing values was to unify Germany. But he violated compass principles and suffered the natural consequences. And the consequences were momentous - the dislocation of the entire world for years."

In dealing with self-evident, natural laws, we can choose either to manage in harmony with them or to challenge them by working some other way. Just as the laws are fixed, so too are the consequences. In my seminars, I ask audiences, "When you think of your personal values, how do you think?" Typically, people focus on what they want. I then ask them, "When you think of principles, how do you think?" They are more oriented toward objective law - listening to conscious, tapping into eternal verities. Principles are not values. The German Nazis, like the street gang members, shared values, but these violated basic principles.

Values are maps. Principles are territories. And the maps are not the territories; they are only subjective attempts to describe or represent the territory. The more closely our maps are aligned with correct principles - with the realities of the territory, with things as they are - the more accurate and useful they will be. Correct maps will impact our effectiveness far more than our efforts to change attitudes and behaviors. However, when the territory is constantly changing, when the markets are constantly shifting, any map is soon obsolete.

A Compass for the Times

In today's world, what's needed is a compass. A compass consists of a magnetic needle swinging freely and pointing to magnetic north. It's also a mariner's instrument for directing or ascertaining the course of ships at sea as well as an instrument for drawing circles and taking measurements. The word compass may also refer to the reach, extent, limit or boundary of a space or time; a course, circuit or range; an intent, purpose or design; an understanding or comprehension. All of these connotations enrich the meaning of the metaphor.

Why is a compass better than a map in today's business world? I see several compelling reasons why the compass is so invaluable to corporate leaders: The compass orients people to the coordinates and indicates a course or direction even in forests, deserts, seas and open, unsettled terrain. As the territory changes, the map becomes obsolete; in times of rapid change, a map may be dated and inaccurate by the time it's printed. Inaccurate maps are a frustration for people who are trying to find their way or navigate territory. Many executives are pioneering, managing in uncharted waters or wilderness, and no existing map accurately describes the territory. To get anywhere very fast, we need refined processes and clear channels of production and distribution (freeways), and to find or create freeways in the

map provides description, but the compass provides more vision and direction.

An accurate map is a good management tool, but a compass is a leadership and an empowerment tool. People who have been using maps for many years to find their way and maintain a sense of perspective and direction should realize that their maps may be useless in the current maze and wilderness of management. My recommendation is that you exchange your map for a compass and train yourself and your people how to navigate by a compass calibrated to a set of fixed, true north principles and natural laws.

Strategic Orientation

Map vs. compass orientation is an important strategic issue, as reflected in the statement by Mr. Matsushita, president of the Japan's giant consumer electronic company: "We are going to win and the industrial West is going to lose because the reasons for your failure are within yourselves: for you, the essence of management is to get the ideas out of the heads of the bosses into the hands of labor." The important thing here is the stated reason for our "failure." We are locked into certain mindsets or paradigms, locked into management by maps, locked into an old model of leadership where the experts at the top decide the objectives, methods, and means.

This old strategic planning model is obsolete. It's a road map. It calls for people at the top to exercise their experience, expertise, wisdom and judgment and set 10-year strategic plans - only to find that the plans are worthless within 18 months. In the new environment, with speed to market timetables of 18 months instead of five years, plans become obsolete fast. Peter Drucker has said: "Plans are worthless, but planning is invaluable." And if our planning is centered on an overall purpose or vision and on a commitment to a set of principles, then the people who are closest to the action in the wilderness can use that compass and their own expertise and judgment to make decisions and take actions. In effect, each person may have his or her own compass; each may be empowered to decide objectives and make plans that reflect the realities of the new market.

Principles are not practices. Practices are specific activities or actions that work in one circumstance but not necessarily in another. If you manage by practices and lead by policies, your people don't have to be the experts; they don't have to exercise judgment, because all of the judgment and wisdom is provided them in the form of rules and regulations.

If you focus on principles, you empower everyone who understands those principles to act without constant monitoring, evaluating, correcting or controlling. Principles have universal application. And when these are internalized into habits, they empower people to create a wide variety of practices to deal with different situations.

Leading by principles, as opposed to practices, requires a different kind of training, perhaps even more training, but the payoff is more expertise, creativity, and shared responsibility at all levels of the organization.

If you train people in the practices of customer service, you will get a degree of customer service, but the service will break down whenever customers present a special case or problem because in doing so they short-circuit the Standard Operating Procedure system.

Before people will consistently act on the principle of customer service, they need to adopt a new mindset. In most cases, they need to be trained - using cases, role plays, simulations and some on-the-job coaching - to be sure they understand the principle and how it is applied on the job.

With the Compass, We Can Win

"A compass in every pocket" is better than "a chicken in every pot" or a car in every garage.

With moral compassing, we can beat Japan. My view is that the Japanese subordinate the individual to the group to the extent that they don't tap into the creative and resourceful capacities of people - one indication being that they have had only two Nobel Prize winners compared to 186 in the U.S. The highest leadership principle is win-win interdependency, where you are both high on individual and high on team. But once people start to realize that this "compass" is going to be the basis for evaluation, including leadership style of the people at the top, they tend to feel very threatened.

The president of a major corporation recently asked me to meet with him and his management team. He said that they were all too concerned with reserving their own management style. He said that the corporate mission statement had no impact on their style. These executives felt that the mission was for the people "out there" who were subject to the law, but that they were above the law. The idea of moral compassing is unsettling to people who think they are above the law. Because the constitution, based on principles, is the law - it governs everybody, including the president. It places responsibility on individuals to examine their lives and determine if they are willing to live by it.

All Are Accountable to the Laws and Principles

I'm familiar with several poignant examples of major U.S. corporations telling their consultants, "We can't continue to do market feasibility studies and strategic studies independent of our culture and people." These executives understand what Michael Porter has said: "A implementation with B strategy is better than A strategy with B implementation.

We must deal with people/culture issues to improve the implementation of strategy and to achieve corporate integrity. We must be willing to go through a constitutional convention, if not a revolutionary war, to get the issues out on the table, deal with them, and get deep buy-in on the decisions. That won't happen without some blood, sweat, and tears.

Ultimately, the successful implementation of any strategy hinges on the integrity people have to the governing principles and on their ability to apply those principles in any situation using their own moral compass.