Contents

Introduction vii
Anecdotes from interviews xii

PART I
The ethical context of governance 1

1 Values 3

2 Ethics 12

The issue of ethical research 20
Personal ethics vs corporate ethics 21
The Johari Window 25
Emotional intelligence 27

3 Organisational culture 29

The complex issue of culture 29
Culture: achiever or deceiver? 35
Culture from the top: the role of boards in organisational culture 37
Modelling culture 39
The competencies for changing culture 43
What do you do when your competitors gain advantage through unethical practices? 44

4 Leadership 46

The bigger picture 48
Board leadership 51
PART II
The board’s role in corporate ethics

5 The board’s macro perspective

The bigger context 59
Complexity and ambiguity 66
Governing and directing ethics: varying and complementary roles of boards 76
Inherent ethical issues in corporate governance vs society’s expectations 83

6 The ethics kaleidoscope: gaining strategic advantage

Lens 1: External risks 88
Lens 2: Internal processes 89
Lens 3: Board risks 93
Lens 4: Organisational culture 95
Lens 5: Intuition 96
An important note to explain the kaleidoscope:
how board members construct knowledge 98

7 What about the future? Thoughts and recommendations for boards

Recommendations for boards 102
Lens 1: External risks 102
Investors and lobbying groups 103
Lens 2: Internal processes 103
Lens 3: Board risks 105
Lens 4: Organisational culture 106
Lens 5: Intuition 109

Epilogue 110
Index 111