

Translate ethical values to everyday actions

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“I DO WHAT I’M TOLD.”

“I do what I believe is right.”

“I encourage others to follow my lead.”

The first statement reflects our industry’s compliance focus. Our regulators and product companies are good at disseminating compliance rules. They love to publish weighty manuals and distribute ominous-sounding memos. Unfortunately, the human brain is hard-wired to break rules, even though it’s illegal. Most people resent being told what to do.

The second statement reflects one’s personal moral code or ethical values. We use these values to decide whether to obey the law — and how to act when there are no laws constraining us. Ethical values deal more with the spirit of the law than the letter of the law, as compliance does. When we develop our own strong ethical values, we are more likely to act appropriately. Most people find it easier to act on their beliefs than to obey the mandates of others.

The third statement refers to each individual’s obligation to be an ethical leader — in his own life, family and business. If you really believe something is right, you naturally encourage others to follow your lead.

Clearly, our industry needs all three mindsets. The compliance view keeps us out of legal hot water. The personal ethical view challenges us to go beyond the law to do what’s right. And the ethical leadership view keeps our entire industry on solid ground.

Unfortunately, the second and third are works in progress. Many advisors have yet to identify their ethical values and write them down. But having a written ethics code or policy is the best way to integrate your personal ethical values into your daily actions.

Similarly, financial marketing organizations are getting

better at communicating their compliance guidelines. But compliance is only an admission ticket to the game. Playing to win requires taking that aforementioned ethical leadership stance — defining in writing how they’d like their producers to behave. And many business leaders are winning big.

For example, Ray Ohlson, president and CEO of The Ohlson Group, strongly urges his advisors to build their business on a SCIP foundation: Service. Credibility. Integrity. Profitability. He preaches that “these four elements must be present for all participants in a financial transaction. This includes the entity delivering the product, the advisor offering it and the consumer buying it.”

And these leaders not only put their ethical values in writing; they also aggressively encourage others to live those values. But don’t mistake most for warm-and-fuzzy do-gooders. They do more than just practice ethical leadership because it feels good (although it does); they do so because it makes good business sense:

- It reduces business liability.
- It helps employees and producers make good decisions.
- It ensures high-quality customer service.
- It prevents costly administrative errors and rework.
- It consistently grows the bottom line.

And perhaps most importantly, it keeps everyone off the front pages — and free (literally) to stay in the game.

Don’t miss Dr. Barton at Senior Market Expo Sept. 27-29. Visit www.seniormarketexpo.com for more information.

STEVEN MCCARTY IS A DIRECTOR OF THE NATIONAL ETHICS BUREAU, A CONSUMER RESOURCE FOR ETHICS-QUALIFIED INSURANCE AND FINANCIAL ADVISORS. TO QUALIFY FOR MEMBERSHIP, CALL (800) 282-1831 OR GO TO WWW.ETHICSHECK.COM.