



Setting the Tone: a New Zealand perspective on ethical business leadership

Report

By Jane Arnott and Guendalina Dondé

Summary

What does ethical leadership mean in New Zealand?

Why is it important to set the right tone from the top?

What leadership traits promote trust? And how can these qualities be applied to business and effectively engage stakeholders?

This report explores the importance of ethical leadership in setting the tone of a business from a New Zealand perspective. .

It provides an overview of thought leadership and highlights some of its practical applications in New Zealand by drawing on a series of interviews with prominent business leaders.

Interviewees were selected on the basis of their *mana*, their achievements and their overall standing across a cross section of sectors. Several interviewees have been recognised as pioneers in their sector, having received awards for their leadership skills or been linked to business success that has left a lasting legacy. A full list of interviewees is overleaf.

The report is presented in four chapters:

Chapter 1 provides a description of the context in which business leaders in New Zealand operate. It describes how the context has evolved over time and why a formalised approach to business ethics is important.

Chapter 2 discusses the characteristics of an ethical leader and the importance of setting the right tone from the top to support an ethical culture. It includes examples of real ethical dilemmas that interviewees faced and how they approached them. It illustrates how ethical leaders need to go beyond compliance with the law to embed their organisation's core ethical values.

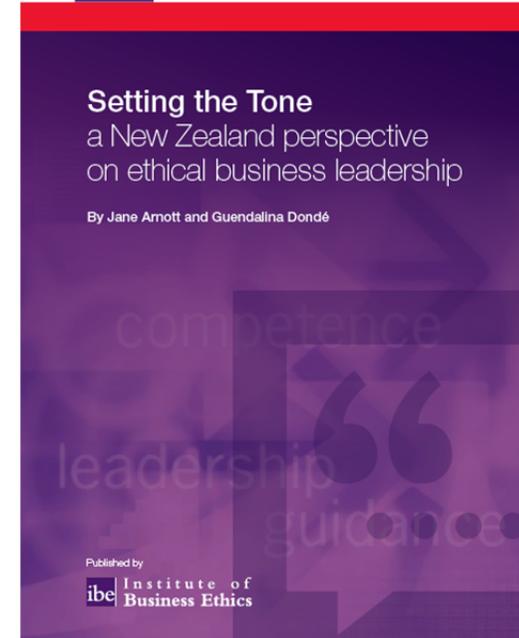
Chapter 3 focuses on the importance of building trust and retaining the licence to operate from society. It addresses some of the main ethical issues and risks that business leaders need to tackle to do so effectively.

Chapter 4 highlights the importance for ethical leaders to give guidance to their employees, supporting their commitment by establishing an ethics programme, and engaging with employees to empower ethical decision-making.

Setting the Tone is essential reading for anyone leading an organisation, from boards, directors, to managers and team leaders.



Report **ibe**



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The people interviewed were (in alphabetical order):

- Mike Bennetts, CEO, Z Energy Limited
- Kevin Bowler, CEO for New Zealand, Frucor
- Angela Buglass, CEO, Trilogy International Ltd
- Rob Campbell, Chairperson, Tourism Holdings and Summerset Group
- Tony Carter, Chairperson, Air NZ and Fisher and Paykel Healthcare
- Simon Challies, former CEO, Ryman Healthcare
- Barbara Chapman, CEO, ASB
- Mark Cairns, CEO, Port of Tauranga
- Liz Coutts, Chairperson, Ports of Auckland
- Martin Dippie, Chairperson, Mitre 10
- Whaimutu Dewes, Chairperson, Moana NZ
- Rob Fyfe, Chairperson, Icebreaker
- Brian Gaynor, CEO, Milford Asset Management
- Peter McBride, Chairperson, Zespri
- Dame Alison Paterson, Independent Non-Executive Director, Vector
- John Penno, CEO, Synlait
- Mark Peterson, CEO, NZX
- Bruce Plested, Chairperson and Founder, Mainfreight
- Mike Sang, CEO, Ngai Tahu
- Lees Seymour, CEO, Nelson Forests
- Charles Spillane, CEO, Kensington Swan
- Michael Stiasny, Chairperson, Vector
- Anne Urlwin, Chairperson, Naylor Love Construction
- Dr Brent Wheeler, Chairperson, Boardroom Practice

About the Institute of Business Ethics

The Institute of Business Ethics, whose purpose is to promote high standards of business behaviour based on ethical values, is an important partner to any business wanting to preserve its long-term reputation by doing business in the right way.

For over 30 years, the IBE has advised organisations on how to strengthen their ethical culture by sharing knowledge and good practice, resulting in relationships with employees and stakeholders that are based on trust.

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