



LEADERSHIP EFFECTIVENESS: DECENCY QUOTIENT

Consider two leaders we know. We will call one Rick and the other, Alan. Rick is tough, driven, and results-oriented. He is compassionate, ethical, inclusive, calm, composed, and fair. Morale and loyalty are high in his organization, and organizational results continue to get better every year. His employees would follow him to the ends of the earth.

Likewise, Alan is tough, driven, and results-oriented. However, he is also self-focused, biased, easily flustered, and insecure. He favors some employees over others, and his ethics are dubious. Many of his employees will quit their jobs as soon as they can line something else up; they write negative reviews on Glassdoor; they are unmotivated and unproductive, and the organization's results reflect this discontent. The Board and CEO are working to replace Alan ASAP.

Both leaders are technically competent, but the similarities end there.

The difference can be characterized as decency. The dean of the Fuqua School of Business at Duke University, Bill Boulding, recently wrote an article, [For Leaders Decency Is Just as Important as Intelligence](#), in *Harvard Business Review*, laying out the case for adding what he calls DQ (Decency Quotient) to IQ (indicator of intelligence/competence) and EQ (indicator of emotional intelligence/emotional awareness, empathy) as fundamental to leadership.

This is how Dean Boulding has described the Decency Quotient: *“DQ means that a leader has the genuine desire to do the right thing for employees and colleagues. DQ means wanting something positive for everyone in the workplace and ensuring everyone feels respected and valued. DQ is evident in a manager’s daily interactions with others, as well as in setting goals for the company that meet fiscal objectives and improve lives. DQ implies your focus is on doing right by others.”*

Leaders who have been cited as having DQ are Ajay Banga of Mastercard, David Taylor of P&G and Jeff Weiner of LinkedIn ([Why Decency in Leadership is a Competitive Advantage](#)).

Business schools, HR departments, and writers are calling out the dearth of decency in organizations.

One would hope that ethics, integrity, doing the right thing, treating others (employees, customers, community) honorably would all be “part and parcel” of leadership. However, it has been observed that, in some quarters, decency is in short supply. Some examples of this scarcity: the financial services industry, Enron, Bernie Madoff, Tyco, WorldCom, HealthSouth, Arthur Andersen, Adelphia Communications, Facebook. This is a partial list; you no doubt can name additional ones.

Tone is set at the top—how people treat each other, ethics, integrity, values, compassion, and doing the right thing by customers, employees and community. Leaders demonstrate (and employees emulate) what is ok, what is acceptable, what is rewarded, what is fostered, and therefore, what leads to promotion within the organization. Make no mistake—setting the tone of an organization is an important responsibility of leadership—that includes inculcating decency.

Over the course of your career, what leaders have you known who modeled decency—and what were the effects on their organizations? What do you believe is the responsibility of leadership if someone does not demonstrate high DQ?