

**SETTING THE TONE AT THE TOP:  
DEFINING MOMENTS IN LEADERSHIP FROM THE  
HEBREW BIBLE**

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**Abstract**

This study provides leadership examples from the Bible to help modern organizations implement internal controls that comply with the COSO Internal Control – Integrated Framework. The Framework’s first principle is a commitment by the organization to integrity and ethical conduct, namely by setting an example through a positive “tone at the top”. This paper provides examples of “defining moments in leadership” from the Hebrew Bible to help contemporary leaders make ethical choices when faced with such defining moments. Defining moments, which are confronted by leaders as well as ordinary people, can shape the legacy of a person, leader, organization, or even a nation. Some leaders make the right decision and go on to become role models, heroes, and even legends; others make a bad choice and their names become synonymous with failure. This paper examines the actions and choices of several heroes from the Hebrew Bible to see how they reacted when confronted with a critical choice during such defining moments; lessons to be learned include prudence, responsibility and justice.

**Key Words:** COSO, internal controls, setting the tone at the top, leadership, defining moment in leadership, biblical leaders, Bible, control environment, ethics and integrity

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## **INTRODUCTION**

In response to corporate scandals in the past four decades, the importance of internal controls and corporate governance has increased dramatically. The Foreign Corrupt Practices Act of 1977 first required public companies to maintain internal controls so as to safeguard their assets and ensure reliable financial records. In 1992, a group of five academic and professional accounting organizations formed the Committee of Sponsoring Organizations of The Treadway Commission (COSO) to publish an Integrated Framework (“Framework”) for internal controls. By 2002, the Sarbanes-Oxley Act required that auditors express an opinion on the adequacy of internal controls, and the Framework became the benchmark for auditors. The Framework recognizes the critical role played by an organization’s board of directors and senior management in “setting the tone” and “control environment” of ethics and integrity through personal example. In fact, the recently-proposed update to the Framework lists “Tone at the Top” as the first point of focus; and “Commitment to Ethics and Integrity” as the first of 17 principles of internal controls. In its discussion “Tone at the Top”, the Framework states:

In addition to fostering an understanding and adherence to legal and regulatory requirements, management and the board take specific measures to set the tone. In terms of moral, social,

environmental, or other forms of responsible conduct, such as greenhouse gas emissions reporting, sustainable production processes, or community outreach after natural disasters. (Paragraph 148)

Tone is impacted by the operating style and personal conduct of management and the board of directors, attitudes toward risk...which sends a message to the organization. Personal indiscretions, lack of receptiveness to bad news, or unfairly balanced compensation practices could impact the culture and ultimately provide an incentive for inappropriate conduct.

In contrast, a history of ethical and responsible behavior by management and the board of directors and demonstrated commitment to addressing misconduct send strong messages in support of integrity. Employees are likely to develop the same attitudes about right and wrong—and about risks and controls—as those shown by management. Individual behavior is often influenced by the knowledge that the chief executive officer has behaved ethically when faced with a tough business-based or personal decision, and that all managers have taken timely action to address misconduct. (Paragraph 150)

This article uses examples from the Bible to present positive examples of leaders setting the tone at the top. These examples relate specifically to the desirable “tone at the top” qualities listed by COSO in the preceding paragraphs. Specifically, the paper will discuss examples of the following attributes:

- Responsible membership in the community,
- Fair compensation,
- Conservative attitude towards risk,

- Receptivity to bad news,
- Commitment to addressing misconduct, and
- Ethical behavior in the face of a tough decision.

The influential ethicist Peter Singer, in collaboration with Renata Singer, has turned to literature from throughout the ages to provide examples of ethical behavior (Singer and Singer 2005).<sup>1</sup> The benefit of using great literature to teach ethics is that literature dramatizes key moments in which people must choose between two different paths. Singer and Singer write:

...most of us face moments at which we must choose between our own interests, as we see them, and doing something that could be more difficult, and perhaps would involve some hardship or sacrifice, but that seems to be the right thing to do from some larger perspective than simply consideration of our own interests.” (page 4)

This article turns to the Bible for examples of such defining moments and appropriate decisions in such moments. The Bible, without question among the most important works in literature, is the “Number One Most Read Book” with 3.9 billion copies produced and sold (Chapman, 2012). It has had a profound effect on humanity, influenced the lives of millions of people, and is a powerful tool for teaching enduring lessons. Numerous scholars have examined the lives of Biblical personalities with the purpose of deriving significant lessons in how to be an effective leader (Friedman and Birnbaum, 2012; Friedman and Friedman, 2012a; Friedman and Friedman, 2012b; Feiler, 2010; Laufer, 2006; Friedman, Friedman, and Fireworker, 2006; Friedman and Friedman, 2004; Friedman, 2001; Friedman and Langbert, 2000;

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<sup>1</sup> Singer and Singer (2005) provide moral lessons from 79 works of literature, including Shakespeare. One of the referees correctly noted “One might just as easily write an article using the collected works of William Shakespeare as a source of ethical guidance.” The author does not disagree.

Gellis, Giladi and Friedman, 2002; Woolfe, 2002; Baron and Padwa, 1999; Herskovitz and Klein, 1999; Wildavsky, 1984). One wishes that the 20 worst American CEOs of all time (<http://www.cnbc.com/id/30502091/>) would have studied the Bible for inspiration.

Some of the examples of ethical behavior listed below demonstrate that biblical heroes were not beyond making mistakes. In fact, even the greatest biblical heroes, such as Abraham and Moses, lose a bit of faith at points of great trial. Others, like Judah, exhibit reckless and selfish behavior before ultimately facing their responsibilities. Judah in particular provides an encouraging example of how correct choices during defining moments provide an opportunity for redemption from previous mistakes.

The proceeding lessons from Abraham, Jacob, Judah, and Joseph come from Genesis, the first book of the Bible, while the lessons from Moses comes from the beginning of Exodus, the second book of the Bible. These five leaders teach lessons of responsibility, empathy, fairness, prudence, and justice.

## **LEADERSHIP EXAMPLES FROM THE BIBLE**

### **Abraham**

**Social Responsibility, Empathy, Fairness.** Most readers of the Bible assume that Abraham's greatest test came when he was asked by God to sacrifice his beloved son, Isaac. Actually, his defining moment as a leader came when God said the following:

Shall I conceal from Abraham what I am about to do? For Abraham will certainly become a great and powerful nation, and all the nations of the earth will be blessed through him. For I know him, that he will command his children and his household after him to keep the ways of the Lord to do righteousness and justice (Genesis 18:17-19).

God then informed Abraham that he would eradicate Sodom and Gomorrah because of their wicked deeds. At this point, Abraham could have accepted God's decision. After all, he himself believed in treating strangers with kindness and hospitality, the opposite of Sodom and Gomorrah. Compare how Abraham treated three strangers in the desert (Genesis 18, 19) and how the citizens of Sodom acted when they heard that there were strangers in town. Abraham was extremely hospitable and personally took care of the three strangers. The citizens of Sodom, young and old, were ready to rape the two strangers who were staying with Lot. Abraham acted with compassion and dared to challenge God (Genesis 18:25): "Shall not the Judge of all the earth do justly?" Abraham haggled with God to save the wicked cities of Sodom and Gomorra from annihilation because he had a great love for humanity and a hopeful, optimistic way of seeing the shortcomings of people (Genesis 18:20-33):

Abraham: 'What if there are 50 innocent people in the city? Will you still destroy it?'

God: 'If I find 50 innocent people in Sodom, I will spare the entire area.'

Abraham: 'Suppose there are 45?'

God: 'I will not destroy it if I find 45'

Abraham: 'What if there are 40?'

God: 'I will not act if there are forty'

Abraham: 'What if there are 30?'

God: 'I will not act if there are thirty'

Abraham: 'What if there are 20?'

God: 'I will not act if there are twenty'

Abraham: 'What if there are 10?'

God: 'I will not act if there are ten'

Abraham finally gave up.

This dialogue makes it clear that Abraham felt a sense of social responsibility to save the larger community, not just his own

kin. He felt the responsibility to hold God accountable for his actions as they affected the larger community.

In setting a tone of accountability and justice at the top, leaders must have the courage to confront peers and superiors about actions that will ultimately have a negative impact on stakeholders, even if the convenient course of action is to not rock the boat. The accounting scandal at Olympus of Japan provides an example of two leaders at bay (Woodford, 2012). On the one hand, president and CEO Michael Woodford urged the board and its chairman to confront years of accounting fraud. On the other hand, the board of directors and even outside bankers and shareholders refused to face the facts. Eventually, the scandal surfaced anyway, but not before Woodward was forced out in humiliating circumstances.

**Fair Compensation, Refusal of Unfair Gain.** In many of the corporate failures of recent years, employees, shareholders and other stakeholders suffered large losses while CEOs managed to keep their compensation. Very few apologized, and none offered to return their ill-gotten profits. The following examples of compensation retained by failed CEOs is staggering: Countrywide, \$539 million; Washington Mutual, \$95 million; Merrill Lynch, \$201 million; Lehman Brothers, \$167 million; Bear Stearns, \$424 million (Dash 2012).

On two separate occasions, Abraham refuses to profit from his position of leadership and honor. Abraham refuses to take part in war spoils after a successful military campaign. Abraham tells one of the kings he had rescued *"I will take neither a thread nor a sandal strap nor anything that is yours, lest you should say, 'I have made Abram rich.'"* (Genesis 14:23). When Abraham sought to bury his wife Sarah, he turned down repeated offers of free land and insisted on paying a "full price" (Genesis 23:16). Ethical leaders insist on fair compensation for others and do not leverage their position of power to secure unfair compensation for themselves.

**Jacob**

**Prudence in the Face of Risk.** Sometimes leaders are confronted with a “lose-lose” proposition. Perhaps as a result of past mistakes and misjudgment, the current situation appears as a choice between the terrible and catastrophic. To formulate plans and minimize damage, leaders must first be brave enough to honestly assess the current situation. In extreme cases, leaders must make a decision to sacrifice a portion of the organization to ensure that at least a portion survives to thrive in a better day.

Jacob was the son of Isaac, grandson of Abraham, brother of Esau, father of Joseph and Judah. His life story is one of the most dramatic stories ever told. After tricking his father to bless him over his elder brother Esau, he flees penniless and alone to Mesopotamia from his parents’ home in Hebron. Several decades later he returns a rich and successful man with a large family and extensive flocks. As he approaches Hebron, Jacob learns that his brother Esau has amassed a small army against him (Genesis 32).

Rather than simply flee from Esau and hope for the best, Jacob sent a substantial gift and salutation to propitiate his brother. Still, Jacob did not sit back and hope for Esau to forgive him. He actively prepared himself for a potential armed struggle, to the point of splitting his family in two. In the worst case scenario, in which Esau will destroy a part of the family, the second half would escape and survive. Although he prepared for disaster, his propitiations and gifts to Esau served their purpose. Esau accepted the gesture and embraced Jacob with brotherly love.

Few leaders of failed organizations admit they have done anything wrong personally (Dash 2012). If these leaders were better able to assess risk and the potential consequences of previous mistakes, they might have been in a position to take remedial steps to eliminate or at least mitigate risks. “Setting the tone at the top” requires a frank assessment of risks, and such an assessment is only possible in an environment that allows for the admission of past mistakes.

## Judah

### **Personal Redemption in the Face of a Tough Decision.**

Judah actually had two defining moments in his life.

Judah had three sons: Er, Onan, and Shelah. Judah selected a wife for Er, and her name was Tamar (Genesis 38: 6). Er and Onan were both evil and God killed them. It is not clear what Er did, but the Bible is quite explicit as to what Onan did. He was guilty of *coitus interruptus* with Tamar because he did not want to give his dead brother an heir. In ancient times, a surviving brother-in-law married the widow – this was known as levirate marriage – who had no children so that the deceased brother would have an heir who would inherit the property and the name of the deceased brother (see Deuteronomy 25: 4-10). Judah was afraid to let Tamar marry Shelah so he deceived Tamar by telling her to go home to her parents and wait for Shelah, the remaining brother to grow up. Judah clearly had no intention of instructing Shelah to perform levirate marriage and was lying to Tamar. Eventually, Tamar figured out that Judah had deceived her and had absolutely no intention of allowing Shelah to become her husband (Genesis 38: 14). In the meanwhile, Judah became a widower.

Subsequently, Tamar found out that Judah was going to oversee the shearing of his sheep in the town of Timnah. She removed “the garments of her widowhood” and covered her face with some kind of veil (some scholars believe that she disguised herself as a cultic prostitute – a *kedesha* — perhaps the veil of a votary of Astarte, and therefore had an excuse to keep her face covered so that her father-in-law, Judah, would not recognize her), and sat by the side of the road to make sure that Judah would see her. Judah propositioned her (Genesis 38:16) and Tamar responded: "What will you give me, that you may come into me?" Judah promised her a young goat. Tamar demanded a pledge to make sure that she got paid. Judah gave her his signet, wrap, and staff. Judah had sex with the prostitute, not knowing that it was actually Tamar, his daughter-in-law, and made her pregnant. Judah sent his friend Hirah with a goat to pay the prostitute and retrieve

his pledges but the “prostitute” had disappeared. Judah went back home.

Three months later, Judah heard that Tamar was pregnant by harlotry. Judah, who at this point in his life has so far been guilty of deceiving his father, his daughter-in-law, and has even convinced his brothers to sell Joseph as a slave, insisted that Tamar be taken out and burned alive (Genesis 38:25). As the chief of the clan, he probably felt that Tamar deserved a harsh punishment for her act of sexual immorality.

Tamar had the signet, wrap, and staff sent to Judah saying (Genesis 38: 25): “By the man to whom these belong, I am pregnant.” This was a crucial crossroad for Judah. He could have continued with his deceptive ways and allowed her to be executed. Instead, Judah said: “She is more righteous than I, inasmuch as I did not give her to my son Shelah. And he did not have relations with her again” (Genesis 38: 26). Presumably, by admitting what happened, Judah became a laughingstock among the townspeople. Kass (2003: 536) declares:

Tamar teaches Judah— and the reader— multiple lessons about right and duty: the justice of keeping promises; the justice of treating all sons equally (upholding the levirate duty); the duty of brothers to uphold and care for one another; and the duty of fathers to care for all their descendants and not only those they prefer and love. Bearing witness against himself, Judah is the first person in Genesis to publicly acknowledge his own unrighteousness, a wrong, he implicitly suggests, that is worse than harlotry.

This was an important step for Judah and he seems to have returned to his family after this incident. Had he allowed Tamar, who was pregnant with twins (Peretz and Zerach) to be killed, the history of the Israelites would have totally changed. Judah’s two

sons from Tamar, Zerach and Peretz, were counted among the children of Israel who left for Egypt with Jacob (Genesis 46:12). Peretz became the ancestor of the entire Davidic line of kings and ultimately the Messiah.

**Lessons Drawn from Previous Mistakes.** Life sometimes offers leaders second chances, in which they get to make the right choice in circumstances very similar to previous failures to make the right choice. In order to take advantage of these second chances for personal redemption, leaders must face their previous mistakes and admit them.

The incident with Tamar was an interlude in an even greater drama involving Judah and his brother Joseph. Prior to the Tamar incident, Judah and nine of his siblings sold their brother Joseph into slavery. This treacherous act, borne out of jealousy, was kept secret from their father Jacob and their youngest brother, Benjamin. During the twenty-two years that Joseph was separated from his brothers, he slowly rose from an imprisoned slave to the Viceroy of Egypt. In one of literature's great dramas, Joseph's brothers are forced to travel to Egypt to acquire grain in a time of famine. Joseph, the Egyptian Viceroy, recognizes them, but they do not recognize him. Joseph takes advantage of the situation to test his brothers to see if they regretted their decision to sell him into slavery.

The second defining moment for Judah came when the Viceroy's (who was not recognized by the brothers but was actually Joseph) special chalice had been stolen. The silver chalice was found among Benjamin's possessions (it was placed there by Joseph's servants) and Joseph declared that Benjamin would have to remain in Egypt as his slave. Judah told the Viceroy (Genesis 44: 16): "What shall we say to my lord? What shall we speak? Or how can we clear ourselves? God has found out the guilt of your servants; behold, we are my lord's servants, both we and he also in whose hand the cup has been found." Judah believed that this was a divine punishment for having sold Joseph. However, Judah saw

that this could not be the case since the Viceroy only wanted to punish Benjamin by making him a slave and allowing the 10 brothers – the guilty ones who had actually sold Joseph – to return home.

Judah, who was now back as a leader of the clan, approached the Viceroy all alone. Scholars agree that Judah's heartfelt plea is among the most eloquent speeches in all of literature. In this plea, Judah kept returning to his father's pain. Clearly, Judah had remorse over the sale of Joseph. After all, Judah was the one who said: "What profit will there be if we kill our brother..." Judah is remembering his father's pain and his own responsibility in selling Joseph as a slave.

Judah's plea includes the following: "For how can I go up to my father if the lad is not with me? I cannot bear to look upon the evil misery that shall come on my father." It is clear that the Judah who is speaking now is not the same one who spoke twenty-two years earlier encouraged the sale of Joseph. Judah learned from his mistakes and was a changed man. Losing a wife and two children transformed him. Judah came full circle when he said (Genesis 44: 33): "Now, therefore, please let your servant remain instead of the boy a slave to my lord, and let the boy go up with his brothers."

The most important lesson one learns from Judah is that a person can change. Judah went from being someone who was so mercenary that he encouraged his brothers to sell Joseph into slavery to a person who was willing to sacrifice himself and become a slave in lieu of his half-brother, Benjamin.

## **Joseph**

**Community Before Petty, Personal Interests.** In diagnosing the failures in leadership on Wall Street, it would be a mistake to focus on greed alone. Setting the tone at the top requires leaders to show mature leadership in a range of ways other than just financially. As far back as the 1980s, the popular book *Liar's Poker* (1989) by Michael Lewis illustrated the infantile and

petty background to the scandals of that era. The opening pages of *Liar's Poker* quote a book from an even earlier era to show the long tenure of immaturity and pettiness within Wall Street:

“Wall Street” reads the sinister old gag, “is a street with a river on one hand and a graveyard at the other.” This is striking but incomplete. It omits the kindergarten in the middle. (Frederick Schwed, *Where Are All the Customers' Yachts?*)

Joseph serves as an example of a leader who managed to put aside his own hurt and instead acted in a mature, responsible manner. Imagine the horror of being sold as a slave by your brothers at the age of seventeen. If that was not enough, your master's wife accuses you of attempted rape and you now find yourself in prison. One can safely assume that the prisons in ancient Egypt did not provide all the amenities of life. It would not be farfetched to assume that getting even with your brothers would be all consuming. After toiling as a slave for thirteen years, Joseph found himself as the Viceroy of Egypt. Moreover, there is a famine in the Land of Canaan and his ten brothers arrive in Egypt looking to purchase food. This certainly was a good opportunity to get even. In fact, having his brothers executed would have been a justifiable act. We all know of stories where getting even is the first thing one does upon getting to the top of the corporate ladder.

Joseph took a different approach. First, he tested his brothers to determine whether they had indeed changed. Once Joseph established that his ten half-brothers were not abusing Benjamin (his full brother) -- indeed, as noted above, Judah offered himself as a slave in lieu of Benjamin -- Joseph revealed himself to his kin. The Bible states (Genesis 45:15): "He kissed all of his brothers and wept on them." Instead of getting even, Joseph informed his brothers he would take care of their entire families during the seven-year famine. What kind of story is this? Why did Joseph not get even with his brothers? They deserved to be punished for their inhuman crime. Perhaps Judah deserved to be

punished the most. After all, he was the one who convinced the brothers to sell him as a slave.

In fact, the brothers were never quite sure of Joseph's true feelings after their reconciliation. After all, you cannot do much worse to a person than selling him as a slave. And, indeed, when their father Jacob died in Egypt seventeen years after their reconciliation, the brothers thought that perhaps now Joseph would take vengeance against them for their horrible deed. Instead, Joseph said the following (Genesis 50:19-20): "Fear not! For shall I then take God's place? Although you intended to do harm to me, God intended it for good."

A good leader is not concerned with avenging slights to his or her honor. Rather, she cares about what is best for the entire organization and will overlook personal slights. Individuals who spend their days trying to get even do not make upright people and are certainly not suitable as leaders.

## **Moses**

**Commitment to Addressing Misconduct.** There were two defining moments in the life of Moses.

Moses was raised by the daughter of Pharaoh. He was a prince of Egypt and could have had a wonderful life as an Egyptian. He knew that he was born a Hebrew, but there was no need for him to join the oppressed people. After all, they were slaves in Egypt. The verse says it all:

And it came to pass in those days, when Moses was grown up, that he went out to his brethren, and saw their burdens; he saw an Egyptian man smiting a Hebrew man, one of his brethren. And he looked this way and that way, and when he saw that there was no man, he slew the Egyptian and hid him in the sand (Exodus 2: 11-12).

In contemporary ethical terms, the killing may seem questionable to say the least. However, the larger leadership lesson is that Moses felt a responsibility to address misconduct and did not shrink from identifying with his roots, which was the Hebrew underclass. Scripture emphasizes “brethren”; Moses wanted to see how his brothers were being treated. Moses was a man of justice his entire life and could not allow the Egyptian taskmaster to strike the Hebrew slave. Because of this impulsive act, Moses had to flee Egypt and give up the luxurious life in the Egyptian palace. Instead, he became a Midianite shepherd working for his father-in-law, Jethro. Shortly after arriving in Midian, Moses again stands up for the defenseless, but this time he does so without resorting to killing (Exodus 3). He had learned to temper his sense for justice with a sense for proportion.

**Community Before Narrow Personal Interests.** The second defining moment came after he had led the Hebrews out of Egypt. All the Hebrews witnessed the revelation on Mt. Sinai and were told the Ten Commandments directly by God. While Moses was on top of the mountain for forty days and forty nights, they made the Golden Calf. God told Moses that the people made a molten calf and prostrated themselves and sacrificed to it. God then told Moses:

I have seen this people, and, behold, it is a stiff-necked people. Now therefore let me alone, that my wrath may flare up against them and I shall annihilate them; and I shall make of you a great nation (Exodus 32: 9-10).

Moses had the opportunity to become a great nation. Instead, he convinced God to forgive the Hebrews. Moses tells God (Exodus 32: 32): “But now, if You would please forgive their sin! – but if not, then erase me out of the book You have written.”

The book Moses is referring to is the book of life. Moses is telling God that if the Hebrews are annihilated for their sin, he

wants to die alongside the people. This is the mark of a great leader, one who has compassion for his people and who prioritizes the people's welfare over his own. This is quite different from many of the corporate leaders we saw in the last decade. They contributed to the demise of their firms by taking on a huge amount of risk (or were deeply involved in accounting irregularities) in order to maximize their own profits. They were indifferent to the needs of their stakeholders.

The LIBOR scandal of 2012 serves as an example of financial executives who were given a sacred task by society to provide unbiased interest-rate data, which determined the payments made by tens of millions of borrowers around the world. Rather than take this sacred responsibility to heart, the executives manipulated the LIBOR rate during the financial crisis. Ultimately, UBS of Switzerland agreed to a \$1.5 billion criminal penalty, and virtually all the major banks are expected to follow suit (Enrich, 2012). Time will tell if the banking community will take their fiduciary responsibilities more seriously in the future.

It is noteworthy that it was an academic paper, by Providence College Accounting Professor Michael Kraten and others, which first raised attention by media and regulators to possible manipulations in the LIBOR. Their paper was posted on SSRN in 2008, presented at the American Accounting Association in 2010, and published in early 2012 (Abrantes-Metz et al, 2012; Providence College, 2012). The research of accounting academics in areas of public policy does make a difference in the "real world"!

## **CONCLUSION**

In setting "the tone at the top", leaders of organizations have the opportunity to set a personal example of integrity and ethical behavior. Leaders set the tone through their everyday actions that demonstrate that they are willing to sacrifice short-term financial gain, whether personal or corporate, for the benefit of a prosperous, equitable, and sustainable future for the community as

a whole. During “defining moments” leaders must be prepared to exercise extraordinary leadership qualities. This paper gave examples of biblical leaders who rose to the occasion and exercised ethical leadership at such defining moments.

The Internal Control Framework identifies the following attributes of “tone at the top”:

- Responsible membership in the community;
- Fair compensation practices;
- Conservative attitude towards risk;
- Receptivity to bad news;
- Commitment to addressing misconduct; and
- Ethical behavior in the face of a tough decision.

This article explored leadership examples from figures such as Abraham, Jacob, Joseph, Judah, and Moses as leaders who exhibited these positive attributes during key defining moments.

In conclusion, we highlight a positive *contemporary* example of an organization’s whose leaders set a positive tone at the top – the case of family-owned Marvin Windows. When the 2008 recession hit, Marvin realized it needed to cut costs. However, rather than lay off employees, the company cut back on salaries across the board, including executive pay. Now that the economy has improved, the company has awarded its rank-and-file employees with small but symbolic bonuses. President Obama pointed to the company as an example of ethical business leadership: “Even when their competitors shut down dozens of plants, even when it meant the owner[s] gave up some perks and some pay because they understood that their biggest asset was the community and the workers who had helped build that business — they give me hope” (Martin, 2012).

There can be a debate on the ethics of large-scale lay-offs to improve the profitability of an organization. It is not necessarily obvious that organizations that lay off employees are acting unethically. Sometimes, making just such a sacrifice is the ethical thing to do to ensure the long-term survival of the organization. The lesson from Marvin Window is that sacrifices should be

shared, with leaders setting the tone in their personal example of sharing in the sacrifice.

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