

Honesty is a very expensive gift: warren buffett

[Business](#), [Entrepreneurship](#)



Honesty is a very expensive gift. Don't expect it from cheap people " says Warren Buffett. Buffett believed ethics are key components that drive success in business. He established an ethical code of conduct as the guide everyone must abide by with honesty and professionalism being the key aspects. His style of leadership is very genuine, and that can't be taught. He was born that way, but he believed he could inspire others to follow him and do the same.

So, he recruited honest, skillful, likable, and coachable people to work and run his various businesses in Berkshire Hathaway. His managers own their process and took initiative to continue the legacy he created. Buffett trusted the managers he hired with the Berkshire's employees to manage their people and get the job done. He didn't believe in micromanaging his employees. He believed in accountability and valued his people, but didn't interfere in their work. (Buffett, W. 2001)

Running any business organization on the basis of the character of managers and senior executives can be a very big mistake taken by any leader or business owner. A number of factors affect the character (including the ethical character) of a person. These include:

- Individual factors- like personal knowledge, personal goals, personal values, and others.
- Social factors- which include the cultural norms influence made by the actions or thoughts of the coworkers and others.
- Life Experiences
- Family influences

- Peer influencers
- Stage of moral development
- Situational factors

As we can see, individual factors (including personal goals), situational factors and the moral development stage also affect the ethics and ethical principles that are practiced and followed by the managers. The same person may take highly moral and ethical decisions and actions in one instance while making an unethical choice in another.

The Pragmatic Necessity to Focus on Ethical Codes and Compliance

Ethics in itself is a normative field. For the proper and effective following of ethical principles and values, it is important to back them through policies, programs, training, and other possible means. Mr. Warren Buffett needs to focus more on ethical codes and compliance measures, for his executives and CEOs to follow and abide by the ethical principles fully and without negligence. It is also important to lay proper checks and scrutiny measures towards the abidance of ethical values and principal as well, to prevent any untoward incidence to occur.

Most public organizations already have the established code of conducts, and the compliance measures are also well placed here. Only well-documented and binding codes can be complied with, and it is not wise and prudent to leave the practicing of ethical principles and abidance by them to the desire, wish, or understanding of a manager or CEO. Stringent disciplinary actions lay down an example for others to abide better, and

implementation of the code of conduct and compliance measures mitigate risks as well.

Codes and compliance are now a pragmatic necessity. Following ethics is crucial for the sustainability, success, and growth of an organization in the long run. While the moral character and integrity of a manager are important, the imposition of standards rules and regulations ensure that no deviation and behavioral/ethical irresponsibility occurs. (Nelson, K. A. 2016)

Leadership Behaviors

Buffett credits quite a bit of his ability in putting resources into organizations to Benjamin Graham. It is genuine in reality that he took in his expository aptitudes and speculation obtaining theory from Graham. In any case, Ben Graham couldn't have set him up for the unfathomable and mind-boggling street Warren Buffett has needed to explore as a business head. A few exercises inferred are:

Run contrary to the natural order of things

Warren Buffett has made his prosperity by adhering to his qualities and putting his cash in zones that fly legitimately despite extraordinary market weights to pursue the group.

Face failure head-on

On the off chance that any of the three above-recorded excellent stock buys had genuinely gone south, the size of the buys contrasted with the remainder of the capital under Warren Buffett's order could have caused an extreme emergency of financial specialist certainty.

Humble

In the late 1990s, Benjamin Graham was missing from the tech division where even unsophisticated informal investors were making colossal riches practically medium-term. At the point when faultfinders began to circle the sentiment that Warren Buffett was making his financial specialists pass up the riches being made, he straightforwardly expressed that he didn't " put resources into organizations he couldn't comprehend" and he levels out conceded that he didn't see cutting edge plans of action.

Warren Buffett two quotes for a necessary combination for people who are involved in investing. " Once you have ordinary intelligence, and what you need is the temperament to control the urges that get other people into trouble in investing." These mean that developing necessary temperament. Ethical approach - In behavioral science responses is first character of living and nonliving does not response to emotional behavior.

In social psychology people gather for their mutual benefit. Only question remain is trust. The mutual trust begin moment they either depends on each other. Ordinary intelligence develops doubt and distrust at same.

To covert this doubtless and trustful operation it require super intelligence. His quotation points out whatever action performed by individual perform, it has reason and reason is containing certain self-fish ness. Hence its factor of temperament is to rectify doubt or motivate people for investment. In technical no one can compel someone for makeup for mindset certain duration has to pass to build trust worthiness and such duration should not get hammered accidently it must get treated with proper nourishment.

Power is described to have the ability to cause change or potentially construct effect on others. Power stems from relationships so in order to have power the followers must allow it to happen. As a leader of an organization, you must have the ambition and the resources to exert power in order to influence your subordinates in an effective manner to promote productivity.

There are several ways to exert power and depending on the firm and its environment will determine which use of power would be most effective for the organization. Warren Buffett is a mogul figure in the business market. His name alone would attract any business person to conduct any sort of collaboration due to his success. That being said, Warren exercises the use of legitimate power in order to remain successful. (Solomon, R. C. 1992)

References

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