

Assistant professor's academic career inspired by experience, impelled by Enron

To most, Enron is a kind of shorthand, a single-word cautionary tale of corporate deception and avarice. To Morela Hernandez, a new assistant professor at the Foster School, Enron is a former employer. And it was a great employer, at least for a while.

"When I was graduating from Rice, I considered Bain, Boston Consulting Group, Goldman and Mackenzie," she says. "And I chose Enron because it was such an amazing place to work. Amazing diversity. Amazing opportunity. Amazing environment that promoted different ideas. It was very exciting."

Hernandez started in Enron's human resources department doing undergraduate research on workplace diversity, moved to community affairs and, after graduation, into industrial markets. But her rise was soon interrupted by the company's fall. She was present at every lurch of descent, as the national news vans began circling outside, the ubiquitous stock tickers were quietly removed, and the once-effusive company leadership went silent.

When the scandal-fueled bankruptcy and mass layoffs were finally announced in late 2001, Hernandez landed at Duke's Fuqua School of Business, where she pursued a PhD. Her area of expertise? Effective, ethical, enduring leadership. She coached executives at Fuqua and the London Business School, and continues to do so through various executive education programs.

Hernandez is quick to note, however, that Enron is not the reason why she pursued a career in ethical leadership. It was her own unique background of relative privilege set against abject poverty. "Enron was certainly a learning



experience," she says. "But what's more deeply ingrained in me are my experiences in Latin America."

Hernandez, who speaks Spanish, Portuguese, French and English, grew up in Honduras, Brazil and the United States. She counts her father, a career politician and diplomat, as one of the

most honest leaders of this region. And she's seen the results of less scrupulous businessmen and politicians. "I grew up with this knowledge that people are taken advantage of every day by those with more power and privilege," Hernandez says. "That's impacted me

at a fundamental level. I feel very strongly that people who have the most power must take the most responsibility for their actions."

This insight colors everything she touches. At the Foster School of Business, Hernandez's research is expanding upon her foundation of effective, ethical leadership to explore cross-cultural issues and long-term implications. She also teaches leadership electives to undergraduates and both full-time and evening MBAs, and will be teaching leadership in the Foster School's Executive Education.

What she doesn't teach is the Enron case. "I share experiences every now and then," Hernandez says. "But I teach ethical leadership. And I don't think Enron is a good example even of unethical behavior because the decision makers were working in the wrong, and they knew it. Enron was black-and-white. And ethics is all about the gray, the choices that you are unsure about."

"I think some scholars would disagree with me. But when you teach people about the different components of leadership, their cumulative effects, it's a very complex, often murky area to navigate. It engages many pieces of your personality, takes a lot of effort and time to build."

To help students and executives hone their capabilities, Hernandez puts leadership in a framework that calls on them to analyze and develop behavior in six key areas: personal, relational, contextual, inspirational, supportive and, of course, ethical.

"It's a challenge to think through organizational performance issues within that frame," she admits. "But I would argue that the companies that are most successful are the ones that have leaders who can think long-term and behave ethically to maintain long-term effectiveness."

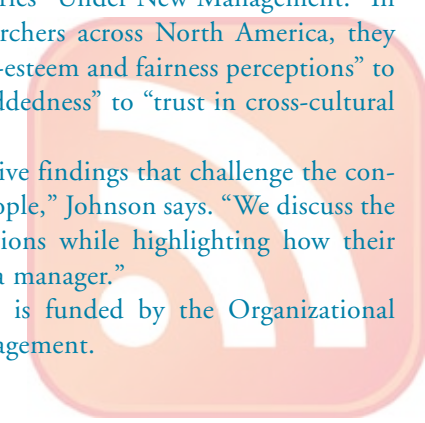
Faculty podcasts deliver latest intelligence on organizational behavior

Two Foster School faculty members are producing a new series of podcasts—audio interviews available for download to computer or mobile device—that explore new and notable research in the field of organizational behavior.

Michael Johnson and Morela Hernandez, both assistant professors of management, produce, research and host the series "Under New Management." In their 30-minute interviews with top researchers across North America, they cover topics that range from "employee self-esteem and fairness perceptions" to "shared leadership in teams" to "job embeddedness" to "trust in cross-cultural business relationships."

"Often these studies have counterintuitive findings that challenge the conventional wisdom about how to manage people," Johnson says. "We discuss the implications of their studies on organizations while highlighting how their research can enhance your effectiveness as a manager."

The "Under New Management" series is funded by the Organizational Behavior Division of the Academy of Management.



Foster School launches Minority Business Executive Program

The Foster School of Business offers its first Minority Business Executive Program June 22-27, 2008. The program is designed to increase the competitiveness of minority business enterprises. Through a week-long, intensive management program, CEOs and leaders of minority owned businesses will focus on finance and accounting, brand management strategy, leadership, entrepreneurship and innovation, marketing strategy, human resources strategy and business ethics.

The program is a partnership between the Foster School's Executive Education, the UW Business and Economic Development Center and the Northwest Minority Business Council.

Founding corporate sponsors are Boeing, Microsoft, Nordstrom, Washington Mutual and Zions.

Upcoming Executive Education seminars

May 28-30: Finance and Accounting for Non-Financial Executives

September 22-24: Leadership that Shapes the Future

October 8-9: Building Brand & Value Through Sustainable Business Practices

October 28-30: Finance and Accounting for Non-Financial Executives

November 19-20: Negotiating Skills

For more information on Foster School Executive Education or the Minority Business Executive Program, call 206-543-8560 or visit: www.foster.washington.edu/exec_ed.html.