

All You Have Is Your Integrity: Why Leave Your Integrity to Chance?

Why Business Ethics Matter

By Susan M. Heathfield, About.com Guide

Everyone knows right from wrong. Right? Wrong. People disagree about the definition of right and wrong all the time. That is why the topic of business ethics is currently front and center in the media and in office break rooms.

When daily, the next Enron, Arthur Andersen, or WorldCom story hits the wires, it's difficult to ignore business ethics as an issue. And, as our world becomes more complex, sometimes the right answer, the one that meets the needs of the most stakeholders: employees, customers, potential employees, shareholders, and board members, lies somewhere in the middle.

Business Ethics Challenges

Think about these business ethics scenarios that happen in organizations every day.

- An employee surfs the Internet shopping for personal items on company time.
- A plant manager decides to ship product to a customer even though he knows the parts have a quality problem because the problem doesn't affect part function and the customer probably won't notice.
- An employee spends several hours a week on her cell phone talking with her children and their associated caregivers, schools, and friends.
- A salesman marks parts as "sold" in the company data base thus depriving others of the ability to sell the parts, even though his sale is uncertain.
- A manager shares important company information with a competitor for her potential gain.
- A store misrepresents the quality or functionality of an advertised sale item.
- An employee takes office supplies home to stock his home office.
- A finance officer accounts questionably for purchases and expenditures.
- An accountant tells a supplier that their "check is in the mail" when he knows he hasn't written the check.

Do any of these situations sound familiar? Sure they do. You encounter these and others like them regularly if you spend any time in organizations. Are these "bad people" or "good people" making questionable ethical choices?

Do they even consider whether the choices they are making are ethical? (After all, the plant manager may think, the most important issue is to get the parts to the customer on time. Or, the employee rationalizes, "I give this employer lots of over-time and thinking time outside work hours so I deserve the time at work to surf the Web.")

So, before you relegate the subject of business ethics to the touchy-feely, head-in-the-clouds worlds of philosophy, religion, or academia, consider the potential positive impact on your organization of a working code of business ethics.

You can develop a written code of business ethics that guides the decision making and actions of all of your stakeholders. Your reputation and track record for ethical behavior and integrity are vital for establishing the trust that is the basis for all successful relationships you sustain including those with your customers, employees, community and your stock holders. Why would you leave something this important to chance?

In the first part of this article, reasons for developing and adhering to a business ethics code were explored. Read more to learn how to develop a business ethics code.

The foundation for a functioning code of business ethics lies in the hands of your executive leaders. These individuals must commit to developing the business ethics code and leading its implementation.

They must continuously emphasize the use of the business code of ethics as a measurement or guideline for judging ethical behavior in your organization. The Human Resources professional cannot effectively lead this effort, but you can support the executive group that does as a member of the leadership team.

Developing a Code of Business Ethics

In an earlier article, *How to Make Values Live in Your Organization*, I detailed a process for engaging and involving much of your workforce in developing organizational values and value statements. If you incorporated the value statements into your strategic planning process, you have part of your code of business ethics already developed. If not, the process I designed will also work well for developing a code of business ethics that your employees will support.

As with each of these strategic initiatives, a large part of the value comes from employees talking about and identifying how to address key issues related to customers, fellow employees, and the organization. The end document is gravy assuming it is used regularly in your organization.

Visit this outstanding resource from the Center for the Study of Ethics in the Professions, at the Illinois Institute of Technology, to see over 800 examples of codes of business ethics.

Institutionalize Your Code of Business Ethics

Once you have developed your code of business ethics, the critical component in making it an effective tool is using the code, daily, if possible.

Carter McNamara of Authenticity Consulting, at his excellent resource about business ethics, tells this story. "If you are planning to infuse strong, ethical principles throughout your company or want to change the culture of your company, then you might take the advice of Bob Kniffin, Vice President of External Affairs, at Johnson and Johnson (J&J) company.

"The way that J&J handled an ethical issue (the "Tylenol scare" crisis) in the 1980s is probably one of the most inspiring and enlightening examples of how to successfully deal with a major ethical issue in business. Kniffin was one of the key players in helping J&J to handle the crisis so effectively.

"Kniffin said that it was not the J&J Credo (a form of a business code of ethics) that helped J&J to handle the crisis so well. Rather, it was the ongoing 'challenge sessions' that the company regularly held in order for each person to clarify their own perspective and commitment to the J&J Credo."

For those of you who may not remember, J&J managers immediately removed Tylenol from the market and stopped all production of the product after seven Chicago residents died after ingesting cyanide-laced capsules. Despite different advice from consultants and lawyers who said they would ruin the brand forever, these managers lived their code of business ethics and made these decisions while their company CEO was on a plane. By the time he landed, the entire process was underway.

Make your code of ethics live in your organization by organizing your own challenge sessions and using the business code of ethics document as a measurement or guideline for all actions and decisions in your company. Your reputation and integrity are too important to leave to chance.