Mastering Business Ethics

The issue of ethics in business is an extension of the dialogue and debate taking place within the broader American society as to what constitutes acceptable and permissible behavior. The corporate scandals of recent years has fueled the topic as it relates to business, just as controversy in the political sector has caused discussion in certain circles, and criminal acts and the ever increasing promiscuity displayed in media draw attention in other circles. It might be argued that business, because of the sums of money involved, draws greater criticism than other public acts of ethical deficiency, but the unbalanced focus does not relieve the business community of the responsibility to confront – and destroy – its demons.

The Role of the Individual

The idea of ethics in business begins with the individual. Although there are codes of behavior that seek to regulate the way businesses behave, it is often forgotten that the actual adherence to such rules depends on human beings. The nature of competition, the pull of greed, and the urge for status all serve as powerful temptations for some. While the company gets blamed for the ethical infractions, ultimately the people behind the company are held accountable. This irrefutable point means that businesses wishing to behave ethically must begin by emphasizing ethical practices among its own people. The company must embed ethical behavior in its culture by rewarding honesty and punishing ethically questionable behavior. Moreover, the company must train their individuals in ethics and present scenarios in which ethically challenged options may exist, with clear emphasis on the right choices.

The Role of the Corporation

It could be argued that since ethical breaches are driven by the individual the company can do little more than create a culture that promotes honesty and require training that teaches ethical behavior. The role of the corporation however runs deeper. Not only should a company not have a "win at any cost" attitude, it must also not engage in marketing and sales practices that contradict its pronounced commitment to ethical behavior. Employees do not lend great credence to demands for ethical behavior when the company itself is intentionally engaged in vague or deceptive consumer practices. By making claims that are not true or somehow misleading the consumer into concluding something that is not true (even though the company never actually said it), are unethical practices that employees interpret as license to engage in other unethical behaviors. The role of the company therefore is to engage in consistently ethical behavior, including how it manufactures its products, how it represents those products, how it interacts with customers and suppliers, and how it treats its employees. By acting consistently ethical the company does not run the risk of individual employees spotting hypocrisy and assuming that, on the basis of the hypocrisy, they too are allowed to bend the rules.

The Rules

One would think that the rules for ethical business practices are self evident and the need would not exist to list them. Tudog would tend to agree. In fact, if there was a rule that was to be listed it would simply be the old golden rule of treating others as you would wish to be treated. This may sound a bit hokey, and perhaps it is somewhat

incomplete (after all there are whole books written on ethical codes), but for our purposes it is sufficient. Tudog is of the opinion that business ethics have deteriorated so dramatically over the past 20 years that the teaching (or should we say re-teaching?) of ethical behavior needs to start from the very beginning. Big, thick books with academic language and a detached approach to ethics is not going to get the honesty revolution off the ground. The only way, in our opinion, is to go back to basics…and what is more basic than the golden rule? If you do not want to be cheated, don't cheat. If you don't want someone stealing from you, don't steal. And if you don't like buying products that over-promise or misrepresent themselves, don't over-promise or misrepresent your products. If we can get these fundamentals back into the mainstream practices of companies, we'll be well on our way to an ethical cleansing.

Ethical business practices have a tremendous influence on the overall ethical environment. People find it easy to compromise their own sense of right and wrong when they feel like they are constantly being taken advantage of. The decline in customer service, the less than fair offerings of products in high demand, the use of vague and deceptive practices have all had an affect on how people behave toward one another. People rationalize away their own unethical behavior by concluding that the only way to be protected from others intent on acting unethically is to beat them to the draw. This has had a snowball effect and we are now witnessing widespread unethical behavior from every segment of society. And while, business is not solely responsible, it is, partially to blame. Moreover, it is in a unique position to have a positive influence.

Mastering business ethics is all about caring about the greater good just a bit more than you care about money. Tudog does not debate the idea that the sole reason a business is in existence is to generate profit. And we agree that the more profit the better. However, this principle is acceptable only when pursued within the accepted and recognized boundaries of ethical behavior. The prosperity we all enjoy is built upon the rules of fair play. If we let the rules collapse, we just might go down with them.