

## Business Ethics

by Jeff Turner

### Business Ethics: What would you do?

Your credit union is offering a free DVD player to anyone who opens a checking account. A woman comes in and admits she's just opening the account to get the gift, and has no intention of banking with you. Do you:

- a) Put on your cheerful customer-service face and open the account for her, knowing that your organization loses money on the deal?
- b) Avoid the issue by claiming you're all out of freebies today, but if she comes back in a week you'll have more?
- c) Wink and commend her for her system-bucking ingenuity?

#### *Everyone's reading about it*

Recently, the topic of business ethics—or lack thereof—has made front-page headlines thanks to high-profile cases involving well-known companies and individuals. The reality is that front line workers, managers, and board members face ethical business decisions like the one above every single day. Companies are learning the hard way that foregoing a formal code of ethics leads to the “sorry, I just work here, it's not my problem” mentality, which in turn destroys morale, spirit, and performance.

Smart companies, however, are establishing ethical guidelines or codes of ethics and infusing them into all aspects of their operations. With a well-supported code of business ethics running through the veins of the organization, every piece of the business sees results. Employee loyalty increases, questionable behavior decreases, and competitive positions improve. Management gets more confident, employee relations get warmer, and customer relationships become more solid than ever.

In addition to adopting a code of ethics, many companies are embracing the concept of good corporate stewardship, such as donating to charities and partnering with responsible customers and vendors. Both set the foundation for a culture in which employees feel protected and honored, which ultimately inspires people to give their best to the company. And both contribute to your company's image: who you are, what you stand for, whom you align with, why you stay in business, and where you set your standards.

#### *Whose responsibility is corporate responsibility?*

It's not enough to hope that employees will always act within the law or within the expected moral boundaries. As we've seen, people often claim they weren't even aware of the law or those expected moral boundaries because nobody offered the information until they'd crossed the line. And company leaders are increasingly being held responsible for this ignorance. The courts and the public are saying loud and clear that it's primarily a leader's job to foster a culture of ethical behavior by setting a good example, hiring a principled management team, and setting up training programs for all employees.

But it shouldn't all be up to the C-level. No matter where you are in an organization, it's important to make sure that your ethical standards are aligned with the company's standards. Let colleagues know upfront where you stand and where you draw your lines. They'll respect your character and hopefully take a cue from your strength. Sometimes people need an "excuse" to do the right thing.

*Sharpening the world of blurry lines*

It'd be nice if every situation were clear-cut. But since we live in a "grey" world, the faster companies implement and integrate codes of ethics the better. Creating an environment that encourages ethical behavior eases anxiety and gives people a sense of pride in their workplace. All of these add up to better customer service, improved teamwork, and a more ambitious workforce.

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