

Management and Business Ethics - Part 2

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The Essence of a Principle-Based Business Ethics Model for the Manager

A framework for an ethical code of conduct within a business might be framed around five corporate goals or core business objectives: **productivity, competition, profitability, efficiency and service/sustainability.**

An ethical concern for productivity means a manager's goals should revolve around a concern for productiveness or work output. It is hard to dispute this idea. Yet, some unethical leaders identify with this objective to such a high degree that they become overachieving workaholics who expect followers to behave likewise. As workaholics, they can become insensitive to people, because concern for production becomes their only interest. In situations like this, employees may feel like they are being used as a 'means' to a corporate

end.

On the other side of the production spectrum, some managers show little or no concern for output as they become indifferent toward productivity. Maybe this is due to low motivation, lack of empowerment or lack of rewards. This extreme of unproductiveness (or non-identification with productivity) or uncaring attitude towards people and production is also unethical.

How should an ethical manager go about developing and operationalizing an ethical framework or code of conduct in a business? The challenge is to provide employees with a clear understanding of the core principled behaviors that constitute being productive, competitive, profitable, efficient and service/sustainability-minded. This is easier said than done. As this involves a leader's identification of key moral principles that exemplify the virtues of diligence, resourcefulness/industriousness, stewardship, prudence in handling the relationship between people and objectives and self-forgetfulness/generosity.

The crucial question then becomes "What types of behaviors are examples of these virtuous principles?" It depends on what principle-centered behaviors are valued by managers. Developing an ethical code of behavior is not easy. Leaders must not only identify key virtuous behaviors based on moral principles, but they must live and breathe these behaviors by becoming a role model for employees.

In the final analysis, a company's financial success will be due in part to its reputation. A reputation built on sound and consistent business principles that must be consistently communicated and integrated into a manager's ethical framework, company code of conduct and daily business transactions. A positive reputation cannot be bought nor can one assign a value to it, as it is priceless. But reputation can be significantly enhanced through a focus on ethical business principles and objectives.

Next up Part three - how to integrate business ethics into corporate objectives.

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