Why a Business Ethics Focus?

In the natural ebb and flow of business world management issues, some topics take on special significance during relevant periods of time. For example, business ethics took on a focused significance during the early part of the decade of 2000 with the Enron and WorldCom fraud scenarios that negatively affected both employees and investors. In the case of both Enron and WorldCom, management were able to hide billions of dollars in debt from failed deals and projects and/or misleading their board of directors and investors on what were in reality high-risk accounting practices. These and other fraudulent corporate activities resulted in the introduction of the Sarbanes-Oxley Act initiated by the US Congress in 2002 pertaining to Corporate/Auditing Accountability, Responsibility, and Transparency.
Presently, there seems to be a modicum of interest in all things ethics as some managers seem to have a renewed focus on ethics as a legal requirement. This focus is not necessarily something that is emphasized by management in day-to-day business behaviors in terms of modeling the way. For instance, a short time ago I had a conversation with accomplished businessman working at a company with a comprehensive code of ethics. We engaged in a dialogue on the need for scrutiny in daily ethical business practices. After our short discussion, he shrugged his shoulders while tossing a dollar bill at me commenting; “In the final analysis, here is the only type of ethics you need to be concerned with.”

Some managers lack commitment to ethical business practices. This may be due to a lack of understanding as to what constitutes “being ethical” and how to infuse this into business dealings. One does not need to become a philosopher to begin to understand the components of a successful ethical business framework. If ground rules based upon core company principles are developed and practiced around a sound ethical framework, they might become interwoven into employee behaviors. The idea is to make everyone aware of the rules by which to “play the game” while creating a common ethics language that everyone can understand.

In an attempt to integrate a framework for an ethical code of conduct within a business, it is helpful to determine core business objectives. These may be framed around five corporate goals: productivity, competition, profitability, efficiency and service/sustainability. This approach will be discussed in Part two - the essence of a principle-based business ethics model for the manager.

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About the Author
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