



Business Ethics: What were they thinking?

Did Volkswagen actually think they could evade clear air rules, manipulate their data, lie about it and get away with it?

Takata air bag engineers knew of deficiencies in their air bag products and didn't take care of the issues and make the needed corrections.

As a result of this unethical behavior – both on an individual and corporate level – people were hurt and people died.

Ethics in business matters as much, if not more, than any of

the other business practices and core values you espouse in your organization. Some things are more important than making money and that includes ethical behavior like not hurting people, being truthful even when it costs you, treating your employees fairly and respecting client confidentiality. In short – ethical behavior.

Every year, the polling and analytics company Gallup asks people to rate the honesty and ethics of professional categories. Last year, nurses topped the list again, followed by pharmacists, physicians and high school teachers.

In the middle of the pack were journalists, bankers and building contractors.

And at the bottom of the ranking were business executives, telemarketers, lobbyists and members of Congress!

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- Industrial and Automotive Tools

"There's strong data that, within companies, the No. 1 reason for ethical violations is the pressure to meet expectations, sometimes unrealistic expectations."

- Stephen Covey





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Companies that take ethics seriously aren't only doing the right thing – Gallup shows that they are doing the profitable thing as well. When an organization shortcuts ethics for short-term gains they may be successful in making more money. But the wheels of justice turn and eventually bad and criminal behavior catches up with people and companies.

The poster child for this scenario is Bernie Madoff. His crimes may not have killed anyone like the automobile examples, but they certainly caused devastating effects on many people who trusted him and his organization.

When ethics are violated or disregarded for short-term gain and then come to light, companies can quickly lose their reputation and their client's trust. Enron lost everything with their lack of ethics and many innocent people

were hurt. A breach in ethics always takes a human toll on the perpetrators and the innocent, unsuspecting bystanders.

Business executives can combat this poor opinion of their ethics by following these four strategies:

Publicize your values. Let the world know what you stand for. Showcase your mission statement, your code of ethics, your guiding principles and your code of values on all of your materials and in all of your communications. Share your company's stories of ethical behavior with clients and employees and continually illustrate what's acceptable and what's not.

Engage your employees in ways that promote high character and hire for qualities that show honesty, accountability, loyalty and fairness. Your employees carry out your ethical behavior and they watch top leadership for clues as to what's permissible and what can get swept under the rug. Check in with your vendors, too, because they can spot your unethical moments in a heartbeat.

Just as you hire for character you should also fire for character. If people don't share your values they will never be a good fit and you

JEFF BLEACHER



"Ethics in business is a huge issue for anyone in the financial world because numbers aren't black and white like we've been taught to think. There are a lot of gray areas in accounting and in the manner in which businesses handle their financial matters. We have very tight regulations as a result of individuals who were unethical and, while those regulations can be burdensome, we are also grateful for those guidelines."

KEN FALK



"It's rare for clients to request totally unethical accounting functions. We work with clients who are very ethical in their practices and would never want to cross the line in any way. At the same time, it's incumbent on us to guide our clients in financial matters that will benefit them. If there are requests that cross the line we can't jeopardize our own integrity for that."

"A man is truly ethical only when he obeys the compulsion to help all life which he is able to assist, and shrinks from injuring anything that lives."

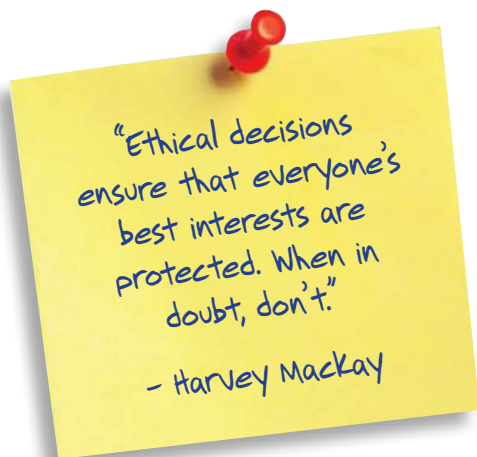
- Albert Schweitzer



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will always have to be watching how their behavior impacts your company's reputation.

Spotlight ethical behavior and keep the conversation going in the company about "the right thing to do." There is an innate sense most people have of what the right thing to do is, but when companies allow ethics to disintegrate, a culture of "well, everyone's doing it" creeps in and unethical behavior becomes the norm.



At the end of the day, business leaders need to look at themselves in the mirror and answer the question of their own integrity and their own ethical behavior. If they are honest with themselves and with their people they can sleep soundly knowing they have done the right thing and have run their business in the best manner possible.

Creating an ethical culture starts at the top and works down through the organization. When leaders make the hard decisions as needed and share the stories of ethical behavior, the rest of the organization will embrace the same "golden standards" so there is continuity and consistency throughout the organization.

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JEFF GROFF



"Every client wants to pay less taxes and keep more of their profits. That's natural human behavior to want to keep what you earn. So, our role is to help them achieve both goals and to do it with the greatest level of honesty and integrity possible. We see that people want to do the right thing and they also want to take advantage of the laws and regulations that can help them."

PATRICK GENDRUE



"When questions arise as to the ethics of a certain scenario we listen long and hard. We have a reputation for being a very honest and ethical firm and we never want to tinge our record in any manner. If people can't count on us keeping our word then we've lost our most sacred asset."