

3.

An Ethics Check

I WAS lucky that she agreed to meet with me that evening. Throughout my tale she listened thoughtfully. When I finished my story, I asked, “If someone in your company were to come to you with such a dilemma, what would you suggest?”

“I’d give that person the *Ethics Check*,” she said.

“The Ethics Check?”

“Yes. The Ethics Check helps individuals to sort out dilemmas by showing them how to examine the problem at several different levels. It has three questions, each of which clarifies a different aspect of the decision. The Ethics Check helps to take the grayness out of ethical situations.

“It seems,” she continued, “that there are a lot of people in our country today who have put themselves into stressful situations because they have knowingly made unethical decisions—decisions that they basically know are morally wrong. In our company that certainly was true. Many people contend that nowa-

days there is a big gray area between right and wrong, and they use that gray area as an excuse not to worry about being ethical. We question that logic. We've come to the realization that a lot of the grayness can be taken out of ethical dilemmas if one takes the time to sort out the situation. It is easy to charge ahead without thinking and then rationalize your behavior after the fact. But the fact of the matter is:

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*There
Is
No
Right
Way
To
Do
A
Wrong
Thing*

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4.

Is It Legal?

MY FRIEND continued, “We feel that most people basically know right from wrong, but it helps clarify issues if they can answer three questions when confronted with an ethical problem.”

I got out my note pad.

~~“The first question is straightforward. Is it legal?”~~

I wrote that down. Then I looked up to find my friend’s eyes fixed on me questioningly. “Well,” she said, “is it?”

“I have no trouble answering that one,” I said. “My answer has to be a resounding ‘no’ when it comes to this sales representative. He is stealing proprietary information.”

My friend nodded. ~~“Our company feels that if you give a ‘no’ answer to that first question, then you don’t even have to consider the next two questions.”~~

She paused a moment, looking thoughtfully. "However, I'm not sure I completely agree. So I always tell people they should answer all the questions before making any final judgment."

"When you say 'legal,' are you talking only about civil or criminal law?"

"No," said my friend. "We also take into consideration company policy. In our case, that now includes our new Code of Ethics and Standard of Conduct policy."

"What's that policy about?"

"It states that each of our employees is responsible for both the integrity and the consequences of his or her own actions. The highest standards of honesty, integrity, and fairness must be followed by each and every employee when engaging in any activity concerning the company, particularly in relationships with customers, competitors, suppliers, the public, and other employees.

"The big picture, though," she continued, "is that our company now expects that no employee will undertake any activity while on company premises, or while engaging in company business, that is (or gives the appearance of being) improper, illegal, or immoral, or that could in any way harm or embarrass our company or our customers."

Marveling at her ability to state her company's policy on ethical expectations with such clarity, I said, "Our company certainly could use a policy like that."

"It's a clear message from the top about what kind of company we want to be," said my friend. "But be-

fore you praise us, remember—this new policy is part of a response to unethical behavior that was discovered to be previously widespread throughout our company.”

5.

Is It Balanced?

“WELL, IT certainly is a good start to turning things around,” I said. “It also makes me realize that a company needs to have a clear and written policy if it is to expect and encourage ethical behavior from its employees. What’s the second question in the Ethics Check?”

“*Is it balanced?*” said my friend. “By that we mean, is the decision going to be fair or will it heavily favor one party over another in the short or the long term.”

“You mean,” I said, writing down the second question, “is there clearly going to be a big winner or a big loser? It makes me think of the rash of unfriendly takeovers that have recently been occurring, in which short-term stockholders and deal-makers make a killing while many employees often lose.”

“That’s a good example.” She nodded. “Our feeling is that lopsided, win-lose decisions invariably end up

as lose-lose situations. In other words, if any individual in our company makes a decision that benefits that person or our company at someone else's real expense—be it another employer, a supplier, a customer, or even a competitor—it will eventually come back to haunt the individual or the company. Everyone cannot win equally on every situation all the time, but we want to avoid major imbalances over the course of our relationships.”

I thought of my own case and said, “If I decide to hire this sales representative and use his inside information, that would clearly be a big win for our company and a big loss for our competitor.”

“Right,” said my friend. “And when it becomes clear what has happened, your competitor will look for ways to get even. They’ll be asking themselves what top people they can pirate from you or what information they can get on your company to use against you.”

“Our relationship could end up far worse than just being competitive in the marketplace,” I suggested.

“And while you are playing one-upmanship with each other,” she said, “another competitor may very well pass you both by. Or even worse, you may both give your industry a bad name. The more the managers in our company have talked about ethics, the more we realized that our company loyalty ought also to be to our industry. There’s no peace of mind in being Number One in a troubled industry. If customers begin to mistrust people in your company, everyone’s business is affected.”

“I wish I could trust that our competitor wouldn’t hire one of our people in a similar situation,” I said. “But when I ask myself if it’s fair for me to hire this sales representative—with his confidential information—the answer is clearly ‘No!’ Even though I already have two nos, what’s the last question on this Ethics Check?”

6.

*How Will It Make Me Feel
About Myself?*

“THE LAST is the clincher,” said my friend. “Everyone contemplating an ethical decision should ask himself or herself: *How will it make me feel about myself?*”

“I’m surprised that’s a question. I thought that by asking whether it was legal, you were advocating *right* regardless of how it makes you feel.”

“That’s why we chose three questions. The legal question gets you to look at existing standards; the balance question activates your sense of fairness and rationality; and this last question focuses on your emotions and your own standards of morality.”

“So you’re suggesting that if you do something that goes against your own innate sense of what’s right, you can’t help but feel bad,” I stated.

“Yes,” she answered. “An unethical act will erode self-esteem. Questions like ‘How would I feel if what I’m considering doing was published in the newspa-

per?' Or 'Would I like my family to know?' also get at this issue. When it comes to what enhances and what detracts from your own feelings of self-esteem, John Wooden, the legendary UCLA basketball coach, said it well:

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*There
Is
No Pillow
As
Soft
As A
Clear
Conscience*

*



“That certainly hits home with me,” I said. “Ever since I was confronted with this ethical issue, I haven’t been able to sleep.”

“All your restlessness probably means that your conscience is wrestling with your survival instincts. You’re trying to reach your career objectives and still do what is right. You see,” she continued, “I think your conscience was telling you from the very beginning that what the salesman intended to do was wrong. He was stealing—and if you hired him, you would be condoning this unethical behavior, wouldn’t you?”

“I sure would!”

“What has had your conscience working overtime and has kept you awake is the realization that you were seriously considering doing something you knew was wrong because it might help your career in the short run. Isn’t that the issue?”

“That’s definitely it,” I agreed. “And that hasn’t made me feel very pleased with myself. This Ethics Check of yours is very helpful. I can see how it can help someone to decide what is right.” With that, I took a moment to jot down some notes, while my friend waited. Then I said, “Let me make sure I have the three questions right.”

THE "ETHICS CHECK" QUESTIONS

1. *Is it legal?*

Will I be violating either civil law or company policy?

2. *Is it balanced?*

Is it fair to all concerned in the short term as well as the long term? Does it promote win-win relationships?

3. *How will it make me feel about myself?*

Will it make me proud?

Would I feel good if my decision was published in the newspaper?

Would I feel good if my family knew about it?

20.

The Need for an Organizational Ethical Strategy

IN RECENT years our company had been facing stiffer competition from abroad. In addition, we had entered some tough, newly deregulated markets. The response to these competitive pressures was to set lofty goals at the top; but by the time they got to my level, they took on the appearance of threats.

Recently, in fact, a middle manager was fired and several of his junior managers demoted after years of successful and loyal service because their division lost money on a single contract. As a result, I found case after case where fundamentally honest managers felt driven to unethical acts in order to produce desired bottom-line results that protected them from this kind of harsh treatment. This was particularly true when they had been pressured to set goals that were unrealistic.

For me, this all resurfaced as ~~the~~ million-dollar

question: *Is it possible today to stay competitive in business and still operate in an honest and ethical manner?*

While I did not have a clear answer to my own question, I knew it was a very important one because the answer had tremendous implications for how employees are treated and how they feel about where they work. When people feel negative toward their company, they often look for ways to “even things out”—like calling in sick when they aren’t sick at all, making personal long-distance telephone calls, padding expense accounts, taking office supplies home, snitching product samples, and many other questionable actions that may not seem like serious offenses but in the aggregate become a serious problem.

I read recently that a top manager from a major retail chain said he could reduce prices to customers 20 percent if he could stop employee theft. I began to realize that business organizations can either foster sound ethical decision-making or retard it.

What I had learned was helping me to determine what I personally should do, but I was wondering what strategies organizations and managers could use. So I phoned the advisor again.

21.

Meeting the Consultant

“YOU’RE RIGHT,” he responded. “There are ways in which companies can encourage and foster management decisions grounded in ethics. But managing people at work is not my field. However, I have a friend who is a business consultant, who has worked with companies all over the world. You should talk to him.”

The next afternoon when I arrived at the consultant’s office, I found a smiling, neatly dressed man in his mid-forties. He had the warm demeanor and style of a self-assured man.

As we sat down, he asked, “I understand you are interested in business ethics?”

“Yes,” I replied. “Your advisor friend agreed with me that organizations can actually create an environment conducive to ethical behavior. I have observed people in my company who are stealing or lying, or

27.

How to Have an Impact

I FINISHED reading the summary. “That’s very helpful. It gives me a powerful and practical strategy for creating a positive environment, one that will foster both ethical decision-making and good performance.”

“Let me underline one thing,” suggested the consultant. “Many people I talk to about using the Five P’s of Ethical Power tell me that it’s too bad ‘such and such’ a person (usually their boss or some top manager) isn’t here. He or she could really benefit from this information.”

“That’s true about my boss and the top managers in our company,” I said.

“There is no doubt that it really helps if the top managers—in fact, all the managers—are exposed to the Five P’s and become believers,” said the consultant. “But Rome was not built in a day. You have to start somewhere and that place could be with your

own department. How do you picture your department operating? What are the values, hopes, and dreams you have for personal, group, and company ethical behavior? You have to start with something—a purpose, a vision—before you can become persistent about it.”

“Are you advising, Don’t take on the whole company right away, particularly if you are a middle manager like me?” I asked.

“That’s what I’m getting at,” agreed my friend. “If you choose to stay in your present company, you need to realize that the two hardest things for people to remember, once they have learned the Five P’s and want to apply them, are patience and pride. People tend to want everything to happen ‘yesterday.’ At the same time, they get overly caught up in being right. Their pride gets in the way of the very changes they want to bring about.”

“You said, if I choose to stay in my company. What do you mean by that?” I asked.

“It seems to me that you have three choices when you find yourself in an environment or organizational culture that is inconsistent with your values and beliefs. The first choice is to resign—leave the organization—and either become an entrepreneur and start your own business or join another company that appears to offer a more compatible ethical culture.”

“I’ve certainly thought about that lately,” I said. “But it’s not easy to switch jobs and companies—and even more difficult to start one’s own business.”

“That’s why people often select one of the other

two choices,” said the consultant. “One of those choices is to stay in your present position but mentally isolate yourself from what is going on. However, this outward loyalty and inner doubt can undermine your own spirit. It can be a lonely and excruciating experience.”

“It would also make it difficult for me to look at myself in the mirror,” I added.

“I agree,” said the consultant. “However, many people are able to stay in an incompatible organization by shifting their attention from ethical dilemmas to the problems of managing their department. In other words, you could decide not to worry about the ethical climate and just concentrate on running the most efficient and profitable sales division possible.”

“It would be hard for me to isolate myself mentally,” I said. “I don’t see how I could turn my back on the unethical things going on around me. My work is too important a part of my life. What’s the other choice?”

“Stay and try to change the situation,” said the consultant. “I figure that’s what you’ll probably try to do. That’s why I emphasized patience and pride in achieving one’s vision. Always remember the saying attributed to Father Keller:

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*It
Is
Better
To Light
One Candle
Than
Curse
The
Darkness*

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