

DUTY OF CARE

By Tim J. Leech, CA, MBA

A Primer on Ethics

There is no easy, straightforward answer to the question of how to launch an ethics program.

To start with, not all companies have, nor do they want to have, high ethical standards. This signal is usually transmitted quite clearly by the top executives. Symptoms may be misleading financial statements, the "I don't want to know" syndrome, political bribes, aggressive customer "bonding" programs, generally sleazy business practices, pollution violations, dual standards, etc. Don't be fooled by glossy codes of conduct or lofty ideals espoused in annual reports. As a general statement, attempting a sincere ethics training program in a company where the tone at the top seems closer to the bottom, is likely a waste of time - yours and your fellow employees.

Assuming you don't believe your company is in this category, you should consider your "ethics marketing" strategy. Who do you need to sell? What do you want to sell? How are you going to do it?

To answer these questions you will likely need to do some background research. As a primer on ethics I recommend a short reading program.

The winner in the "Best use of time and money" category is a small, inexpensive publication called *What You Should Know About Business Ethics*, published by the National Institute of Business Management, Chapter 7, titled "Choosing an Ethics Training Program That Is Right For Your Company", is an excellent summary that's hard to improve on. As well, the author

thoughtfully includes a section titled "Resources -- Where to Go to Get Your Company on the Ethical Track", which overviews available U.S. sources of ethics resource material. This booklet, which retails under \$5.00, can be obtained by writing the Institute at 1328 Broadway, New York, NY 10001. Or, phone their order desk in Iowa at 515-284-3444. I recommend multiple copies and wide distribution (and no, I don't hold stock in this company).

Another very useful resource is the Conference Board's *Research Report No. 900 on Corporate Ethics*. This publication has the benefit of providing you with an answer for those executives who listen to your pitch and then say: "Well, it sounds like a good idea. Who else is doing it?" The report is available in Canada through the Conference Board in Ottawa by phoning 613-526-3280. Two other Canadian sources of information are The Centre for Ethics and Corporate Policy (416-366-2643), which publishes a newsletter called *Management Ethics*; and *The Corporate Ethics Monitor* published by Carswell (416-291-8421, Ext. 252).

For those of you who want additional or shorter references, three articles I highly recommend are:

- "The Stormy World of Business Ethics", Miller, Baker and Kresge, *Security Management*, 1987;
- "Why 'Good' Managers Make Bad Ethical Choices", Saul Gellerman, *Harvard Business Review*, July/August, 1986; and

- "Is the Ethics of Business Changing", Brenner and Molander, *Harvard Business Review*, January and February, 1977.

This reading program should help you understand the practical business side of ethics, and enable you to decide if you think ethics training is for your company.

An option to the "Do-It-Yourself" approach to developing an ethics training program is to do what many companies do -- hire a consultant. I still recommend that you complete the ethics primer I have outlined above, if for no other reason than to make sure your "ethics consultant" is giving you the straight goods.

This material will equip you with an answer to the question of what you want to sell in the ethics area. Who you want to sell to is the top executives of your company. How

you are going to do it, I'm afraid, depends largely on you, your company, your resources, your top executives, your company's track record on ethical issues, your industry practices, and whether your company wants to meet its duty of care.

Are you willing to meet your duty of care and sell your company on ethics training?

At the time this article was written in 1988 Tim Leech was Director Control and Risk Management Services at Coopers & Lybrand. Tim Leech is now Principal Consultant and Chief Methodology Officer at Paisley Consulting, a world leader in business accountability software solutions. He can be reached by phone at 905 823 5518 or by email at tim.leech@paisleyconsulting.com

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