



Mpowerment Matters

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Management Mpowerment Associates

Forward to a Colleague



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There are some that might say that ethics and business go together as well as oil and water. I say that they must go together, hand in hand. Interestingly, many business owners have a vague, implied code of ethics which they impose on their employees, and expect them to apply it situation by situation. Yet, owners often do not live and breathe any clear-cut ethics all of the time. Therefore, they set the wrong example. Ethics apply to all or they apply to none. Neither do owners inquire into the ethics of potential hires when interviewing them. They hire for skills and knowledge, rather than attitude and values.

Management Mpowerment can work with you to instill a clear set of values throughout your organization, and help you make them part of your overall business strategy. Employees who have a clear sense of what the values of their organization are, have a much easier time making the right decisions in their jobs, leading to consistent behavior on the part of the organization. And organizations that live their values have loyal, happier employees, who work harder to make customers happy, thus increasing profit.

Management Mpowerment can also help you measure the values of potential hires against the values of your organization to ensure that you are getting people who truly fit into your culture ethically, emotionally and professionally. Ethics and values should be at the core of every business.

Leadership: Facing Moral and Ethical Dilemmas

We need a Nobel Prize in business, awarded to organizations that demonstrate how business effectiveness (meaning survival, market share, profits, and stock value) results directly from ethical behavior. A society that is not built on ethics - on fairness, freedom, and mature hearts and minds - cannot survive for long. —Peter Koestenbaum, 2002

In 2001 in the U.S. alone, 257 public companies with \$258 billion in assets declared bankruptcy. This was a huge increase over the previous year's record of 176 companies with \$95 billion.

Taking a look at what went wrong and why these companies failed reveals moral and ethical shortcomings. A bad economy, financial risks that don't pay off, accounting manipulations that seemed smart at the time, loss of competitive advantage, and rapidly changing market preferences are undeniably strong negative factors.

But to truly understand, one must look deeper, into the very hearts and souls of the leaders that guide corporate responsibility. One must look at the moral and ethical stance of an organization and the role of leadership in creating a culture of values.

September 11th was a tragedy that brought harsh consequences for many businesses. One blames the outside forces of terrorism. But bankruptcies are more frightening in that we bring them on ourselves. True, one can point fingers at the CEO's in charge.

But what creates the organizational culture that allows a house of cards to be built in the first place? Where are the ethically responsible leaders? To assume that all leaders are evil, greedy and selfish is too simplistic. There is more to the story, and we must understand how such ethical violations lead to collapses.

"Between right and wrong is a troublesome gray area." - Boeing ethics poster

Are Business Ethics an Oxymoron?

Research reveals that some companies have norms and ethical standards that are not in line with those of society at large. Somehow we accept that business is different. Success is emphasized more than ethical and moral values. As long as a company is successful, we don't look too closely. However, when companies collapse, everyone cries foul and is appalled at the ethical violations.

When leadership is ethically elastic, and standards are allowed to be stretched, then employees lose trust in the integrity of the organization. What follows is a loss of enthusiasm and motivation, and performance suffers. When leaders are less than rigorously honest, then employees follow suit. They express it in absenteeism, sloppy work, and squandering of supplies and productive time.

One of the most pervasive issues in the American workplace today is the justice of corporations paying millions in bonuses to executives and haggling over pennies with salaried and hourly employees. Until this issue is addressed and adjustments made, leaders will have a hard time rebuilding trust and credibility in organizational cultures.

Leadership development programs must explore moral and ethical dilemmas. It is often not as simple as choosing between right and wrong. It is often a case of between right and right. Some say that the organization of the future will have to be morally responsible as well as successful in generating profits. To not strive for this would be to endanger the capitalistic society that we believe works so well.

Never doubt that a small group of committed people can change the world; indeed, it is the only thing that ever has. - Margaret Mead

How to Solve an Ethical Dilemma

Peter Drucker (2001) refers to the Hippocratic oath of 2500 years ago in his writing about business ethics. A professional should promise he or she will "not knowingly do harm." He states that it is not an easy rule to live up to, but that "its very modesty and self-constraint make it the right rule for the ethics that managers need, the ethics of responsibility."

Given that ethical and moral dilemmas present themselves on a daily basis, what do the experts say are the steps for solving an ethical dilemma? Life and business are rarely simple, and between right and wrong there is a lot of gray area.

There are two major approaches that philosophers use in handling ethical dilemmas. One is to focus on the practical consequences of what we do, and the other focuses on the actions themselves and the rightness of the action alone. The first school of thought argues "no harm, no foul." The second claims that some actions are simply wrong in and of themselves.

Here is a three-step process for solving an ethical problem:

Step One: Analyze the consequences

Who will be helped by what you do?

Who will be harmed?

What kind of benefits and harms are we talking about? (Some are more valuable or more harmful than others: good health, someone's trust and a clean environment are very valuable benefits, more so than a faster remote control device.)

How does all of this look over the long run as well as the short run?

Step Two: Analyze the actions

Consider all of the options from a different perspective, without thinking about the consequences.

How do the actions measure up against moral principles like honesty, fairness, equality, respecting the dignity of others, people's rights?

Do any of the actions "cross the line?"

If there's a conflict between principles or between the rights of different people involved, is there a way to see one principle as more important than the others?

Which option offers actions that are least problematic?

Step Three: Make a decision

Take both parts of your analysis into account and make a decision.

Source: www.ethicsandbusiness.org/strategy.htm
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