

Ethics –Bits & Pieces

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Do you believe you have strong ethics?

Just about everyone would say "yes" to that question. If you think about it, that could be a problem.

"The comment heard most often is, 'I'm ethical, it's everyone else I'm worried about.'

That can't be true of everyone," says Mark Pastin, CEO of the Council of Ethical Organizations. He's spent the past 30 years advising organizations and governments about ethics.

Pastin says most people are too forgiving when considering their own ethics. "It's one of the home fields for self-deception," he says. That's especially dangerous for someone running a small business. "Small organizations are judged by their character more than big organizations are. Most people understand that the way a small company behaves clearly reflects the leadership," he says. "They're looking to create a sustainable culture that will prevent unethical actions in future. Small organizations are especially vulnerable when they make an ethical mistake."

Before that happens, it's worth taking a few minutes to think about seven questions. At worst, you'll have wasted a little time figuring out that your ethics are as solid as you think they are. On the other hand, you may find some inspiration to make changes.

1. Do your actions match your thoughts?

This is how most people tend to let themselves off the hook. You may judge yourself by your thoughts and intentions rather than by what you actually do. "The most important thing is to judge your own ethics the way you would judge someone else's, which is by their behavior. Particularly

in situations when it's not easy to do the right thing." People are victims of what the Ancient Greeks called *akrasia*, which is "knowing best but doing worst."

Look at your own behavior and think how you would evaluate someone else who did the same things. The thing that's most important about your own ethics is that you judge it the way you would judge someone else's which is by their behavior, particularly when it's not easy to do the right thing.

2. How do you reward loyalty?

Loyalty is an interesting ethical test case. Most people and organizations claim to value loyalty, but as in question 1, their actions tell a different story. People who say they're loyal may be working for an organization that developed them and brought them along, but if they get a slightly better offer, they're gone. If an organization's first action when things go wrong is to fire people, they'd better keep their mouths shut about loyalty.

How can you truly demonstrate that you value loyalty? By giving an effective employee who's stayed with the company for a long time substantial pay increases, rather than an "attaboy." Think about your own employees from the perspective of what someone else would pay for them. If you have people who stay with you even though they could make more elsewhere, try to value them as much as they'd be valued if they weren't loyal and had left for another job. It's your job to make that adjustment, or they will.

3. How do you handle whistle blowers?

When someone speaks up to identify a problem, the immediate instinct might be to hurt that person. So really protect employees who bring you significant issues. Make sure there aren't reprisals. Learn to love your whistle blowers.

The other challenge is to create an environment where employees feel safe raising negative issues in the first place, even though there will be times when you wish you hadn't. When you tell employees, 'We want to

hear your concerns,' you have to be prepared for the fact that 99 out of 100 of them won't be serious. But you could get that one out of 100 that will change the future of your organization. So you have to listen to all the comments and some of them aren't going to be much fun.

If someone raises an issue that enables you to avoid a serious ethical mistake, you should value that.

4. Do you over-promise?

In organizations, the chief executives should be very careful about what they say. If they say one thing and do something else, they can't hide from it. If they over commit or exaggerate, they'll be called out for it. Be straight forward and do what is possible to keep you customers satisfied. If you don't that can have consequences that go beyond just you if you're running an organization or overseeing a team. "You have authority and power. When you say something, you're committing the organization and not just yourself. You'll often find experienced executives learn to parse what they say very carefully for this reason. If they over commit or exaggerate, they'll be called out. It's much better if the truth beats what you say than if what you say beats the truth.

5. How much business do you get by word of mouth?

Does strong ethics confer as an advantage? Though there's no simple answer, on average it does because strong ethics leads to a good reputation. Having your organization recognized by word of mouth or referrals for being ethical is one of the best indications that your reputation is solid.

Unfortunately, expectations for ethics are so low these days that customers are fairly easy to impress, he adds. They expect to be treated well while their wallets are open, but once they're closed, they don't expect to have a relationship with you. If you treat people who have a complaint or a product to return with the same level of service you would if you

were selling to them, you'll win their loyalty quickly.

6. How do you treat your vendors?

Most organizations focus on customers. After all, they're the ones paying the bills. But how do you treat people and organizations when you're the customer? Do you pay bills on time? If you can't, do you get in touch to explain, and let them know when to expect a payment? "What ethical face are you presenting to the world? You usually show who you truly are to the people you're paying

7. How do you deliver bad news?

If you need to discipline an employee or fire someone for cause, do you do it yourself? Do you deliver the news yourself? Face to face or by email? Or do you hand it off to an HR person or another manager? When there's bad news, you need to point out something negative, or take a negative action, your willingness to own the consequences is a good measure of your ethics.

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