

# A lasting lesson in the ethics of business



Special to The Inquirer

*This is the first in an occasional series of columns on business ethics.*

This seems an inviting time to launch a column on business ethics. That's especially true if one expands the definition to include subjects such as corporate social responsibility, government regulation, self-regulation, executive compensation, downsizing, and other timely topics.

There are hundreds of current issues surrounding the behavior of those of us in the business world and probably thousands of opinions as to the correct solutions to those issues. In this column, I hope to examine many of the more important issues, and parse them in a way that provokes thought among readers and perhaps stimulates some productive conversations in the workplace.

I don't pretend to have any moral authority on the subject of doing the right thing in business. But I can say the topic has been of great interest to me for many years, since even before I entered the workforce.

I gave my college valedictory address on business ethics 30 years ago. (I thought I knew what I was talking about then.) My opinions have been shaped over the years by many interesting formative experiences and remarkable people.

One whose example I chose to follow was the chief executive officer of a company for which I used to work. One day I entered his office with a dilemma. "I have a problem," I said. "We discovered that we made an error in a client's account. The client is unaware of the error, and I'm not sure what to do about it."

He looked at me and said, "You made an error in a client's account. The client is not aware of the error, and you're not sure what to do about it."

He was just staring at me. So I said slowly, "We correct the error, make the client whole, inform them of our actions, and then put controls in place to ensure it doesn't happen again."

"Of course," he said. "Now, how much was it?"

It didn't dawn on me until that moment that I had never told him the amount of the error - how much it was going to cost us. It was clear that in his mind doing the right thing did not have a price.

Years later, after he had moved on and I had assumed his position at the company, I reminded him of that exchange and how much it meant to me. He didn't remember it. By that time, doing the right thing daily was such a part of his character that a little exchange like this with a junior executive would not be a momentous event. But it meant something to me.

Sometimes it's easy to take the high road . . . if you're the CEO or if you know that the CEO will support you. It's much more difficult when there is personal or professional risk.

A relative in the food business once came to me. He was aware of some potential health issues with his company's product. Unfortunately, he believed that if he followed through on his concerns, he would lose his job. He came to me for advice. It would be easy for me to tell him to do the right thing; I didn't have to pay his rent.

We developed a strategy whereby he could be at peace with his conscience without getting fired. It worked for a while, but eventually he resigned, uncomfortable with his company's ethics.

There are times when we must make business decisions that hurt people, economically or otherwise. It doesn't always follow that hurting someone means the decision wasn't ethical. We find ourselves asking what the greater good may be, or whom we are obliged to serve: shareholders, the community, employees, customers, the government? How do we balance the interests of all of these so-called stakeholders?

I look forward to navigating the choppy waters of business ethics with you and invite you to submit your thoughts, questions, and experiences on the subject.

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