

Company's public ethics statement: Needed or not?



We have little time or sympathy for a person who says one thing and then does another - someone who doesn't practice what he preaches.

Of all the insults and accusations we can hurl, perhaps none stings as much as "Hypocrite!" As a consequence, most of us are very careful not to get ourselves caught in that trap.

I was reminded of this at a recent conversation with a group of business leaders. The context of the meeting is irrelevant, but it led to a discussion of business ethics - specifically the practice of a business publicizing its Statement of Ethics.

The exchange started with me making what I thought was a non-controversial reference to ethics statements. What followed was a comment by a CEO - someone I know well and know to be ethical - who said he didn't believe in ethics statements.

His concern was that if a company makes a public statement about ethics, as soon as a difficult business decision has to be made, someone will be waving the ethics statement in the company's face.

My immediate and flippant response was "So what?"

Just because a business decision was difficult or unpopular doesn't make it unethical. Was my friend suggesting that he didn't want to be accountable? Did he want wiggle room?

One of the other participants spoke up and said that when he quit smoking, he told everybody he knew - to make it more difficult for him to shirk his commitment. The group responded to the CEO's concern with a righteous rebuke.

So the obvious conclusion is that my friend was wrong, and I was right. But not so fast.

The difficulty is, ethical behavior is often in the eyes of the beholder. For example, if a company states "We will not be undersold," it is relatively easy for it to abide by that statement. It's just money, not ethics.

If a company states it will uphold a high standard of ethics, someone could (perhaps unfairly) accuse the firm of unethical behavior because of layoffs or price increases or environmental impact, things that at the very least are subject to interpretation.

I know that by writing this column, or preaching on Sunday (my other side job), I place myself under a certain kind of scrutiny. It can be uncomfortable. We all make mistakes, we all have flaws, and we don't relish having them examined under a microscope.

So what are we to do? Not take a stand? Not tell the public the standards we have set for our businesses? That doesn't sound right.

Should we make sweeping, high-minded statements about our values and leave it at that? That's probably not the right answer either. Such an approach is so subjective that we can be held accountable for everything or for nothing. It's meaningless.

I suggest an approach that I have admittedly not yet taken in my own company, but now intend to: Create and promulgate a list of specific, measurable practices or behaviors that are important to customers and germane to the business. They could include the transparency of fees, independence of vendor relationships, policies on the handling of errors or refunds, hiring practices, and many others.

If you have a code of ethics with specific requirements that your employees must sign, consider making it available on your Web site. If you don't have an ethics code, consider crafting one. If you worry about being held accountable, either the code of ethics is poorly written and needs work, or you know the tenets of your code are not being followed, and some corporate soul-searching is in order. Either way, there is work to be done.

None of this is a guarantee that we won't occasionally be accused, fairly or unfairly, of acting inconsistently with our stated values. So be it. Sometimes we need to have thick skin. But it certainly beats the alternative: Standing for nothing and hiding from accountability.

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