



Business Ethics

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What is Business Ethics?

- The set of moral rules that govern how a business operates, how business decisions are made and how people are treated
- How do you treat: Your Employees? Your Shareholders? Your Customers? The Public?
- How do you determine what is right vs wrong in business?
- It all starts with you – the Foundation

The Foundation of Business Ethics

Values

- The rules by which we make decisions about right and wrong/good and bad
- The beliefs of a person – either for or against something

The Foundation of Business Ethics

Morals

- Greater social element – how we judge others
- Much more emphasis on good and bad
- Motivation based on ideas of what's good and bad

The Foundation of Business Ethics

Ethics

- Moral values in action
- Doing the right thing, no matter how hard, is being ethical

The Foundation of Business Ethics

Integrity

- The quality of being honest and having strong moral principles
- Doing the right thing at all times and in all circumstances whether seen or not
- Considered the most important trait for leadership
- Demands truthfulness and honesty

It's More Than Compliance

Compliance

- Doing what you are required to do
- Adhering to laws and regulations
- Compliance Programs
 - Tend to be general
 - Tend to be designed more for keeping company out of trouble rather than protecting it's reputation
- It's a "by the book" approach to Ethics

It's More Than Compliance

Ethics

- Doing what you should do
- It's all about the Six Pillars of Character
 - Trust
 - Respect
 - Responsibility
 - Fairness
 - Caring
 - Good Citizenship
- Makes Compliance easier
- Employees relate better to Ethics

Transparency

- Operating in a way that it is easy for others to see what actions are performed
- A person being honest with himself about the actions he takes
- Implies openness and accountability

Transparency

You need to be transparent to your:

- Employees
- Customers
- Vendors
- Shareholders
- Family
- Friends

Needs to be seen as a business priority

Ethics in the Workplace

A culture where misconduct is tolerated could bring:

- Turnover
- Lower productivity
- Reduced Profitability
- Damaged Reputation

A culture where you build on ethical behavior could bring:

- Motivated Employees
- Higher Productivity
- More Profitability
- Solid Reputation

Ethics in the Workplace

Unethical practices, if not addressed, will create conflicts in the workplace

Examples of Poor Workplace Ethics

- Theft
- Falsifying Information
- Decisions Made for Personal Gain
- Withholding Pertinent Information
- Lying
- Cyber Policy Abuse
- Bribes

Ethics in the Workplace

Examples of Good Workplace Ethics

- Being accountable for your actions
- Taking Initiative
- Blowing the Whistle
- Setting an Example
- Being Punctual
- Being Professional

Ethics in the Workplace

Code of Ethics

- A management tool for spelling out a Company's values, responsibilities and its ethical obligations
- A set of behavioral rules employees should follow

Code of Conduct

- Provides employees with guidance on handling ethical situations
- Should be well-embedded within the Company so employees know how it applies to them

Dilemmas and Decisions

Ethical Dilemmas (or Moral Dilemmas)

A choice to be made between two options, neither of which will resolve the issue in an ethically acceptable

Example: Your supervisor enters your office and asks you to write a check for \$150 for expense he incurred entertaining a client last evening. He has the receipts and submits the expense report according to policy. At lunch, your supervisors girlfriend stops by to pick him up for lunch and you overhear her telling the receptionist what a great time they had at dinner and dancing for her birthday last evening. What do you do?

Dilemmas and Decisions

Decisions on Ethical Issues

- Know the Facts
- Who is Affected
- Consider your Character
- Check your Gut
- Decide on the proper Ethical Action

Decisions are rarely black and white

Training

- Good ethics must be taught and reinforced over and over
- Can improve morale which improves productivity and profitability
- Online training sources
 - bizlibrary.com
 - globallearningsystems.com
 - hrclassroom.com
- Make it a Priority in Your Workplace

Corporate Social Responsibility

- Establishing your Company's Public Image and Reputation
- Can have great results with Customers/Vendors/Stakeholders
- How ethics and you interact in your community

Corporate Governance

- Framework of rules and practices by which a Board of Directors ensures Accountability, Fairness and Transparency in a Company's relationship with all Stakeholders
- Board of Directors
 - Industry Experience/Leaders
 - Can make the tough decisions
- Your Internal Watchdog

Liability Issues

Performance Liability

- Are you insured for enough if found guilty?
- What's It Cost your Company?

Criminal Liability

- What would be the Impact on you and your family?

Safety

- What if it involves a safety issue?
- Do you want to be the one to call a spouse?

Liability may be personal and not discharged in Bankruptcy

What Is Happening Out There?

Bid Shopping

- Using one bid to get a lower price from another contractor
- Offering to undercut bids after awarded to another contractor

Contractor Blacklisting

- Conspiracy to not do business with other contractors/subs/vendors

What Is Happening Out There?

Reverse Auctions

- Using the internet to drive prices down

Gifts

- Accepting gifts from vendors and contractors for getting work

Billings

- Labor that was not incurred
- Materials that never went into the project

Questions

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Up Next: Lunch on Event Lawn 1

Breakouts resume at 1:30

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