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Doing the Right Thinkg – Even When No One is Watching

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It took a collapsing economy to expose the moral bankruptcy of entrepreneurs like Wall Street investor Bernard Madoff, who was arrested recently on suspicion of defrauding clients of \$50 billion in a Ponzi scheme. If such practices were part of the business landscape at a time of relative prosperity, even greater lapses of ethical behavior and judgment may be likely now as many businesses struggle to remain solvent during what is expected to be a protracted and painful recovery.

While hard times drive some people to criminal and amoral extremes, others remain faithful to core principles or values that determine their conduct regardless of external circumstances. These principles, or ethics, are what separate people of integrity from people who disregard any law or agreement or courtesy that interferes with making a buck.

Ethical business practices bring their own rewards by raising the performance and reputation of those who practice them. Businesses that set ethical guidelines and promote ethical behavior are demonstrating that honesty, respect and safety aren't expendable when times are tough. Businesses that are willing to go beyond the minimum legal requirements of the market and to hold themselves and their employees to a high standard of moral behavior are bright spots in a gloomy economy.

Here's how a business can start building an ethical foundation:

Define the business's values and guiding principles. The six pillars of character, as defined by the Josephson Institute of Ethics, are trustworthiness, respect, responsibility, fairness, caring and citizenship. An organization that cherishes these values and practices them at all levels is setting a standard for how it conducts business and what outcomes it expects.

Develop a workplace ethics policy: Articulating the values that determine how business will be conducted lets customers know what they can expect and lets employees know what's expected of them. But an ethics policy is useless if it isn't enforced. Businesses that reward unethical behavior or allow self-serving individuals to abuse power sabotage and violate their own stated principles and cultivate an anything-goes workplace culture.

Involve all employees in ethical practices: Periodically reinforcing the importance of business ethics and rewarding ethical behavior help all employees stay on track. Businesses could

consider emulating the children of Holy Cross Catholic School in Santa Cruz, New Mexico, who participate in a statewide event honoring a student and family member with a “Character Counts” award.

Training and decision-making tools: Some people need occasional reminders of what’s right and what’s wrong, especially when unethical behavior seems to be the norm. Ongoing in-house training reminds everyone about the rewards of ethical behavior — and the consequences of misbehavior. Maintaining an open-door policy invites employees to report inappropriate conduct and to seek advice when they need help making an ethical decision.

Make ethics part of the business’s public promise to customers: Businesses that promise to respect others and behave with integrity are sure to attract customers and inspire their loyalty, especially if they advertise their commitment to an internal code of conduct based on honesty, accountability and social responsibility.

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