

Eight Elements of an Ethical Organization

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There has been a lot of attention paid to ethics in business lately. Of course, most of that focus has been on the lack of ethics in business.

Even worse, the drive to "get ethics" is now a huge push. I cringe at the thought of a quick fix for something so fundamental as a company's ethical behavior. Ethics are a foundation of a good company, and while they can be fixed, the best companies begin with a solid ethical footing.

For entrepreneurs, ethical behavior is often overlooked as the chaos of everyday business obscures the philosophical side of your company. But fear not, it is far easier to reconnect to a solid ethical footing than it is to attempt an "ethics transplant."

Many business experts treat ethics like a sermon on the mount. Although it's hard not to preach a bit when it comes to ethics and morals, I've tried to identify some things to think about, in addition to recommendations on how to behave ethically. It's interesting to consider how good ethical behavior reflects smart business practices, but maybe that's exactly why the great companies are just that.

Consider these eight elements that comprise the ethical bedrock of an awesome organization:

1) **Respect:**

As an entrepreneur building a business, you need to respect yourself and surround yourself with people you can respect. Remember, strong respect doesn't mean you can fly on auto-pilot. While you can assume your people will do their job as well as they can, they do need coaching, training and direction, but respect and trust make it easier for you to avoid micro-managing them.

Do not hire or do business with people you don't respect, or who don't respect you. These are the types of people who ultimately don't respect their colleagues, customers, vendors, or themselves. When existing relationships weaken, take action. Do your best to rebuild mutual respect, but it can no longer be rebuilt, let the person go.

2.) **Honor:**

Good people are a fundamental part of good ethics. They are also great ambassadors for doing things right. Give special attention to strong performers and people who exemplify the spirit of your organization. Most companies recognize top achievers and producers. Go beyond quotas and sales figures. Point out, and show your gratitude to the people who exhibit exemplary behavior, and who have made sacrifices on your behalf. These are people who have helped you be successful, and you need to acknowledge and honor their contributions publicly, as well as privately.

3.) **Integrity:**

When it comes to integrity, it is impossible to avoid sounding preachy or parental. Do not lie, steal, or cheat. Make your word your bond and always stand by your word. When you are wrong, own up to it and make good on the deal. Treat others as you'd want to be treated.

Do not hire or retain people who do not have integrity. Other employees, customers and vendors will not trust them. That lack of trust is like a virus; eventually they will not trust you either.

Make sure no one is selling the company's values short to make a quick buck. After all, making a bad deal to meet a quota or target is not only unethical, it's often unprofitable in the end.

4.) **Customer focus:**

A company is nothing if it does not have customers. More to the point, if a company does not produce what people want and will pay for, there is no point to that company. A focus on your customers reinforces the responsibility you have to the market. Your decisions affect your people, your investors, your partners and ultimately, your customers. Serving all of these people is part of your ethical responsibility. Selling your customers short not only risks compromising your ethics, it also risks the long-term health of your company.

5.) **Results-oriented:**

You wouldn't be an entrepreneur if you weren't focused on results already, but ethics factor into results too. Don't aim for results at any cost. Work on achieving your results within your company values. Results should be attained in the context of developing something that customers want, and producing and delivering it at a price that is fair to all the parties involved.

Good managers clearly identify the results they expect, then support their employees and help them achieve those results. They provide feedback on performance in an effort to help the employee achieve their potential, and the results the company needs for success. In a good company (and an ethical company), results are more than just numbers. They are benchmarks and lessons for the future as well as goals for the present.

6.) **Risk-taking:**

So far, you might be feeling that ethical companies are timid and mousy, scared of doing the wrong thing. That is simply not true. Organizations that thrive, prosper and grow do so by taking risks. They do not stick to the safe path. Great companies innovate, they think "out of the box", and they try new things. They re-invent themselves and they reward the risk-takers. As long as you stick to your philosophical guns, risk-taking poses no threat to your ethics.

Great companies attract employees who are willing to take risks, and they encourage, support and reward them for taking calculated risks. When the risks pay off, they share the rewards with those who produced. When the risks do not pay off, they take the time to analyze what went wrong, and learn what to do better next time.

Think about this; Who would you rather be surrounded by when you are taking risks: people who you trust and respect, or the sharks and snakes?

7.) **Passion:**

Great organizations are comprised of people who have a passion for what they are doing. These are people who are working for you for the thrill and challenge, not merely putting in time to collect a pay-check. They are excited, driven, and believe that their work and efforts can make a difference.

Without the passion burning within them, people put in a minimal effort, getting paid and going home. These people are role models to others: why work so hard when you can come in late and leave early?

People can demonstrate their excitement in many ways, so be aware that extra effort on a project or working on the weekend shows passion as much as enthusiastic cheerleading.

8.) **Persistence:**

People in awesome organizations have the will to persist. They will keep working even when results are not what they hoped, or when customers refuse to buy. Their persistence is tied to their passion for what they are doing and a belief that this group of people, this company, has the best chance of "making it" of any company they could join. And so, they work harder, They continue to take risks. They behave with honor and integrity. They keep their focus on the customer's needs and wants. And, they are not satisfied until they achieve the goals and results that are expected.

You, as the leader, need to put a lot of time and effort into hiring people who share these values. Talk to your team about the importance of these values to the strategy, plans and decisions made. You need to clearly draw the line which separates "what's allowed" from "what's not allowed" in the company. And, when someone steps over the line, the leader needs to tell them they stepped over. Depending on the person (and the incident), give them another chance and get them to change their behavior, or let them go. Taking no action is unacceptable.

Sticking to your beliefs might be the ultimate representation of good ethics. And not surprisingly, it doesn't just make good sense from an ethical standpoint, but it makes great business sense.

CONTRIBUTORS:

Jana Matthews
Founder and CEO
Boulder Quantum Ventures

9.) Fairness =

10.) Loyalty =