Business ethics: What everyone should know

By the Advisory Board of the Hoffman Center for Business Ethics

One of the most valuable things that the Hoffman Center brings to the Bentley community is the wisdom of its Business Advisory Board. Most members are current or former ethics and compliance officers with years of experience. In the hope of better preparing Bentley students for the workplace, the Center recently asked the group for clear, direct, practical, and specific answers to the question, "What has your experience told you about what students should learn about ethics before they start their first job? Here's a compilation and summary of what we received.

Ethics is essential to business

Every company's statement of mission and values recognizes the importance of ethics. No one would do business with or work for a company that rejected ethical values.

Ethics boils down to "Do no harm" and "Treat people with respect for their dignity"

For all its complexity, ethics is based on two fundamental ideas: do no harm; and treat people with appropriate respect and dignity. If you're thinking of doing something that violates either of these, take a step back and reconsider. You always have options.

Respecting human rights is part of ethics

Appreciate that respecting human rights is part of ethics. What does it mean for businesses to promulgate human rights policies, conduct human rights due diligence, and participate in the remedy of human rights harm in which they were involved?

Ethics requires speaking up and taking action

Ethics is also about taking action to support important moral values. This includes: acting with courage and kindness; speaking up; intervening to stop wrongdoing; supporting a person in duress; identifying and mitigating risks preventively when we see something wrong happening. The ethical failure of organizations (and societies) is often marked by the failure of good people to speak up and take action when they see harm being done by the organization or other employees. Indeed, a company that does not encourage employees to speak up in such cases is much more likely to miss and fix problems early on, before they metastasize and become unfixable. If you have any sense that raising concerns is not welcome (or "not a good career move"), that is your signal to start looking for another career opportunity.

Recognize the impact of your actions

At all times consider the cultural impact of your decisions, recognizing that even though your actions are both legal and ethical, implementing decisions in different ways will likely result in different cultural outcomes. Everyone in a company, regardless of level and position, plays a role in building and fostering an ethical culture. The rules and standards need to apply equally across an organization. Leaders who act outside the lines or with different sets of rules do tremendous harm to an organization's culture. It's vital that anyone aspiring to be a leader understands this point.

What is "ethical" and what is "legal" are different

A good company wants its people to do "the right thing," not "what we can get away with." Laws say something about what kind of society we want to do business in. Your mantra should not be, "How close can we get to the line without getting into trouble?" or "How far over the line can we go without getting caught?"

Have a decision-making framework for recognizing and navigating ethical issues

Ethics is usually not black and white.

It is often about identifying and navigating the gray areas. When faced with such situations, start by asking questions. What are the relevant facts, rules, laws, agency regulations, and company values? What are your options? What are the consequences of each option? How would your action be described if reported in a story on the front page of the Wall Street Journal? Would you be comfortable defending that action?

The world is not so two-dimensional as we sometimes like to make it appear. While you might be challenged by the choice between a clear "right" and a clear "wrong" (like someone asking you to absorb another department's budget, say, or "eat time" on a timesheet or join in some harassment of a colleague or commit an illegal act like doing some favor in order to obtain a business decision) most of the decisions you will face involve the choice between two or more options with degrees of "right" (or of "wrong").

This is why the advice about thinking in advance what your standards are is so important. It's also why the idea of ethical frameworks is so useful. Students need a decision-making framework that gives them a complete picture of their situation and options. It's especially important that such a framework lets them identify the full range of the consequences of actions—intended and unintended.

Keep your eyes on the horizon

Remember to keep your eyes on the horizon for developing ethical issues. For example, note the increasing frequency of ethics issues emanating from technology applications. Some have burst on the scene, such as ethical issues with AI— for example, whether human biases are reflected in algorithmic decision-making and the need to ensure sufficient human oversight of new advanced technologies that are automating our work. Other ethical issues related to technology have emerged more slowly—the monetization of falsehoods, fear, ignorance, and conflict, for example—as the use of social media expanded.

Have a line you will not cross

Early in your career, decide which ethical lines you will not cross. Be prepared for the fact that at some point you may be put in a situation where you'll be tempted (or asked) to do something you know is wrong. Even if it means you need to find a new job, hold the line. Too many executives end up in prison because they didn't, and they either thought the problem would somehow go away or they could finesse the situation.

Protect yourself

Your character, your values, and your ethics belong to you. Be proud of yourself and proud of what you do and with whom you work. Be proud of what your company does. You will encounter unethical people, companies, and practices in the course of your career. Steer clear of them. Remember what people think of you is based on what you do. Your reputation is yours and it is yours for life. It is also always worth keeping in mind that Socrates claimed that "vice harms the doer." The ruined lives we see in the wake of every corporate scandal provide plenty of evidence for that. Protect yourself. Don't be the author of your own undoing.