

Doing the Right Thing

(Published February 15, 2009)

By Alvin Clay III

I suppose there has never been a better time in history to start a column on the subject of business ethics. This is especially true if one expands the definition of business ethics to include the subjects of corporate social responsibility, government regulation, self-regulation, free markets, controlled markets, executive compensation, downsizing, outsourcing, immigrant labor, organized labor, etc. etc.

There are hundreds of current issues surrounding the behavior of those of us in the business world and probably thousands of opinions as to the correct solutions to those issues. In writing this column, I hope to examine many of the more important issues, and parse them in a way that provokes thought among the readers and perhaps stimulates some productive conversations in the workplace.

I certainly don't pretend to have any moral authority on the subject of "doing the right thing" in business. But I can say that it is a topic that has been of great interest to me for many years, since even before I entered the workforce.

I gave my college valedictory address on the subject of business ethics 30 years ago. (I actually thought I knew what I was talking about back then.) Now my opinions have been shaped over the years by a myriad of interesting, formative experiences and remarkable people. If we pay attention in this world, there are many models of behavior. It's up to us to choose which models to follow and which models to avoid.

One person whose example I chose to follow was the CEO of a company for whom I used to work. One day I entered his office with a dilemma. "I have a problem," I said. "We discovered that we made an error in a client's account. The client is unaware of the error and I'm not sure what to do about it." He looked at me and said, "You made an error in a client's account. The client is not aware of the error and you're not sure what to do about it."

I looked around the room, wondering if there was an echo or something. He was just staring at me. So I said slowly, "We correct the error, make the client whole, inform them of our actions, and then put controls in place to ensure it doesn't happen again."

"Of course," he said. "Now how much was it?" It didn't dawn on me until that moment that I had never told him the amount of the error - how much it was going to cost us. In our business, the number could have been very large. It was clear that in his mind "doing the right thing" did not have a price. We were to do

the right thing -- period. We would deal with the cost later. Years later, after he had moved on and I had succeeded to his position at the company, I reminded him of that exchange and how much it meant to me. He didn't even remember it. Of course not. By that time, doing the right thing on a daily basis was so much a part of his character that a little exchange like this with a junior executive would not be a momentous event. But it meant something to me.

Sometimes it's easy to take the high road, like if you're the CEO or if you know that the CEO will support you. It's much more difficult when there is personal or professional risk. I once had a relative in the food business who became aware of some quality issues – potential health issues – with his company's product. Unfortunately, he believed that if he followed through on his concerns that he would lose his job. He came to me for advice. It would be easy for me to tell him to “do the right thing.” I didn't have to pay his rent.

We developed a strategy whereby he could be at peace with his conscience without getting fired. It worked for a while, but in the long run he had to resign from the company, unwilling to be part of a business that pushed the boundaries of ethical behavior.

Other times it is difficult to judge what the right thing really is. There are times that we must make business decisions that hurt people, economically or otherwise. It doesn't always follow that the fact that someone is hurt means the decision wasn't ethical. We find ourselves asking what the greater good may be, or who we are obliged to serve – the shareholders, the community, the employees, the customers, the government? How do we balance the interests of all of these so-called stakeholders?

I look forward to navigating the choppy waters of business ethics with you and invite you to submit your own thoughts, questions and experiences on the subject. If I can accomplish anything in this series of columns, I hope that at least a few readers, if not many, will find more and more opportunities to do the right thing, and will profit from the experience.