

Our Secret Company Ethics

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One of the strangest phenomena I run into is companies that refuse to disclose anything about their ethics and values and their ethics training or reporting programs. For many years I have assigned my MBA students to each do a brief “consulting report” on the ethics and values at a company of interest to them other than their own employer. The point is to learn what to look for and how to assess the strengths and weaknesses of the overall “ethical health” of the organization.

We look for six components and four processes. We do our research by exploring internal company literature and information, secondary/outside information about the company, and doing at least one brief in-person or telephone interview with an employee or manager. Most of the time, this information is abundant and easy to access. The web sites are rich resources. Employees can talk with no muzzles placed on them. But every semester we run into a few surprises where companies stonewall all inquiries.

Google and Anheuser-Busch are two of the latest companies to blow off my MBA students who were doing a small research project on corporate ethics. “That is confidential information,” we are told. Google, whose mission is “to organize the world’s information and make it universally accessible and useful” somehow won’t make its own ethics information accessible and useful. What’s there to hide Google? Why won’t you stand up and tell us what your ethical standards are and how you communicate and implement these standards in your company? Why so secretive and paranoid?

We aren’t talking about revealing your secret technology or recipe! This is about your ethical guidelines and your training program!

Pros and Cons

So what possible benefit is there to being so secretive about company ethics? Well maybe you are afraid that if you announce a standard you might be held accountable for performing up to your standard? I think I see the hand of the legal department here. We need our legal advisors but they can’t be allowed to drive the culture of the company. But maybe there is a degree of self-protection to be gained through your secret ethics. Pretty sad if that is the situation in our litigious era.

On the positive side for ethical transparency, let’s remember that our ethical standards are (or ought to be or could be) our account of how to treat each other (and all of our stakeholders) in order to excel and to succeed in our mission and vision. Holding up these standards for all to see will emphasize their importance and make it easier to measure performance against those standards. We all know that a private/secret vow is not as strong as a publically-witnessed one. An individual commitment is not as strong as a shared, team commitment. So going on public record will help our company internally to see and follow our standards.

Second, remember that most businesses today are not self-contained silos. We operate all the time with B2B relationships and alliances. If we are trying to work with another company that has no idea of our ethical standards, or whether ethics even matters to us, trouble lies ahead. It is vastly better for us to be public and on record about our ethics and values. “If you want to do business with us, this is the way we operate.” So too with business to government relations around the world (hello Google): much better to be clear, transparent, and on record from the very start about who you are as a company and what your core values and ethical standards are.

And finally: some of these secret ethics companies actually are (or seem to be) great places to work with (apparently) sound ethics and values. So why don’t you add to your positive impact on the marketplace and business world by sharing with others what you have learned? The business world needs your good example. We’re not asking to see your program code -- or the recipe for your Oktoberfest brew --- just

your approach to right and wrong and good and bad. It's a little like airline safety. My friend and former Boeing executive Al Erisman told me that Boeing and Airbus could be ferocious rivals and highly secretive about everything . . . except safety. On safety issues they shared fully with each other. This is a good analogy to the importance of ethics. We need to share best practices and experiences freely with each other. It benefits everyone.

So if you have any influence, lobby your company to be fully transparent about its ethics and values. Everybody wins, starting with the company itself.