

Managing a Company: Business Ethics

A well-managed company should strive to incorporate the highest ethical standards of honesty, transparency and openness in every aspect of the organization, as well as in all internal and external business transactions. Ethics cannot be compartmentalized to specific organizational departments. It must exist throughout the entire organization and manifest itself in every short, medium, and long-term decision. Making ethical decisions should be the responsibility of all employees, regardless of their position within the organization. Ethical resolutions should be encouraged by incorporating ethical behavior within the company's culture.

Being ethical in all business transactions is not only the appropriate thing to do, it is also an effective business concept. With its focus on fast growth and generation of returns for its investors, it is important for any company- be it a startup or one that has been in operation for many years- to make excellent first impressions when hiring its employees, managing its investors and serving its customers. The biggest factor in determining whether a venture capital will fund any company is its management team. Investors want to be assured that the company they fund has the integrity and business ethics to treat its investors, employees and customers with dignity and good sense.

In today's intensely competitive economy, risking dishonest business undertaking can spell a premature end to the company's business goals. In order to build honest and valued relationships with its investors, business partners, and customers, ethical behavior should be embraced and an ethical code of conduct adopted. To maintain high ethical standards, the expectations should be established from the outset, and guidance should be provided along the way. Values, once compromised, are hard to reclaim, and principles should not be compromised nor the rules bent in an effort to stay in business. The company should devise a set of guiding principles which employees will be measured against and held accountable to. Dishonest behavior, like bribing prospective employees to join the company, should not be tolerated.

In order to maintain ethical business operations, ethics should be incorporated into the core values in order for a culture of trust, respect, honesty and open communication to be developed. Alongside usual business benchmarks which evaluate corporate profits, emphasis should be placed on doing the right thing by rewarding employees, not only for meeting the company's financial goals, but also for consistently meeting ethical standards which have been put in place. The management must set the tone for expected ethical behavior, and should be responsible for helping steer the firm and its employees toward proper and accepted business practices, including the enforcement of rules, policies and guidelines across the entire

organization. Additionally, it should assist employees to navigate ethical dilemmas and find solutions in difficult situations.

In order for a company to thrive, the management should set the standards and create a mission statement and goals with a set of values that include honesty, integrity, fairness and the commitment to excellence. This culture should incorporate the company's mission and values with the clear and accessible policies and processes that will instill ethics as part of the company's corporate citizenship.

The management should adopt leadership by example style. It should serve as a model of ethical behavior and a standard which every employee can look up to. There should be a clear statement of principles about how the company will treat its employees and customers. When the firm's employees see the management behaving in ethical ways and manners, they will be inclined to do the same. Content employees are more productive and less likely to leave, which reduces the organization's expenses and builds a long-term value. They should be treated with respect and dignity, paid fairly, included in the decision-making processes, and rewarded for their contributions and the advancement of ethics within the organization.

The firm's ethical standards established by the management should guide the company and its employees to act in an honest and trustworthy manner in all business and personal interactions. Ethical standards should encourage employees to make correct decisions for the company. Employees should be encouraged to come forward if they notice unethical and dishonest behavior. Ethical standards and guidelines should provide clear guidance on common ethical dilemmas.

Incorporating ethics into a company's culture should begin with the hiring process. The firm should be seeking talented and knowledgeable employees whose skills and abilities are strengthened by their moral values, including respect for other people, personal integrity and high ethical standards. Since ethical businesses attract ethical people, the company should make sure that the people it hires share its values.

Reference and background checks should be used to assist with the organization's goal to hire ethical and trustworthy individuals. Just like good ethical behavior should be rewarded, dishonesty and unethical behavior should not be tolerated. This is especially important for employees who are in direct contact with clients. All employees need to represent the company's values, including high standards for integrity and ethics. It is not in the company's interest to have employees who will ignore ethics in order to make a sale, or individuals who may end up stealing from the company or hurting its customers.

A company's commitment to ethical code should extend beyond the business aspect. It should also include a policy for environmental and social responsibility, including a ban of the use of items that contribute to the destruction of natural resources; a utilization of hiring practices that include people of every gender, race, age and physical challenge; and an expectation that both management and employees will be righteous corporate citizens. Special attention should be paid to the company's technology and its ethical considerations. Above all, the company should commit to the ethical treatment of its clients. Clients should never receive false or dishonest information or advice, no matter how lucrative the money-making opportunity may be. This includes providing excellent customer service, avoidance of misleading claims and continuous commitment to excellence.

Ethical business practices should be used not only as an opportunity to make appropriate and most ethical decisions, but also as a way of differentiation from the competition when attracting investors, employees and customers. A conviction that honesty is indeed the best policy and that it will ultimately pay off in customer, community and investor relations should be integrated into organizational strategy.