

Twelve Good Reasons to Run A Business in an Ethical Manner

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Four External Reasons: Maintaining A Positive Social/Environmental Context

Reason #1: Litigation & Penal System Avoidance.

Unethical behavior easily descends into illegal behavior. How much money, time, and effort do you want to divert to your legal defense from research, marketing, and other value-adding activities?

Reason #2: Regulatory Freedom

Aggravate people by irresponsible business behavior . . . activate the regulators. Regulatory responses bring a significant cost. Smart business leaders get their companies to self-regulate with sound ethics.

Reason #3: Public Acceptance & Reputational Capital.

A bad reputation is like tilting the playing field and forcing your team to try to move uphill all the time. Build a reputation for being ethical and you will likely win public praise, a favorable press, and the conditions and environment conducive to experimentation, expansion, and business success.

Reason #4: Environmental Sustainability.

Maybe we can get away with a lack of environmental ethics in the short term but there can be no sustainable, long-term success without careful stewardship of the environment and the earth's resources.

Four Internal Reasons: Maximizing the Performance of Four Key Players

Reason #5: Investor Confidence.

If investors cannot trust a company to have honest, ethical accounting and financial management practices, and a fair return on their investment, they will move their money elsewhere.

Reason #6: Partner Trust.

Fast, agile, positive business-to-business relationships are based on trust. Trust is itself based on a reliable foundation of shared values and ethics. The ugly alternative is stacks of legal agreements.

Reason #7: Customer Loyalty.

Treat customers with honesty and respect and see them again . . . and again. Cheat, disrespect, or lie to them and watch them migrate to your competitors.

Reason #8: Employee Performance.

Disrespect, exploit, and mistreat your employees and recruitment will become more difficult, retention will go down, and performance will suffer. Treat employees right and watch them deliver their best.

Four Deep Reasons: More Than Just A "Business" Case

Reason #9: Pride, Honor, & Conscience.

Can we feel great about not just what we accomplished but how we did it? Can we hold our head high, knowing we didn't cut corners, step on others, and deceive people?

Reason #10: Organizational Excellence & Success.

It's all about excellence, about our corporate DNA, about making clear who we are as a company. Ethics is all about getting into alignment with who we are and where we are going as a company.

Reason #11: Corporate Citizenship.

If corporations are to be granted the privileges of legally defined "persons," it is appropriate to expect them to accept the responsibilities that normally attach to such citizenship. It is a two-way street.

Reason #12. "Just Because it's Right."

The "just because it's right" argument is really about something like "getting into alignment with God and the universe"---seeking harmony with the moral universe.