

# Business Ethics: Foundations for Corporate Management in a Globalized World

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# Factors Causing Ethical Inertia

- ◆ Excessive focus on rules
- ◆ Perception of ethics as ‘personal’
- ◆ Difference between individual and institutional integrity
- ◆ Lack of knowledge and skills
- ◆ Influence of corporate culture underestimated

# Developing an Ethical Culture



# Stages of Ethical Development



# Ethical Leadership Strategies

1. Energize the organization's focus on values.
2. Assess the organization's cultural risk factors and development needs.
3. Identify "Culture Champions."
4. Align policies and procedures with core values and ethics code.
5. Integrate a focus on ethical culture into recruitment.
6. Incorporate an integrity / ethics element into new hire orientation.
7. Include integrity performance as an aspect of employee training and evaluations.
8. Align recognition and reward structures with integrity and culture objectives.
9. Respond to ethical violations quickly, effectively and consistently.
10. Review, refresh, renew.



# TI Ethics “Quick Test”

1. Is the action legal?
2. Does it comply with the company’s values?
3. If you do it, will you feel bad?
4. How will it look in the newspaper?
5. If you know its wrong, don’t do it!
6. If you’re not sure, ask.
7. Keep asking until you get an answer.

# Ayco “Quick Test”

Will my action violate laws or any policies of Ayco or any other organization involved?

Maybe

No

Could my decision negatively impact others?

Maybe

No

Will I or others feel obligated by the action?  
Will my objectivity be affected?

Maybe

No

Could it appear improper?

Maybe

No

Seek assistance from one or more of Ayco’s support options.

PROCEED

# The Values/Action Gap

Having values doesn't mean we always act on those values.

Unless we are prepared to **“walk the talk,”** our values have little meaning...

**...and we fail as ethical leaders**



# Seven Symptoms of Ethical Leadership Failure

1. Ethical Blindness
2. Ethical Muteness
3. Ethical Incoherence
4. Ethical Paralysis
5. Ethical Hypocrisy
6. Ethical Schizophrenia
7. Ethical Complacency



# Avoiding the Values/Action Gap

## Ethical Leadership Failure

1. Blindness
2. Muteness
3. Incoherence
4. Paralysis
5. Hypocrisy
6. Schizophrenia
7. Complacency

## Ethical Leadership Success

1. Awareness
2. Communication
3. Understanding
4. Effectiveness
5. Integrity
6. Consistency
7. Humility

