

## Can business ethics survive in a bad economy?

In an article entitled *Are ethics too expensive?* that appeared in *The Christian Science Monitor* on line on June 19, 2009, Michael Hoffman, executive director of Bentley University's Center for Business Ethics in Waltham, Mass. stated that "In a time where the economy is bad and corporations are struggling to survive, there is more temptation to cut corners and step over the ethical line than there is in other times."

The article reports these statistics that are important to Hoffman's concern:

1. The Ethics Resource Center, in its 2007 report, notes that workplace misconduct tends to increase by at least 11% during difficult times;
2. A Compliance Week/Deloitte survey of 249 companies established that 46% of executives expect fraud levels to increase in their organizations this year;
3. The Securities and Exchange Commission has warned firms not to make short shrift of their ethics compliance programs.
4. Nevertheless, there is evidence that 40% of companies have recently decreased employee training, including training in business ethics, and another 14% are considering doing so in an effort to save expense on outside ethics trainers and to keep their employees "noses to the grindstone."

While some companies have concluded that there are only two alternatives, a full ethics training program or nothing on ethics, other possibilities exist:

1. Companies should consider integrating ethics discussions into routine staff meetings. This saves the cost of ethics consultants, but makes managers more active players in the formation of ethical cultures.
2. Some companies have actually begun reading aloud their code of ethics at the start of every budget meeting, which reinforces values and frames spending decisions in a context of fairness and responsibility.
3. Cash strapped companies must "pick their battles" by focusing attention on those areas where the ethical risks are the highest.
4. Companies should keep up and address attention to their whistleblower hot line.
5. In communications with all employees, management should continue to emphasize its commitment to ethical business practices.

The message? Companies should not give up on the ethical culture they have established or the ethical concerns they have simply because the economy is so bad. Instead, they should find appropriate and economical ways to meet their ethical needs and aspirations.