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Experience Talks

**Esther Denaro Maltese
and Martin F. Palumbos**

*Co-Chairs of the Rochester
Business Ethics Award*



Photo by Wes Johnson

What should be in a corporate ethics statement? Can ethics really be institutionalized?

MFP: A Corporate Ethics Statement should provide clear guidance as to what type of behavior a company expects of its employees and, importantly, what type of behavior it prohibits. The uniqueness of each business dictates a significant amount of customization in the presentation of these statements but at the core of every one is a pledge to “do the right thing” in all dealings with customers, clients, vendors, suppliers, their own employees, and the community-at-large.

EDM: Fundamental to a Corporate Ethics Statement is the clear demonstration of the company’s commitment to equitable practices through the behavior of both management and employees. The company’s declaration of belief, and its direction statement, guide workplace conduct and serve as the reference point for all training programs, conflict resolution procedures, and evaluation surveys of company performance.

Author John C. Maxwell presents a provocative reflection on corporate ethics when he suggests that “a company cannot grow character through a crash-course weekend seminar when one day it suddenly realizes that it needs a microwave weekend of ethical training.” However, when a company manages its

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norms, decisions by adopting the Golden Rule as its "integrity guideline," an ethical predictability is created throughout the company. Building an ethical business culture links the core values of the business with the established procedures, incentives and rewards. There can be no progress in the workplace until an individual embraces personal value and feels valued by others.

Desperation does strange things to people. Was it easier to be ethical when economic times were good than it is now?

EDM: Desperation during hard economic times often places people in ethical dilemmas. A foundation of moral character cannot be built by the organization as a whole; it begins with each individual. It must be nurtured by the organization in the face of continuous pressure to perform at the expense of "doing the right thing" when confronting ethical dilemmas during any economic period.

MFP: Desperation does do strange things, but so too does prosperity. No specific economic time has a corner on the market of good behavior or bad behavior.

Having a Statement of Corporate Ethics is not a guarantee, but it does give an indication of intent. A key ingredient is the integrity of the individuals leading the organization and their demanding, maintaining, and monitoring ethical business dealings within the organizations they control.

Can business ethics really be taught? How?

MFP: Teaching ethics is no more difficult to teach than any other intangible human value. Whether in the academic setting or in the workplace, teaching of this value

occurs when the "teacher" (professor or employer) operates in an ethical manner in dealing with the "student" (in the business school or the workplace).

EDM: A strong, ethical foundation in business can thrive in an action-oriented business school classroom; building real-world experiences into the educational model. This is especially successful when the college that houses the business school has a commitment to the development of values, the belief in the dignity of each individual, and an affirmation that service to others is a worthy expression of humanity.

What do you say to people who claim that business ethics is an oxymoron—and that business is fundamentally an unethical enterprise?

MFP: Quite simply I'd say they're wrong! A business based on dishonesty and deception will not last. The truth comes out eventually, and when it does the business either changes or disappears.

EDM: I agree with John C. Maxwell's perspective that ethics is never a business issue, a social issue, or a political issue. It is always a personal issue. When we embrace ethics, do we personally believe that we limit our options, our opportunities, and our very ability to succeed? Do we base our decision-making on what is most convenient? Do we rationalize our choices to "win" through relativism; resulting in ethical chaos? I believe that ethics in any enterprise is a lifelong process of translating what we learn into practice, freeing ourselves from automatic adherence to the way we have always acted under stress. Making the difficult, ethical decision may result in failure, but we must re-think why failure denotes a disgrace in any workplace. Analyzing each failure intelligently to find its cause can be, as Charles Kettering stated, "one of the greatest arts in the world!"

Describe the process the nominees for the Rochester Business Ethics Award (RBEA) must go through.

MFP and EDM: Each year nominations are solicited from the community of companies people feel are worthy of consideration for the award. The nominated companies are invited to complete an extensive application through which they



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demonstrate their commitment to corporate ethics. This year's nomination process is underway right now.

Completed applications include evidence of the senior management's commitment to business ethics, documentation of the company's ethics program, and its conflict resolution process together with specific examples of its ethical

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— Dr. Esther Denaro Maltese

business practices and its involvement in the community as a good corporate citizen. The applications are studied, evaluated and presented to a "blue ribbon" panel of judges. In 2003, there were 89 nominations, five finalists and two award recipients. **BSM**

Professor, community leader and administrator at St. John Fisher College, Dr. Denaro Maltese earned her Ph.D. at SUNY Buffalo. She is co-chair of the RBEA partnership with St. John Fisher College and SFSP. Her leadership positions in the Rochester community include: president, League of Women Voters, vice president, Rochester City Ballet board of directors; president, The Delta Kappa Gamma Society International; past-president, American Association of University Women Greater Rochester Area Branch, and member of the YWCA board of directors. She is also an artist and curator of the photographic exhibits created in The Voices Series.

Martin F. Palumbos is co-owner of PS&E, LLC, a financial planning firm affiliated with Sagemark Consulting. Palumbos earned his undergraduate degree at St. John Fisher College, a masters degree from SUNY Brockport, the CLU and ChFC from the American College and the CFP® certification from the CFP Board of Standards. Palumbos is treasurer of the Estate Planning Council of Rochester, past-president of the Rochester Association of Insurance and Financial Advisors, a member of the Society of Financial Service Professionals and the Financial Planning Association. He is also past-president of The Norman Howard School board of trustees.

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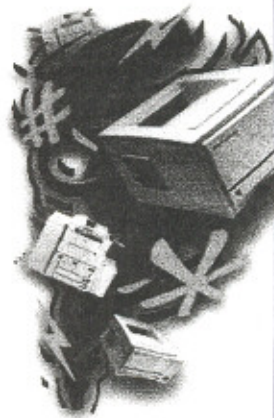
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