Running an Ethical Business

Running an honest, ethical business may seem like common sense. However, in today’s competitive business world, the temptation can be big. As a small business owner, it is not OK to do something “just once”. One time ethics breaches often become habits. Doing this will cause irreparable damage to the reputation of your business.

Two-thirds of small business owners say they are more concerned about ethical business practices today than in the past, according to a survey by the management consulting firm George S. May International. “It may be difficult to measure the benefit of ethical actions to your bottom line,” says Israel Kushnir, president of May International. “But a lack of ethics will definitely have a negative impact on a small business.”

Although formal ethics training is rare at small companies, business owners are always looking for new or better ways to define their values for employees and customers. Some are putting ethics policies on paper while others are simply raising the issue more often in the workplace.

The Josephson Institute of Ethics, www.josephsoninstitute.org, is a “public-benefit, nonpartisan, nonprofit” organization that helps advance ethical decision-making. Co-founder Michael Josephson’s daily radio commentary on ethics and character-building runs on stations across the country and his “Character Counts” initiative has been adopted by schools and youth groups nationwide.

The Institute’s Web site has a helpful step-by-step guide to making ethical decisions, available free. The Institute also conducts Ethics in the Workplace training seminars and has a catalog of publications, videos, CDs, tapes, banners and other ethics awareness products you can buy.

The Ethics Resource Center (ERC) is a Washington, DC-based nonprofit organization that offers informational products and services, including help creating a code of conduct, an ethics effectiveness test, a business ethics Q&A and other items. ERC also conducts an annual National Business Ethics Survey. You can find more details at www.ethics.org.

Also consider the popular books, The Power of Ethical Management by Ken Blanchard and Norman Vincent Peale, and Street-Smart Ethics: Succeeding in Business without Selling Your Soul by Clinton McLemore. Other thinkers from Aristotle to the Dalai Lama have also written on ethical issues that will help you integrate your business practices with your personal beliefs.

To learn more about small business ethics and other management issues, contact America’s
free and confidential source of small business mentoring and coaching. SCORE is a nonprofit association of more than 12,000 experienced business folks who volunteer as mentors. We are "Counselors to America’s Small Businesses."

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