

Getting the most out of being good

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Introduction

Benefits come from change

ORGANIZATIONAL CHANGE IS NECESSARY FOR THE DELIVERY OF ETHICS PROGRAM BENEFITS.

BUT — WHAT EXACTLY IS A BENEFIT —

an outcome of actions, behaviors, products, or services that provide utility to the sponsoring organization as well as to the program's beneficiaries

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Most benefits from ethics programs come from changes in the way an organization thinks about its activities and not from the introduction of the ethics program itself.

... world's major investors are now actively integrating ESG¹ issues into their investment policies and engagement strategies. According to the survey, 88% of investment manager signatories to the PRI² are conducting at least some shareholder engagement on ESG issues. The PRI initiative includes more than 200 institutional investors, representing more than USD 9 trillion in assets.

¹ *environmental, social and governance*

² The *Principles of Responsible Investment* initiative.
<https://www.unpri.org/report>

... world's major investors are now actively integrating ESG issues into their investment policies and engagement strategies. According to a leading research company ERIS, more and more companies are looking to how they can be more socially responsible.

<http://www.eiris.org/companies/why-does-it-matter/>

Limitations

However there are some limitations on how far benefits can go and whether should be measured at all. According to some philosophers³ if we give reasons to be good beyond that it is just the right thing to do then the benefits become the reasons for doing good and not being ethical in its own right. This makes their actions instrumental and conditional, not ethical. Others disagree⁴.

³ Immanuel Kant comes to mind.

⁴ Jeremy Bentham and John Stuart Mill were early proponents of this idea. They thought that the benefits determine whether actions are ethical — if there are more benefits than harm an action is ethical

Here are three practical, actual limitations:

- **[Spread]**

... while 63% of professionally managed assets are managed by PRI signatory investment managers, just 19% of assets are held by PRI signatory asset owners ...

<https://www.unpri.org/report>

- **[Imprecision]**

It turns out that for many projects or programmes there is an imprecise definition of benefits beyond that there will be a change in the role of the people. Whatever change means.

- **[Delay]**

Benefits are realized over time (with some realization not beginning until after the efforts to create the capabilities are over)

The Advantages of being good

For me there is only one advantage for being good. Knowing that you have done the right thing.

Here are some claims some authors make more for others:

- **[Relationships]**

Ethical organizations report an improvement in the quality of relationships; amongst workers and, between workers and management. Organizations known to treat their people well report higher morale.

- **[Selling]**

Employees who are treated well treat their customers/clients better. Ethically treated individuals make an effort to treat everyone with whom they come in contact as best as they can.

- **[Loyalty]**

Ethical groups have greater customer/client loyalty. Ethical treatment leads to repeat custom.

- **[Retention]**

Ethical groups have greater member retention, lower turnover. Trusted people stay.

Dis-advantages of being bad

- **[Legal]**
Many advisors emphasise that much of what is unethical is illegal. Be bad and it will cost you in court. Nowadays *both* the organization and individuals have been persued and prosscuted.
- **[Performance]**
In the drive to succeed being unethical means cutting corners. Mostly, established policies and procedures are 'best practice' and going against them just to make a quick buck reduces efficiency and effectiveness. People who feel they are in an unethical environment care less about how well they work and are less efficient.
- **[Relations]**
Trust, collaboration, and community are essential elements to any group. When someone in a group acts unethically the relationship cohesion of the group goes down. People stop trusting each other. See performance.
- **[Credibility]**
Once unethical behaviour becomes known the group or individual loses credibility, loses trust: what else are they doing wrong?
- **[Retention]**
Groups that have known unethical behaviour have higher turnover of people. People will leave a group they feel cannot be trusted. Turnover reduces efficiency and effectiveness. Groups that are found to be unethical find it harder to get and retain repeat customers/clients.

Facilitators to being good

- **[Support]**
Clearly visible support from *all* levels in the organization makes a strong difference in enabling people to belief in being ethical.
- **[Objectives]**
Clear and realistic organization objectives makes it easier to detect *both* right and wrong, thinking and action.
- **[Attitudes]**
A positive attitude towards being ethical is a powerful ally in behaving ethically.
- **[Education]**

A visible program of educational opportunities that enable people to evaluate ethical situations makes easier for people to feel better about being ethical.

Resistance to being good

- **[Absence of facilitators]**

If there is no one to go to to talk about ethical issues people will find it harder to both work out what to do and to act to do the right thing.

- **[Lack of top management support]**

If no one believes that top management believes in being ethical (at all times) no one will be ethical.

- **[Negative attitudes and a lack of ownership]**

A frequent attitude of people under pressure is to safeguard themselves. This is seen in sceptical and negative attitudes towards being ethical. Another tactic is to deny responsibility, to deliberately seek to deny ownership of problems.

- **[Deficient change management skills]**

Things always seem to change. If there are no people skilled in managing change then it is harder for some know how to navigate to doing the right thing.

My view

I side with Kant⁵ and George Patton who said:

Do your duty as you see it, and dam the consequences.

⁵ See the first quote above.

<http://www.azquotes.com/quote/646567>