Strictly Business? Making Ethical Decisions in a Commercial World.



Every entrepreneur, sooner or later, will be faced with the crucial question: What should I do?

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We can all come up with examples of of self-evidently bad business decisions: Findus having to admit back in 2013 that substantial numbers of its ready-made meals contained horse meat, or earlier this year, when Standard Chartered was ordered to pay out $1.1 billion after breaking sanctions against Iran and other nations. These were not just mistakes. Somewhere along the line, someone in a position of authority charted a course that they knew to be ethically incorrect but

commercially profitable, presumably in the hope that they wouldn't be found out. And they were. Faced with a choice between goodliness and mammon, they chose mammon, and it didn't work out.

But there's a much tougher set of decisions to be made for entrepreneurs who wouldn't dream of doing something blatantly immoral, but have to reckon with those who do. For example, when the Sultan of Brunei recently announced his intention to enforce draconian laws against homosexuality, calls to boycott business ventures in which he and his family invested began immediately. The argument was that the Sultan's decision was so regressive and intolerant that the weight of reputational damage lay clearly on the side of doing nothing. Suddenly, the Brunei brand was tainted, and businesses made a very clear and conscious decision not to damage themselves by association.

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Here in the U.S., after Georgia's governor signed legislation essentially banning abortions six weeks out from conception, Disney, WarnerMedia and Netflix all publicly expressed reservations about filming any productions there. Plus, individual stars like Alyssa Milano, Sean Penn, Laura Linney, Jason Bateman and Amy Schumer stated their aversion to the bill, jeopardizing the film and TV industry's multi-billion-dollar impact on Georgia's economy. Moral issue, moral stance, moral decision, big financial hits. The "Hollywood of the South" has a lot to lose.

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This all speaks to the fact that, whatever your position on a given issue, if you make a decision based on ethical considerations, it may have financial repercussions. If BAE Systems bowed to considerable public pressure to suspend arms

sales to Saudi Arabia on the grounds of human rights abuses by the Kingdom, they would be voluntarily forgoing a significant revenue stream. Commercially, cutting ties would be a mistake, but is it *right* to sell weapons to a dictatorship that purportedly oppresses its own people and bloodily inserts itself in the affairs of its neighbors?

There are a lot of considerations to take into account. Hearing the heavenly choir rhapsodising over your morality is good, but what about the sound of cash registers ringing? As an employer, you have a duty of care to not morally compromise your employees, but also not to risk how they make their living.

Gritting your teeth and smothering your conscience for the sake of your business may ultimately bear commercial consequences if the perception is you ducked a difficult decision. Your competitors might trade on their own freshly burnished haloes, leaving yours looking tarnished and grubby, no matter your intentions.

What advice can I give to entrepreneurs in these situations? Well, it isn't easy. There's no *Business Ethics for Dummies*. Some decisions will be relatively easy, but some will be fiendish. You do have a fundamental responsibility to your business and employees to make a profit and reward your shareholders or investors if you have them. If you choose wrong, the judgment will show in your bottom line. So take things slowly. Inform yourself and size up the situation. Contemplate the ikely consequences of the decision you want to make and the subseqent optics, along with assessing how your competition is handling similar predicaments. These might all sound like trivial considerations, but they're absolutely vital if you're going to get it right. It's unlikely you'll feel totally satisfied with the outcome, but for the sake of your business, you have to make the best and most thoughtful decision you can.

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