Business and Ethics

This essay grapples with some of the problems Christians face trying to operate ethically in today's business world.

 *This article is also available in Spanish.*

Can "business" and "ethics" be used in the same sentence?

A while back, a member of the Probe lecture team was invited to speak on the topic of "Business Ethics" in a class at Colorado State University. When the Probe speaker arrived at the classroom, the professor explained that the reason the class chose to have him speak on this topic was their overwhelming sense of curiosity. They could not comprehend how the words business and ethics could be used in the same title.

Business enterprise has received a very diverse review from the ethicists of this generation. In the "Me First" era of the 80s, there was very little concern for ethics in the world of business, and you would have been hard pressed to find a university that dealt seriously with the need for ethics in its business school curriculum. A case in point concerns John Shad, former chairman of the Securities and Exchange Commission. He donated $35 million dollars to the Harvard Business School to establish an ethics department. Yet two years later, Harvard had only come up with one rather flimsy-sounding course, and they had been unable to find an ethicist to head up the department.(1)

The 90s saw an awakening to the need for ethics because of the many scandals that were beginning to erupt within the world of business and finance, moral failures such as the disgraceful actions that brought down Michael Milken and Ivan Boesky. The problem is that in the 90s, the concern for ethics has not returned us to any absolute standard of ethics, but rather to a search for relative balance between ethics and the bottom

line or personal values. The following statement by a state representative from Tennessee demonstrates this tendency all too well. While explaining why he was for fair trade price controls on milk, but against it for liquors, he said, “I’ve got 423 dairy farmers in my district, and I’ve got to rise above principle.”

Often, today, the highest ethic is “tolerance.” By that, I don’t mean the traditional view of tolerance in which one tries to recognize and respect other people’s values without necessarily accepting those values as being correct. I’m talking about a whole new meaning to the word tolerance. Today the word is used in a way to imply that all values, beliefs, and claims to truth and life-styles are equal. It becomes extremely difficult to run a business when (1) you have to walk the tightrope of balancing everyone’s values and (2) you are expected to treat all these values as equally valid. Our society today has lost its ability to determine what is right from what is wrong. Business enterprise requires a level of trust among the participants. Where is that trust going to come from if we have no common platform upon which to base our ethics and must rely, instead, on the assorted and conflicting individual values of whatever group we’re a part of? This essay will grapple with some of the problems we must face as Christians in trying to operate in the business world, while surrounded with people who believe their personal values are not subject to any higher standard than their own reasoning.

Who Makes the Rules?

The fundamental question we need to address is, Who makes the rules, God or man? That is what the issue of ethics is all about. Either there is a source for what is morally right that is beyond ourselves, i.e., God, and that standard is absolute and universal, or we are left to ourselves to figure out what is right and what is wrong, if we can even agree among ourselves that there is a right and a wrong. If we were, in

fact, left to ourselves, how could we say one person's values were any better than another's? In the age of the industrial and scientific revolution, people believed they could reason themselves toward better behavior, but today, having seen the horrors of what the industrial and scientific revolution has brought upon us, many have given up any hope of finding a unified answer for right and wrong. In fact, many now actually fear anyone who thinks that he or she has a handle on any absolute standard by which we might live.

Society has moved from a Christian base, which held that there is a source of ultimate truth, through modernism, which saw truth as relative to circumstances, duty, consequences, situations, etc., to post-modernism, which asserts that there is no truth, only the power to put forth one's values.

King Solomon, who was hailed as the wisest leader ever to govern any nation, said, "Be wise and give serious thought to the way you live." In all endeavors, including our work, we must realize that morality is the single most important guiding principle behind all that we do and say. Our morality molds our ultimate being, who we really are.

Today most professional organizations have a code of ethics. The problem is that their codes are often ignored or not made known. For example, a few years ago Probe was speaking in the engineering department at Southern Methodist University. One of the students, after hearing the lecture on engineering ethics, came up to the speaker afterwards and said, "I have been an engineering student for four years, and this is the first time I ever heard that there was an engineering code of ethics."

There are some companies working hard to communicate to their employees a corporate goal and standard that puts forth biblical values. One company like this is the Servicemaster Company. Their corporate goals are: (1) Honor God in all we do, (2) Help people to develop, (3) Pursue excellence, and (4)

Grow profitably. Notice that the profitability goal, although one of their four key goals, is listed last. Making a profit is a necessary goal, but there are things more important than surviving in this world. In fact, there are a lot of businesses that should shut down, for their only legitimate goal is that they do make a profit. In this regard, the vast pornography business comes to mind, not to mention state lotteries and all the other forms of gambling.

So, as an individual or a business, do our personal or corporate goals demonstrate a commitment to a standard beyond ourselves? Do we have a set of guidelines that helps us to steer a course that is straight and narrow in a world that is adrift—floating all over the ethical map? What we need are some guidelines that will help us to steer that straight and narrow course.

Ethical Guidelines for the Real World

In his book, *Honesty, Morality & Conscience,* published by NavPress,(2) Jerry White gives us five excellent guidelines for conducting our business activities.

First, there is the guideline of a **just weight** as found in Deuteronomy 25:13-15. The principle of a just weight is to give a full amount in exchange for a fair payment. Another way to look at it is to give full quality for what is paid for and according to what is advertised. We must accept responsibility for both the quality and the amount of our product or service. As a business owner, do I fairly represent my product or service? As an employee, do I give a full day's work for a full day's pay? Remember, as it says in Colossians 3:23, we are working for the Lord and not for men.

Second, the Lord demands our **total honesty**. Ephesians 4:25 calls upon us to speak the truth. Jerry White reminds us that, "Although we will frequently fail, our intent must be total honesty with our employer, our co-worker, our employees, and

our customers."(3) This is a difficult principle to adhere to. James 3:2 says this is where we often fail, but if we can control our tongue we will be able to control the rest of our body as well. The Living Bible best sums it up in Romans 12:17 which says, "Do things in such a way that everyone can see you are honest clear through." We must ask ourselves, are we totally honest in reporting our use of time, money, and accomplishments?

The third principle is **being a servant**. Someone has said Christians like to be *called* servants, but don't appreciate being *treated* like servants. To serve God sounds glorious, but to serve others is another matter. As usual, Jesus Christ is our example. Matthew 20:28 says that Christ did not come to be served, but to serve others, in fact, to give up his life for others. The value of a business is its service. How well it serves the needs of its customers will determine its success. The business, in turn, is made up of people who must do the serving. The value of the employees is in how well they serve the customer's needs. This is putting the needs of others before our own and then trusting God to meet our needs in the process.

The fourth guideline is **personal responsibility**. We must take full responsibility for our own actions and decisions. We should not try to excuse our actions based on pressure within our business or organization to do what we know is not right. We all fail at times to do what we know we should do. We must then accept the responsibility for what we have said or done and not try to pass that responsibility on to someone else or try to blame it on some set of circumstances. Romans 12:2 warns us about the danger of allowing the world to shape us into its mold.

Finally, there is the issue of **reasonable profits**. This principle is quite a bit harder to get a handle on, but it is still vital to have guidelines to follow. What is a reasonable profit? This is something each person has to deal with on his

own. Luke 6:31 is a great help on this. It says that we should treat others the same way we would want to be treated. Put yourself in the other person's shoes and ask yourself how you would want to be treated in a particular situation. To the business person this is the price of our service or product above our cost. To the employee it is the amount of our wages for our service to the organization. Luke 3:14 says to be content with our wages, but the Bible also reminds the employer in 1 Timothy 5:18 that the laborer is worthy of his wages.

It is all too easy to rationalize our way around many of these principles, but God will hold us accountable in the end. Ultimately it is God whom we serve and to whom we must give account.

The Cost of Living Ethically

The media is awash with reports of faulty business ethics: frauds, manipulations, thefts, industrial espionage, corruption, kickbacks, conspiracy, thefts, tax evasion, embezzling, and unfair competition proliferate. Either a lot more unethical acts are taking place today or those behaviors that have always existed are being exploited more in contemporary society. A Gallup report concluded that "you can't trust Americans as much as you used to." The *Wall Street Journal* reported that churched persons appear only slightly more likely to walk the straight and narrow than their less-pious compatriots.

Why is it so hard to walk the straight and narrow in our business dealings? We are continually under the stress of performance on the job and in the competitive work environment. Often our very livelihood is threatened under pressure of the job. Usually we know what we should do, but we count the cost of doing the right thing and then back down due to pressure from people or circumstances. If we feel that we must do whatever is necessary to keep our jobs, we may end up

serving the wrong master.

Steven Covey, in his book *Seven Habits of Highly Effective People*,(4) addresses the issue of the need to become principle-centered individuals. Are we living principle-centered lives? This means that there are some principles that are more important than the success or even the continuance of our business. Are there some ethical standards for which we are prepared to die if necessary? Those who let their business die rather than set aside their ethical standards can return to do business again someday, since they were able to maintain their integrity and their reputation. Those who cave in to the pressures to keep the business alive may be caught and end up losing their reputation and thus deprive themselves of a platform from which to rebuild their lives and businesses.

Ten Global Principles for Success

We are going to close this essay on business ethics with *Ten Global Principles for Business and Professional Success* from the booklet *Mega Values* by Colonel Nimrod McNair.(5) These principles are modeled after the Ten Commandments.

The first principle is, “Show proper respect for authority.” This is the invisible superstructure of productive enterprise. God clearly commands us to respect those in authority over us. God uses this command to bring order out of chaos. Authority is a necessary prerequisite to order.

The second rule is, “Have a singleness of purpose.” Divided purposes dilute effectiveness when interests conflict. We cannot serve two masters effectively. We must evaluate our time, talent, and resources and make sure we are using these God-given elements in a way that ultimately brings Him the glory.

Precept number three is, “Use effective communication in word and deed.” Complete communications and predictable follow-

through are the basic expressions of personal integrity. It means doing what you say you'll do, even if it is uncomfortable or inconvenient. This commandment is honored when promises are kept and accurate recounting of transactions is given.

A fourth truth is, "Provide proper rest, recreation, and reflection." This ensures a quality of life that will be reflected in creativity, productivity, and motivation. Rest is a necessity for effectiveness. Recreation guards the mind against mental and emotional fatigue. Reflection promotes self-monitoring, allows for mid-course corrections, and ensures single-mindedness. The fifth tenet is, "Show respect for the older and more experienced." Our parents, teachers, coaches, employers, pastors, and other elders in our lives have an investment in us. It is to our benefit to honor that investment and to draw fully from the wisdom and expertise of those more experienced than ourselves.

The sixth axiom is, "Show respect for human life, dignity, and rights." This encompasses product quality and service, the work environment, health and safety, personnel policies and responsibilities, and competitive practices. It is simply the Golden Rule—treating others as you would want to be treated.

The seventh principle is, "Maintain a stability of sexes and the family." Wisdom and good business practice dictate equal regard for men and women as persons irrespective of gender or marital status. Respect for the family structure as the crucial foundation of our cultural system must be reflected in our decisions regarding the conflicts between business demands and the value of the family and personal life.

Precept number eight is, "Demonstrate the proper allocation of resources." Two fundamental responsibilities and privileges of business are optimal use of material resources and wise leadership of people. We must treat all our business assets, whether they be people, funds, or materials, as a gift from

the Lord.

The ninth truth is, “Demonstrate honesty and integrity.” Integrity is the cornerstone of any good relationship. Without demonstrating the willingness to give and the worthiness to receive trust, no business can survive or prosper. A reputation for honesty is a comprehensive statement of both a person’s character and how he or she treats others. It is a fundamental mindset against stealing, lying, or deceiving.

The tenth and final business commandment is, “Maintain the right of ownership of property.” Those who are disciplined, creative, prudent, and industrious are entitled to the fruits of their labor. We must not covet that which belongs to another.

Business ethics is more than a list of do’s and don’ts, but these principles can help us get off to a good start.

Notes

1. Chuck Colson, Jubilee (October 1989).
2. Jerry White, Honesty, Morality & Conscience (Colorado Springs, Colo.: NavPress, 1978).
3. Ibid.
4. Stephen R. Covey, The Seven Habits of Highly Effective People (New York: Simon and Schuster, 1989).
5. Colonel Nimrod McNair, *Mega Values: 10 Global Principles for Business and Professional Success Written in Stone* (Executive Leadership Foundation, Inc., 2179 Northlake Pkwy. Suite 119, Tucker, GA 30084-9885).

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