

Business Story

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Craig Mclvor: How far does ethical responsibility go?

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The Tony Veitch affair is a timely reminder about the ethical responsibility of management and staff who work in a company. Unfortunately, every time we pick up a newspaper, it seems as if there are ever more new examples.

My father used to say that the golden rule in life was "do unto others as you would have them do unto you". In business, he advised me, it was a little bit different. It was "do unto others before they do it to you".

There is a common perception that a company, or business in general, is a different world where friendship, honour and our ethical compass are somewhat lower than the standards we would apply to ourselves.

In reality, however, a company is considered under the law as a person, with rights and responsibilities. Companies are literally virtual human beings.

They have faces, in logos and websites. They own property. Their arms and legs are their employees.

Companies are expected to pay taxes, act responsibly and be good members of society. The management or officers of the company are simply the enablers for company behaviour.

When you go to work, you are being paid to uphold the good ethical behaviour of the company first and foremost. As employees, you do not have a separate identity from the company. They are one and the same.

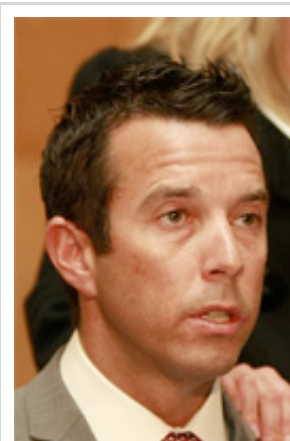
Every action by management or staff reflects on the ethical standards of the company. Management needs to understand that every staff member and every interaction with customers, other staff, media, law enforcement and other bodies reflects on the good standing of the company. Does this extend to the staff member's personal life?

Sometimes yes, if it affects the company's ethical standards by association – just as it does with real people.

A bad apple scenario – where one person within the company is unethical – is not a valid excuse. In other words, if you assaulted someone, you could not say that your arm hit them, but as the owner of the arm you are not responsible.

Companies are as good (or bad) as their weakest ethical link. CEOs cannot abdicate responsibility in this way, as they are ultimately responsible for the entire activities of the firm, whether they know about the behaviour or not.

This is a hard pill to swallow for some and there are very few who are willing to accept this burden unconditionally.



Tony Veitch. Photo / Kenny Rodger

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Companies need to protect themselves and their images, as would any of us.

It seems that Tony Veitch – the individual – has already been protecting himself by hiring PR agents and the like. TVNZ, the company – also an individual – through its management team is trying to protect itself as well.

Companies protect themselves by developing risk management and governance frameworks and employ certain types of staff to monitor their affairs.

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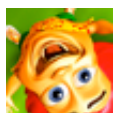
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