

## **ETHICAL PRIORITIES IN DIFFICULT ECONOMIC TIMES**

**Dr Janette Minnaar-van Veijeren**

Most of us are feeling the economic strain. Many companies are laying off people or postponing projects as a result of an uncertain economic future. This makes my job, as a specialist trainer in anti-corruption and ethics, quite difficult. Our focus at ProEthics is to promote professional ethics with the objective of making our clients more successful, sustainable and profitable. However, in hard financial times few organisations are prepared to spend money on ethics. After all, these companies argue, it is about survival and training is a luxury. Creating a culture of integrity in the workplace still seen by many corporate leaders as a "soft" issue that does not hold real, measurable long-term monetary value.

However, I have found the opposite to be true. Let me explain by sharing my experience in ethics and anti-corruption training over the past 20 years. This is what I learned:

- Directors and prescribed officers (executives) are increasingly being held personally liable for losses resulting from fraud and corruption.
- Investors have started asking corporations to demonstrate that they have ethical leadership and ethics management programmes in place as evidence of an ethical culture.
- Companies now have to pass due diligence scrutiny before they are allowed to enter into contracts and joint ventures. This implies that assessments are done to assess if the potential business partner is committed to fighting corruption and doing ethical, honest business. Failing such due diligence scrutiny, may disqualify a company of taking part in a tender or joining a commercial venture. It is like training for the Olympics and then not being allowed to take part in the event.
- If corporate values and the principles that underpin them are not clearly defined and communicated in an organisation, employees may end up doing the wrong thing in plain ignorance (I have seen this, often).
- In the absence of a common set of values, there may be different standards for expected behaviour within the same company.

- When nothing is done about crime, irregularities and unethical behaviour, employees may be influenced to start thinking: "If everyone is doing it, why should I not do the same?"
- When risk policies are not consistently and fairly enforced (for example, the junior staff member gets dismissed for a minor infringement while the manager is excused for a far more serious transgression), it breeds a culture of discontent.
- Employees also get demoralised when nothing is done to curb wrongful behaviour or unethical leadership. They may lose motivation and the passion to do their jobs well and to provide an excellent service.
- Maintaining a high lifestyle or just trying to get by in hard financial times, may make the temptation to enrich oneself through work-related resources particularly alluring to those that are morally weak.

On the positive side, there are numerous financial and reputational benefits for those who are committed to build and maintain an ethical business culture. Some advantages include the following:

- Lower losses when a crime is committed. A "red flag" or a whistle-blower will indicate something is wrong enabling the victim to take immediate action.
- The sooner an irregularity is detected, the greater the chances are of recovering evidence to prove who the guilty party was.
- In a culture of integrity where employees are treated with fairness, employees will be loyal and committed to do their best and even go the extra mile in meeting targets or making deadlines.
- The example set by an ethical leader sends a powerful message that inspires staff to do the right thing, inside and outside the workplace.
- A person with integrity will be trusted, leading to more openness and co-operation between team members and stakeholders.
- There is less industrial action when management is trusted and fairness prevails in the way things are done.

Contrary to what is commonly believed by management, I have found that employees enjoy and appreciate ethics training. Two of the most repeated comments made by delegates in the anonymous evaluation forms we ask them to complete after our training sessions are: "I wish I had known these things earlier in my career" and "This was an eye opener, I never thought that the things that I am doing have such a negative impact on my company". Although it is sad to

---

read these types of comments, I feel extremely relieved and privileged that we were able to empower these people to make better future choices.

Being left to one's own devices when faced with the many ethical dilemmas one may face at work, is unfair and wrong. Investing in ethics training and awareness will improve productivity, loyalty and service delivery. My question is, can any business afford not to address ethics in hard economic times?

27 May 2016

---



Dr Janette Minnaar-van Veijeren is an advocate with a doctorate degree in white-collar crime from the University of Pretoria. She is the founder and owner of ProEthics, a specialist training company. Her training complies with CPD accreditation standards and she is a level 4 BEE contributor. For training and consulting needs, visit [www.proethics.co.za](http://www.proethics.co.za) or e-mail [karen@proethics.co.za](mailto:karen@proethics.co.za). You may also follow ProEthics at:

