



WHY BUSINESS AND ETHICS NEED ONE ANOTHER

Martin Prozesky

The business world, I once told a group of graduate students is the new epicentre of ethical creativity. In the period of history now unfolding, business needs ethics if it is to be lastingly profitable, while ethics needs successful business if it is to be more than just a sense of right and wrong. That, at any rate, is what I discovered for myself working in the business world for a lastingly successful company. It is also what I am hearing from cutting edge leaders throughout the business world from Dallas and London to Sydney and Johannesburg. They understand only too well that the inner logic of both the successful (and therefore long-lasting) pursuit of profit and of effective morality is making nonsense of the old joke that business ethics is a contradiction in terms.

With good reason do they hold this view. If morality or ethics can be understood as values-driven behaviour, and is not now only an academic field of study, then by alluding illustratively to problems like poverty, HIV/AIDS and environmental damage, it can be viewed as being actively concerned about the well-being of others. Not just about our own personal interests. It is the ability to feel something of the misfortune of others - like those with AIDS or in abject poverty - and to do *something about that misfortune*. But without wealth - morally sensitive wealth - there is very little anyone can actually do about the miserable shacks in which so many people live, or about the lack of textbooks or shoes for so many children, the various ecological problems the world is currently experiencing, the dreadful tragedy of AIDS and the criminal violence that stalks our streets and neighbourhoods.

Conscience alone will not remedy or even alleviate these problems, any more than wealth of itself will alleviate them. But put conscience and wealth together and things can change for the better, sometimes dramatically.

That is why I say that ethics needs a thriving, sustainable business world if it is to be effective, and effective ethics is the only kind that really matters. Where else can people of conscience turn for the wealth that can add action to ethics but the business world? The century we have just left behind saw the rise and fall of a massive experiment in seeking social justice by force - the force of the communist state. Humanity will not try that again. The passion for freedom is too strong for the politics of even the most benevolent coercion to succeed. But so far the free market has been better at generating wealth for some of us than at alleviating poverty and protecting nature. It is here, I believe, that business world-wide and certainly in South Africa faces the vital challenge of reconnecting the creation of wealth with the power of conscience.

We still have much to overcome, for the old South Africa was launched not by politics, nor by religion as in the settlement of New England by religious refugees, but by commerce. What was the Dutch East India Company if not a business venture with a huge appetite for profit but very little evident concern for the greater good, least of all for the black people of South Africa?

But now the key question arises: *why should the business world care about ethics?* The main reason is this: a strong morality is the *only* way to achieve what all of us including the entire business community really want - the best kind of lasting well-being. We are by nature social beings who can only thrive with the help of others. Like it or not, life is either a partnership project or it is a failure. This reality generates a

crucial choice, especially for the powerful. We can either win the willing, creative co-operation of others, or we can force or manipulate them to serve our ends, if we can. We have all seen the results of this second option - seen it under apartheid, seen it in Eastern Europe. It failed in a world where most people were poorly educated, unfree and isolated, so how can it succeed in a world where more and more people are educated, aware and able to mobilize mass action through the global power of the internet, as we saw at Seattle in 1999?

That leaves just one option, except for people unwise enough to be interested only in short-term gains for themselves, and that is the option of finding ways in which human creativity, energy and brains can work in willing partnerships - like deep friendships, happy marriages, good sports teams and the best businesses. This will only come about, as we all surely realize, when there is fairness for all. None of us gives our best effort to those who exploit us, but we are capable of superb achievements when the playing field is level and we can trust the good intentions of those around or in authority over us. And we are just as capable of undoing those who try to take advantage of us. Resentful, creative intelligence is an enemy to be avoided, capable of hoodwinking those it is working to undermine and defeat, and always likely to come alive in situations of exploitation. That is why democracies tend to be much more stable in the long run than dictatorships. The former tend to spread the benefits of society and thus give people a reason to defend and perpetuate them. The latter involve huge imbalances of power and prosperity and therefore give plenty of people good reason to work for their demise, which they always do, and tend to succeed in doing sooner or later.

This reality about how we function as people is just as true in the business world as anywhere else. It means that there is no other way these days to real success - which means lasting success - than the way that treats people properly. In other words, ethical business is business that understands, respects and actively fosters human capital in its own ranks and in the

buying public out there, and this is now increasingly understood as a vital ingredient in business success. It is business that understands that when people are actively valued, people actively give value. When that lesson is learnt, profits will rise and be sustainable. Fortunately, we already have in our midst business people who know that lesson by heart. From their ranks, given effort, example and education, the lesson can spread to those unwise enough to think there is any real future for those who cheat and exploit.

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