



THE ETHICAL ENTREPRENEUR- VISION & VALUES

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My observation of business values and practices over a career spanning 53 years is that there has been a gradual shift away from the such core values of honesty, loyalty and service, in favour of intense efforts directed at obtaining short term financial results. Some examples include reducing production costs that also reduces the quality of a product in ways not easily discernable by clients, e.g. a major car manufacturer; cost cutting decisions calculated to increase senior management's bonuses, ignoring the reduction in the company's ability to respond to problems e.g. a major oil company; offering products of potential danger to personal health e.g. some pharmaceutical products; allowing bribery of foreign officials in order to gain business. As standards slip more people begin to think that the focus on short term gain, at any cost, is the normal and accepted way things are done in business. Accepting this error in judgement as the norm is the next step down a slippery slope.

There has also been observed increasing public frustration with business leaders which has resulted in an increasing loss in public trust. Opinion polls regarding trust in various occupations now rate business people near the very bottom of the scale. The verdict is that business people cannot be trusted. That same lack of trust is present within some companies, making working for such companies an unattractive proposition, especially for many young people. They '**do not want to go there**'. The economic uncertainty is also why there is a growing interest by young people to become entrepreneurs.

Management Functions Guided by Fine Values

We are going to look at the subject of the key management functions in running an enterprise and how these functions can be performed more effectively when guided by natural human values. When values such as honesty, patience and courage are followed i.e. lived, they lead to the achievement of necessary business qualities, such as credibility, efficiency, innovation which ultimately results in the development of a sustainable, responsible business. We will look at *how we think*, *how we relate to others* and *how we act* in business.

How We Think -Establish a stable and balanced state of mind when making decisions. In business and in life we continually need to make decisions. What enables us to make a good and right decision is when the mind is stable and balanced and thus able to view with clarity all the factors involved. The values that help bring about that state of mind are: *Stillness/Silence, Mindful Awareness and Calmness*. For those of you familiar with Mindfulness and Meditation, they are being used increasingly in schools as well as in businesses to relieve stress and to help bring about a quieter, still state of mind. While we have all experienced such moments of stillness, the direction given is to go there more often, especially when making difficult decisions. Keep calm and carry on is also a very good prescription.

How We Think - Be clear about the vision, values and our long term sustainable objectives. The long-term perspective of the enterprise is as important as meeting its short-term goals. Here the values of *Service, Duty/Responsibility and Fearlessness* are important. We are encouraged to give our full attention to our responsibility as a business to serve a real need. When we can find the market need which our capabilities are best suited, that is when we can make the best use of our talents as well as providing a fine service. The entrepreneur needs to be clear about the vision for the enterprise and how this will be sustained in the long run. We all know that fear about what might happen in the future can cause confusion and agitation such that good, clear decisions are very difficult. Fearlessness enables us to remain balanced and poised.

How We Think – Be free from excessive desires, habitual reactions and claims for success or failure. Another important aspect is how we meet the inevitable problems created by excessive desires, habits e.g. '**We have always done it that way!**' and the claims for the result. The important values here are *Temperance/Moderation, Self-Control and Detachment*. Greater self-control is needed to give proper measure to our desire for wealth, recognition and power. In today's highly competitive world, losing has come to mean that you are less of a person. We then become subject to the pressures from peers, the opinions of others, and self-criticism, all of which crowd the mental realm. A certain degree of detachment is needed, which should not be interpreted as not caring, but rather not being dependent on always getting it my way.

How we relate to others- It is important that we establish and maintain a harmonious work environment. Crucial to the efficiency, motivation and satisfaction of all the staff is a positive work environment, where there are clear examples of mutual respect, tolerance and an active concern for the needs of others, i.e. more emphasis on WE than on ME. *Respect/Tolerance, Compassion, and Cooperation* are important. A business is most effective when there is full cooperation between those within the company with external business partners, suppliers, customers and the community. Compassion, which is actually a sign of inner strength and confidence, also plays an important role in establishing an environment where creativity can flourish.

How we relate to others-It is crucial that we are truthful and transparent and in all dealings -internally and externally. *Truth/Honesty, Integrity, and Trust* are the key values. Truth binds. The binding is called trust. It is essential to every kind of business - no trust, no business. Trust involves a confidence in the goodness, strength, reliability of another, which is only possible when there is integrity i.e. when one is consistent and truthful in the way they think, speak and act. It results in long-term business relationships which last through good times and bad, and therefore it is the basis of long lasting businesses.

How we relate to others - Energy and resources need to be invested in

empowering staff to enable the full development of their talents. Important in making this happen are *Freedom, Patience, and Generosity*. Everyone seeks true freedom which is not being free to do or say anything I want. It is one of the primary responsibilities of a leader to work patiently to provide people with guidance and sufficient freedom to enable them to discover their true talents and then to inspire them to fulfil their true potential. When this happens there will be natural enthusiasm and energy. By generously granting this opportunity for development, both the individual and the organisation benefit.

How we act - Energies need to be focused with the right priorities and in the right way to convert intentions and plans into effective actions. In this very crucial stage, the values that matter are *Justice/Lawfulness, Discrimination, and Harmlessness*. Justice is another universally accepted principle whose essential definition has been described as 'nothing to excess.' It manifests as the fairness and regulations which are applied in practice in an organisation. Important here is acting correctly following a decision which happens when there is fine discrimination concerning the conditions existing in the moment, memory of the guiding principles and a determination to do what is right. One of the most important guiding principles is harmlessness, which is a real concern for those who may be affected by the decision.

How we act- The inevitable challenges, mistakes and uncontrollable external factors need to be dealt with appropriately. To launch and develop a new business, you will need to live with uncertainty. The best way to respond to the inevitable challenges, be they self-imposed or from an external source, is the application of the values of *Equanimity, Determination, and Tactfulness*. Equanimity means to maintain a balanced and unattached state so that one's full faculties are available to meet the challenge with firm will and determination. In working through the obstacles intelligent tactfulness, rather than brute force, is often required to find the path of least resistance.

How we act-Most importantly, inspiring leadership must be provided, one which sets the right example at all levels. Inspiration comes naturally and is most powerful when the leader sets a fine example which will happen if actions are based on the values of *Selflessness,*

Love/Caring, and Humility. When a leader acts selflessly, displays a loving and caring attitude to all and most importantly displays true humility, then a truly fine example is established for everyone in the organisation and is by far the most powerful influence.

THE RESULTS - For all the Stakeholders: Employees, Customers, Suppliers, Investors, the Community, the Nation, and Humanity Success for a business is typically measured by quantifiable metrics such as sales, profits, share price etc. While financial targets need to be met, they need to be achieved without violating basic moral principles. If the above noted values are lived and become an integral part of the organisation's ethos, then quite naturally the values sought by all *Happiness, Peace/Contentment, and Unity* will be achieved. This is the real meaning of success. What is really sought by everyone is happiness, brought about when there is clear sense of contentment and peace There will be a natural state of unity created and as can be observed in any unified team activity, the power of the individual is then enhanced which contributes more to the overall effectiveness of the team. All the stakeholders will profit from such a value based activity, which will over time result in a sustainable, responsible business.

Our not-for-profit Community Interest Company, IfI can...CIC, which for 3 years has been offering a daily values app, (see www.ificanapp.com) has now set out on a venture to produce an e-learning values app for business, The Ethical Entrepreneur. The material in this article is the outline for the course material which will include stories and testimonials from experienced business people about the successful application of these values and how they enhanced their business operation. There will be a free email version and an interactive e-learning version for which a small charge will be made to provide revenue to sustain our operation. The aim will be to show that business can be *Ethical & Effective; Principled & Profitable; Conscious & Commercial*.

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