

We need more training for business ethics



What is the ethical thing to do? This is a question every one of us has faced multiple times.

Ethical issues in the workplace can be difficult in particular, and if mishandled, they can result in public scandals, not to mention costly lawsuits and even jail time.

Unethical behavior in the workplace takes on many forms, including insider training, price gouging, theft, fraud, sexual harassment, violating environmental laws, lack of transparency and other misconduct.

A 2014 study by the Ethics Resource Center revealed that 60 percent of the ethical violations that employees observed were done by someone with managerial authority, whether they were first-line supervisors or senior executives.

Pressure to compromise integrity also is widespread worldwide. A key finding in the 2016 Global Business Ethics Survey conducted by the Ethics & Compliance Initiative stated that nearly three-quarters of

all public- and private-sector employees surveyed who felt pressure also said they witnessed misconduct where they worked.

As Eller College prepares to host the 15th annual Collegiate Ethics Case Competition in Tucson on Oct. 19-21, we see an increased need for better training in business ethics.

We began the competition in 2003 with the mission to challenge students to learn about corporate social responsibility.

This year, more than 25 student teams from universities in the United States, Canada and Mexico will be tasked with providing a detailed analysis and strategic recommendations for a case that involves a cyberattack on a U.S.-based company and whether the company will decide to “hack back.”

Most ethical issues fall into a “gray zone,” meaning there is no illegal conduct but actions could be deemed unethical by some stakeholders.

One current case involves the drug company Allergan and its recent decision to sell drug patents to a Native American

tribe to prevent competition.

In September, Allergan transferred its patents on its dry-eye drug Restasis to the St. Regis Mohawk Tribe in upstate New York.

According to the *New York Times*, the tribe was paid \$13.75 million by Allergan in order to claim sovereign immunity as grounds to dismiss a patent challenge through a unit of the U.S. Patent and Trademark Office.

It's a fascinating case in that Allergan's actions are legal and the tribe was looking for ways to diversify revenue streams beyond that of the casino it runs. But is it ethical?

Some could argue Allergan is blocking competitors from developing cheaper generics.

Time will tell on how the Allergan case plays out. In the meantime, chances are that you may find yourself facing an ethical challenge in the workplace.

Here are some decision-making steps that I share with my students:

» Identify all stakeholders. Consider

who will be benefited or harmed by certain decisions or outcomes.

» Review the financial implications. Give yourself enough time to examine the long-term and short-term financial implications of a potential problem and solution.

» Always consider the law. Consider existing laws, pending litigation and regulations that could affect the outcome of a situation.

» Finally, apply ethical thought, such as do the ends justify the means or do the means justify the ends?

We're proud of the students who will be competing in this year's ethics case competition. They are our future leaders, and we hope the event will inspire other business leaders to examine their own ethical policies and procedures.

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