



Ethical corporate leadership

BY KP SHASHIDHARAN

Maybe true, though it is hard to find hard-core fully baptized ethical business leaders. Many of them may raise a question. Do ethics matter to business?

For them ethical business is oxymoron. Here some of the pertinent questions are: Is it prudent to embed ethics into a core corporate business strategy? How do corporate ethics link to corporate social responsibilities? Does dynamic corporate leadership leave a legacy of ethics to its stakeholders while discharging the core functions of enhancing the bottomline of the organization?

In the corporate ethics domain, the Ethisphere Institute (EI) is considered the global leader. It works hard in advocating the best ethical corporate business practices prevalent in the world. The Institute believes in bringing together business leaders who have demonstrated improved organizational transparency, integrity, ethics and compliance. The EI framework and methodology are based on five key categories: ethics and compliance programme (25 percent), reputation, leadership and innovation (20 percent), governance (10 percent), corporate citizenship and responsibility (25 percent) and culture of ethics (20 percent).

The experience of successful enterprises demonstrates that it is important to embed ethics into a company's overall business strategy and culture. Ethical corporate leadership positively impacts its multifarious stakeholders, including employees and customers. An ethical corporate goes beyond mere compliance with applicable regulations but spearheads all its activities with ethics and integrity by doing the right thing at the right time in the right way, strategically building a corporate image, goodwill and character, marketplace trust and confidence, winning customers and thereby increasing its market share.

The Ethisphere Institute's Business Ethics Leadership Alliance (BELA) showcases trends and best practices in ethics. It finds that the world's most ethical companies per-

form well. Their performance is correlated to ethical leadership, resulting in retaining better employees and gaining investor confidence, suppliers and customers.

Corporate leadership should focus on brand building based on trust, integrity and reputation. Ethical leadership balances the apparently conflicting interests of internal and external stakeholders of the company. They not only perceive social responsibility but also leave deep impressions on organizational behaviour and on the community and society at large. They go much beyond mere anti-corruption compliance and build trust, transparency, accountability, integrity and ethics.

The Dell and the Wipro have been recognized by the Ethisphere Institute as 2014 World's Most Ethical Companies among 10 companies in the technology sector. These companies treat business ethics and corporate good governance as an integral part of their strategic management ideology. The Dell is applying ethics and compliance to its daily decision-making process. It makes sure its code of ethics and ethical training help the organization function ethically while dealing with its stakeholders, including customers, suppliers and strategic partners. Critical programmes are designed to address key risks across the enterprise. These programmes are operated under the supervision of the Dell Global Risk and Compliance Council (GRCC), consisting of members of the Dell Executive Leadership Team and strategic functional heads. Wipro Ltd, a leading global information technology giant from India, functioning in the sphere of consulting and outsourcing, is recognized in corporate ethics and governance.

Corporate leaders must lead the organization with a balanced vision meeting its ethical obligation and corporate social responsibility which should blend suitably with its inalienable obligation to stockholders to provide an adequate return on investment. ■

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