

# Values in Business- A Moral Compass

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Let's begin by exploring the description of a good business, one which is successfully fulfilling its role in providing useful and necessary goods and services for the benefit of society. Here are 2 quotes from spiritual leaders of the 20<sup>th</sup> century offering useful guidance to business leaders. The first is from **Pope John Paul II**:

*Profit is a regulator of the life of a business, but it is not the only one; other human and moral factors must also be considered which, in the long term, are at least equally important for the life of a business.*

The other is by a spiritual leader from the Indian Vedic Advaita tradition,

**Sri Shantananda Saraswati:**

*When work is for the satisfaction of the individual and also the society-if both gain from its production and use-then it is righteous.*

Two important themes are highlighted here: morality and mutually beneficial service plus the practical consideration of working with a view to the long term implications of our decisions.

## THE SITUATION TODAY

My observation of business practices over my business career of 50 years is that there has been a gradual shift away from the core values of honesty, loyalty, fairness and service in favour of intense efforts directed at obtaining short term results, usually financial, usually for 'me.' As standards slip more people begin to think that this is normal, this is the way things are done in business. This is the next step down the slippery slope toward a situation where corruption becomes commonplace. Here is a quote from **Kofi Annan** regarding the effect of corruption:

*Corruption is an invidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organised crime, terrorism and other threats to human security flourish.*

**'My word is my bond'**, the ancient motto of the London Stock Exchange and the City of London, is no longer practised or used as the basis for agreements. Instead we need lengthy written contracts. Four years ago I had to sign a 47 page supplier's agreement, before an American company could be allowed to use our e-learning product.

Clever justifications of policies promoting excess were devised and promulgated by many including business schools and management gurus, usually in the form of mantras like, 'MAXIMISE SHAREHOLDER VALUE'. You will note it does not say OPTIMISE which might have brought about a more balanced approach to company goals. This encouragement of excess has been recognised by some of the top business schools as unsuitable and one major player, Harvard Business School, has established an 'MBA Oath' which points graduates in the direction of working to fine principles for the sake of all stakeholders. An example of one of the pledges a graduate must swear to is:

*I will refrain from corruption, unfair competition, or business practices harmful to society.*

Here is a commentary on the state of the business community by another spiritual leader, the **Dalai Lama**:

*The corporate leader as a hero has been replaced in the mind of many Americans by a view of individuals that are immoral, incompetent and interested only in enriching themselves. Greed is addictive. Money has replaced morality.*

The essence of the problem is one of excess.



Not knowing what is enough or not knowing when to STOP!!!



In our modern societies all too often the key values have become:



**WEALTH**



**POWER**



**FAME**



## **PLEASURE**

While in the right measure these values are not bad, but they have come to dominate without suitable regulation and measure which is the problem.

So far I have painted a rather bleak picture of the morality of the business community. By no means are all business people corrupt. It is just that a powerful minority have been setting the wrong example. In terms of the subject at hand, ethical business, I am trying to show the inevitable consequences if a company does not have established ethical values as a core aspect of its business decision making process.

There are many individuals and some organisations which are going against the tide. Some enlightened companies, where their executives set a good and positive example, are committed to investing in programmes designed to keep the issue of ethical values in the minds and hearts of their employees.

What is needed is a shift to natural values as the predominant guides for our life.

In 1999 at the meeting of the World Parliament of Religions, a regular gathering of religious leaders that began in the 19<sup>th</sup> century, the question was placed before the delegates as to what values could be recommended to the business community to help remind them of the basis for working which would be most beneficial to all. They reached an agreement that the four key values should be:

TRUTH

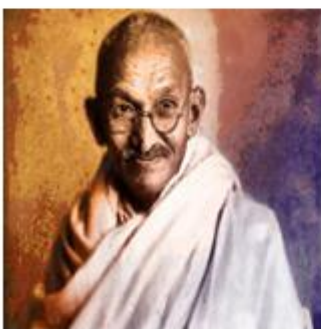
Love

FREEDOM



It is not surprising that these 4 have been chosen and it also highlights the point that on the question of universal, natural values, religions are able to agree.

There have been examples of modern gurus who have lived these natural values.



Mahatma Gandhi



Nelson Mandela

Here is some guidance from them:

*Strength does not come from physical activity, it comes from an indomitable will.*

**Mahatma Gandhi**

*The first thing is to be honest with yourself. You can never have an impact on society if you have not changed yourself. Great peacemakers are all people of integrity, of honesty, of humility.*

**Nelson Mandela**

Let's look at the application of the four universal values in the business environment.

## **TRUTH AT WORK**

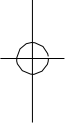
Truth is a difficult subject to discuss nowadays. The idea that there is one truth about any subject is not readily accepted. The common idea is that everything is relative: 'What is true for me is my truth and it may well be different from your idea about truth but my view is as good as yours. To tell the truth is also not viewed by many as absolute. For many the prohibition of the Ninth Commandment, *'Thou shall not lie'* does not seem to carry the same weight as the relativist arguments of today. While it would be generally viewed as acceptable to lie to save someone's life, some people use this extreme exception as the basis for believing that telling the truth is *not* a moral imperative.

The position we hold is that to tell the truth in business is not only necessary, it is essential, natural and beneficial for all. We are thus claiming that to tell a lie is unnatural.


What does it feel like when you tell a lie? Do you feel comfortable? Or is there an uneasy heat that builds up inside, an internal agitation? The existence and practical use of lie detectors, mechanical devices which measure the abnormal internal reaction when someone is lying, are another indication of its unnaturalness.

Have you also noted the burden that accumulates when you have to support a lie, usually with more lies and how you must spend a great effort to remember your lies so that you can maintain some semblance of consistency?

On the other hand to tell the truth is simple and fulfilling. There is of course the art of telling the truth pleasantly in difficult situations so as to minimize the discomfort of others. But if one is committed to the truth then the best way to express it will follow.



The concomitants of truth that most affect us in business are honour, trust and integrity.



## **Honour**

Here is a story:

In the city of Baghdad lived Haakem, the wise one. People went to him for counsel which he gave freely to all, asking nothing in return. There came to him a young man who had spent much but got little and said to Haakem, 'Tell me, wise one, what shall I do to recover the most for that which I spend?' Haakem answered, 'A thing that is bought or sold has no value unless it contains that which cannot be bought or sold. Look for the Priceless Ingredient.' 'But what is the Priceless Ingredient?' asked the young man.

Spoke then the wise one, 'My son, the Priceless Ingredient of every product in the market place is the Honour and Integrity of those who sell it. Consider their name before you buy. **'The Priceless Ingredient', E R Squibb & Sons,**

While there are many factors involved in establishing a fine name, a key factor is whether or not you are trusted by your customers, by your employees and by your suppliers. A reputation can be very fragile as it is being developed and it can easily be tarnished by the actions of a few.

Here are some ways in which this fine principle of honouring one's word can be used with greater confidence:

- Get to know the people you are dealing with.
- Provide a 100 per cent Guarantee.
- Be willing to pay for the consequences of your failures.
- Take a long term view.
- Be patient.
- Be transparent.
- Be honest about your intentions and expectations.



## Trust

Honesty binds. The binding is called trust. It is crucial to every kind of business. No trust, no business.

Some of the results from a MORI poll on the importance of honesty in the establishment and maintenance of a company's reputation in the community taken almost a decade ago were striking in that they showed how attitudes of people towards business had started to change then, well before the major revelations of corruption which were revealed 5-10 years later. Over the last 20 years there has been a distinct shift in the importance of honesty as a prime criterion for evaluating a company's reputation.

In the Philosophy in Business courses offered at the School of Economic Science, we discussed at some length the ways to establish and maintain trust. The list that follows arose from the more than 100 managers who attended the courses:

### How to Build Trust - Some practical measures

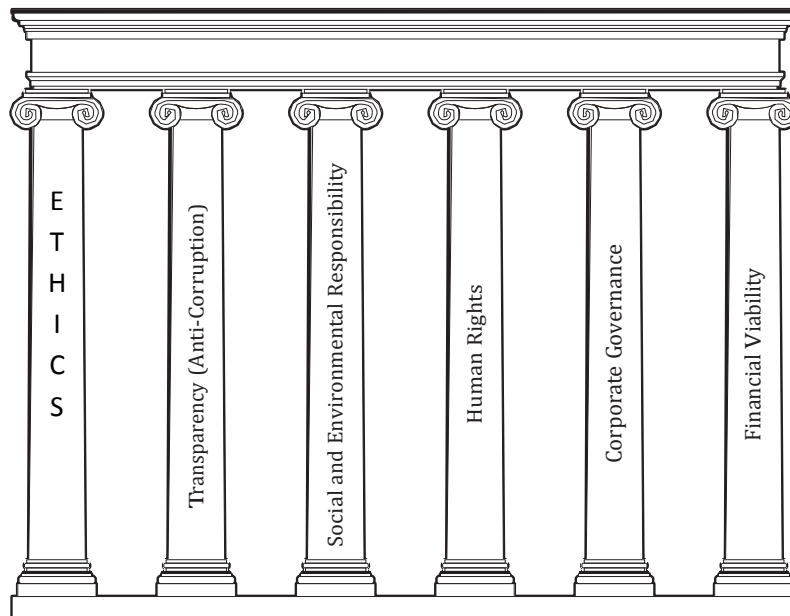
Be courageous	Let go of fear, take some risk.
Do not hesitate to do what you know is right.	Stand up against wrong.
Be honest and clear	Don't skirt round the difficult issues.
Be straight about expectations.	Be open
Don't hide problems; share information and knowledge.	Be selfless
Take care of everyone else.	Be willing to sacrifice your own interests.
Communicate effectively	Speak when it is appropriate, listen carefully and fully, and learn all the time.
Go the extra mile	Try to exceed the expectations of others.
Provide more than you have to.	Be fair
Give praise and thanks where they are due.	Acknowledge efforts
Seek the solution that is equitable for all.	Be consistent
Discriminate	Discern the truth in a situation and act on it.

The essence of the message is to maintain one's integrity.

**As you think, so you speak and thus you act.**

## Integrity

The word 'integrity' is derived from the Latin '*integritas*' which means wholeness or completeness. It has also come to mean honesty. From it we have the word 'integral' – making up a whole, parts that together constitute a unity. An individual's integrity is characterized by thoughts, words and actions that are truthful and consistent. In practice this means that such a person is honest, transparent, responsible, caring and worthy of respect. It is someone who does what he says. In a report, *Corporate Integrity: The Strategic Reality* the meaning and basis of corporate integrity was presented in the form of Six Pillars (Minton & Blagg):



### *The Six Pillars of Corporate Integrity*

- Ethics
- Transparency (Anti-Corruption)
- Social and Environmental Responsibility
- Human Rights
- Corporate Governance
- Financial Viability

To integrate these pillars into the fabric of a company requires that they be fully aligned with the company's publicly declared strategy, values and management practices.

## LOVE AT WORK

Love in all its forms is the foundation of virtue. The importance is highlighted in the Judaeo-Christian teaching as '*Love thy neighbour as thy self*', in the compassion of the Buddha and in the importance of *ren* in the Confucian tradition.

All business activities involve relationships. Our attitude towards 'the other' will be reflected in all that we think, say and do. We need to consider both our relationships within the organization and with those outside it. If we are not careful we could fall into the trap of behaving in one way to the external world and using another set of standards internally. This 'double standard' may also be manifest when we act in one way with our family and friends and in another with those with whom we work. Before long there will be so many different standards of behaviour that an inevitable tension and confusion will arise. This uncertainty and doubt will eventually mar our relationships, making trust difficult if not impossible to maintain.

We need to examine relationships in a wider context. We have set out a premise that the role of business in society is to create wealth for the sake of all. Do you believe that you are actually working for the benefit of all – that you as an individual, your family and fellow employees are part of that all?

What is the degree of your compassion towards those who are not as well provided as you are? Do you believe that you have any responsibility to others? '*Am I my brother's keeper?*' is an age-old question which needs to be answered by each individual in every age.

### Compassion

***'Compassion is by nature peaceful and gentle, but is also very powerful. It is the true sign of inner strength.'***

**Dalai Lama**

We should ask ourselves the question, 'For whose benefit is the enterprise in which I am engaged?' If I am an employee, the question is, '*For whom am I working?*' If you have management responsibility in an organization you could pose the question, 'To whom are our products or service dedicated?'

Albert Einstein summed up the message of love and compassion in a way that is as

applicable to business as to any other sphere:

***A human being is part of the whole, called by us 'universe', a part limited in time and space. He experiences himself, his thoughts and feelings as something separated from the rest- a kind of optical delusion of his consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. Our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole of nature in its beauty.***

## **Benevolence**

On the subject of benevolence, which is very important in the execution of our responsibilities as employees and/or managers, it is helpful to look to the East and the teachings of Confucius for some guidance. Of all the qualities and virtues of men Confucius esteemed as greatest what he called *ren*, which is interpreted as benevolence, human-heartedness, goodness. For Confucius this term represented the essence of being a good per-son. Although it was a noble ideal for him and not easily realized, he taught that it could be found very close at hand, as close as oneself.

*'Is goodness far away?*

*If we really wanted goodness, we should find that it is right here.*

*If a man is not good, what has he to do with the rules of propriety (justice)?*

**Confucius, *Analects*,**

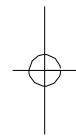
While Confucius did say *'He whose heart is set upon goodness will dislike no one,'* he also said that *'A good man could not be deceived because of his knowledge of human nature and his attention in the moment'*. A good man is also able to discern the qualities in people and act appropriately.

Benevolence, he taught, is a stabilizing yet adaptable quality within man. It enables him to overcome difficulties and sustain success; therefore it is wise to pursue goodness. *'Without goodness a man cannot endure adversity for long, nor can he enjoy prosperity for long.'* The good man is naturally at ease with

goodness. *'Imperturbable, enduring, simple, slow to speak – such a one is near to goodness.'*

Above all, benevolence manifests as correct conduct and behaviour whether in private or public life.

Thus goodness can go beyond improving oneself to actually helping others to improve themselves, but it must begin within oneself in order for one to know how to help others. By knowing what is within ourselves we can know others; knowing ourselves, we can improve ourselves and then benefit others also.



## Justice

When one hears the word justice, what may come to mind is its application in the courts. Justice in that context is the process by which those who are accused of violating the law are tried and judged, or by which disputes are resolved in the civil courts. These are important aspects of justice but the concept is much larger than that.

Another familiar dimension of justice is that of fairness. It seems that we are all born with an innate sense of fairness. You can observe this quality in children from the earliest age. They are very sensitive to unfairness, especially when it relates to the relative portions of sweets that are allocated to siblings. 'It's not fair!' is a common heart-felt cry from a child who believes that he or she is the victim of injustice.

When one looks closer at the root word 'just', one finds definitions such as equitable, deserved, well-grounded, even-handed. Justice relates to the allocation of rewards and punishments as well as fairness. One of the most familiar representations of justice is a set of scales weighing the balance and thus an important aspect of justice is finding the right measure or balance.

Plato held that justice was one of the four cardinal virtues and explored in his dialogues its application in life. His best known work, *The Republic*, is dedicated to determining the true meaning of justice. Here and elsewhere Plato observed that justice means 'no excess': the right measure obtains in all situations and at all times.

He describes it as a principle of harmony, enabling people to dwell together, the

civilizer of humanity and the essential virtue of the state, in which every constitution must share. He argues that the just person is happy and that there is no escape for the unjust.

Another major influence on our understanding of justice comes from Justinian, the emperor who embedded in Roman law the concept that:

Justice consists in the constant will to render to every man his due.

Justinian, *Codex Justinianus*

But what is meant by 'due'? It may be understood in terms of benefits or rewards, and retribution or punishments. It may refer to that which is correct, exactly right for the situation or it may refer to getting or providing just what is needed.

As with all the virtues it relates both to an inner state and to a social dimension governing our relationships with others. What does justice mean in a business context? A business is a social institution and as such requires laws and rules that regulate behaviour. The primary aspects of justice that require the attention of moral managers are fairness and equity.

The company needs to be fair to its employees. This relates to the entire range of employment policies, including pay, promotion, holidays, maternity leave, sickness, and so on. The list is long. In many of these areas there are government regulations which regulate companies' activities. This is only necessary because employers have been unjust in the past. Where there is injustice, or perceived injustice, poor relations between employers and employees are the result, and business suffers a loss of profits while employees suffer loss of wages, and unhappiness is the result all round.

This requirement for the company to be fair is reciprocated. The employees need to be fair to their employer, delivering a full measure of work for the compensation they receive, not abusing trust by helping themselves to company property or cheating on their expenses. It is fair for the company to require a full day's work, and sometimes more if the need arises, but not fair to expect continual long hours that allow the employees no time for their families and private activities. It is fair to expect employees to observe the company policies and procedures, not to strike for frivolous reasons, or at an individual level to take sick leave when they are not ill.

The company needs to be fair to its customers, delivering a valuable product or service, on time and for a fair price. When it makes a mistake it needs to be fair about rectifying it as quickly and fully as it can. The customers need to be fair by not making unreasonable requests of the company and by paying their bills on time. All companies are customers of their suppliers, so these obligations of fairness rest with them in that role too. Far too many large companies treat their suppliers as free sources of finance by delaying their payments. The government has legislated to outlaw this practice but to little avail; suppliers are understandably loath to take a big customer to court or even to threaten to do so. This excessive use of commercial power by the strong against the weak is injustice, and it acts as a blight on the economy. Just actions always promote economic activity and unjust ones always damage it.

The company needs to be fair to its investors. This means being open and transparent in its reporting, and paying its executives reasonably. There are many companies where the executives ignore this principle of fairness. For instance, in the USA the ratio of the pay of the CEO to that of a production worker has long been a gauge of compensation equity within a company. As recently as ten years ago one might have expected that if a factory worker or clerk was paid \$20–30,000 per year (roughly £15–20,000 per year) then the CEO might be paid twenty to thirty times that or \$450–500,000 (£300–400,000) which might seem excessive to some, but was nevertheless generally accepted. Today in many companies the ratio is 2-300:1 i.e. the CEO takes home \$6-9,000,000 each year!. In the UK FTSE 100 the ratio is now 120-130:1 i.e. on a £20,000 base the CEO takes home around £2,500,000. It also should be noted that the average time in office for a CEO these days is 3 years.

The excess in terms of executive compensation is not the only issue where companies are not being fair to their investors.

A company needs to be fair to its community and the nation by paying proper taxes, submitting financial reports according to regulation, caring for the environment in its production and other processes. It needs to recognize that its activities are an important part of the social fabric of the communities in which it operates, and that if

for instance it has to reduce employment due to adverse circumstances, it needs to take every possible step to minimize the impact of such actions.

Confucius had some good advice for CEOs and directors: *If you govern the people by laws, and keep them in order by penalties, they will avoid the penalties, yet lose their sense of shame. But if you govern them by your moral excellence, and keep them in order by your dutiful conduct, they will retain their sense of shame, and also live up to this standard.*

### **Confucius, *Analects***

Good and just policies and rules, which are fair to all, need to be established in a company by the executives, who need to apply these policies and rules fairly, to themselves as well as to everyone else. It is the responsibility of the executives to look after their people and to see that policies are for the benefit of all. That is fair.

## **Freedom**

Freedom is very closely related to justice. One of the hallmarks of our democratic society is the high value placed upon freedom, another of the cardinal virtues supported by all the major spiritual traditions.

Freedom does not mean licence for individuals to do and say exactly as they please. With freedom come duties and responsibilities. To exercise our responsibilities requires a degree of discipline. There are countless distractions and temptations that draw us away from our duty and towards other paths, such as the pleasurable or the familiar. In most cases these paths divert us from our duty.

One of the most striking paradoxes of our free and liberal society is that the best way to safeguard our freedom is to abide by our values and related disciplines. Historically in Europe it has been the Judaeo-Christian values that have guided society and its leaders, such as respect for the law, for individual freedoms, and proper care for the disadvantaged. If we lose touch with these values then we shall find ourselves eroding the foundations on which freedom rests rather than increasing liberty.



In the United Kingdom we enjoy a large measure of political freedom. We are free to think and say what we please within the bounds set by the law. We cannot make racist comments about another, but we are free from the need to guard our speech lest we be overheard by some spy or secret policeman. We also enjoy a measure of economic freedom, in that most of us have enough money to live a decent life. However many people do not experience that freedom and regard themselves as slaves to their mortgage, their credit card debts or their job. This leads to a striving for wealth in the belief that it will deliver freedom, despite the evidence that most of those with much wealth not only appear to work such long hours that they have little time to enjoy their wealth but, more importantly, are continually striving for more. There is never enough money, and when money loses its meaning, because the individual has so much, then the desire typically turns to power. Evidently true freedom does not lie in that direction.

One of the most prevalent desires today is for independence. This is seen as another expression of freedom. There are actually two kinds of independence and one of them is damaging to your health. The negative version sounds like this:

‘I do not want to be dependent upon anyone or anything. I want to be free to do what I want, when I want with no limitations. I am a free agent and as a result am not willing to enter into relationships where my commitments are dependent on someone else.’

Such an approach to independence is self-centred and leads to isolation, not independence. The other approach is to recognize that in truth we are all completely inter-dependent. Whatever we do affects others for better or worse. Every action you take affects someone else. For instance if you serve another then they appreciate it and are more likely to serve someone else in their turn. If you make derogatory statements or slander someone, serve poorly, or withhold service, then the other person is likely to be upset and that will colour their relations with others as well as you. It is the same with families, communities, companies and nations.

However this does not mean that independence is unattainable. What needs to be recognized is what freedom and independence really mean. Earning money is fine.

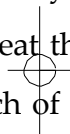
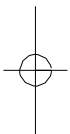
Attaining great wealth is fine. Success is fine. The important thing is not to be attached to the money, wealth or success, not to be dependent upon them, for they will surely pass. If there is no attachment to the wealth, then one can be free to enjoy it. If one is free from the attachment to success, then one can be free from the inevitable attachment to failure and the mental pain it brings, for nobody enjoys only success.

If you act in this way, it is not the results that are important but rather the intention behind the action and the way the action is executed. Thus you are not dependent on the praise or on avoiding the censure of another for your satisfaction. This approach leads to self-reliance. It gives a great self-confidence, a natural state which is not dependent on any external things to sustain it. You are able to treat 'success and failure, those two impostors, just the same'.

Then you may recognize the interdependence that naturally exists between all people. There is a natural ease in the company of others, a natural willingness to give without being dependent on a reward. This generosity is usually returned by a mutual concern and commitment from others. This form of independence is real freedom and leads to a sense of unity with those with whom you work.

A human being, because of his or her unique intellectual and emotional capacities, has the ability and the freedom to choose. When we do not have the strength to choose that which we know to be true, then we are no longer availing ourselves of our natural freedom. We are bound. Habitual thoughts and actions bind us. When we come under the sway of habit we are not free. It is a useful exercise to observe your individual patterns of thought to see whether you are free or whether your responses are limited to a narrow range of options governed by your past experience and the ideas prevalent in society at the time.

For example, your habitual desire for money or success may mean that a choice is presented which may lead to your lying or cheating in order to be successful. Are you then free to choose what you know is right or are the internal pressures so great that you are prepared to sacrifice your freedom for the sake of material gain? Each of us must test ourselves in practice to see where we stand on this issue.



## ETHICS - MAKING THE RIGHT DECISION

What is ethics exactly?

**'The moral principles by which a person is guided.'**

*Ref: Oxford English Dictionary.*

Ethics is about the decisions we make. To be ethical is to:

### MAKE THE RIGHT DECISION

We have a choice. Here is a quote from Indian scripture, the Katha Upanishad, about our choice:

*The good is one, the pleasant another; both command the Soul. Who follows the good attains sanctity, who follows the pleasant drops out of the race.*

**What are some of the questions that we can ask ourselves to help determine the right decision, in any situation?**

- What is my motive?
- Who benefits or is harmed by this decision?
- What are the guiding principles here-Is it honest, fair, caring, responsible?
- Is it compliant with the relevant laws?
- 

Another one you might add is:

- Would I be embarrassed if my decision were to be in the press or known by my family & friends?

When one seriously considers these various elements it more likely that a better appreciation of the options will be achieved, which opens the way for a more creative and appropriate decision to arise.

**What is the basis for your decisions?**

To determine the underlying basis of our own decisions requires careful self-examination. We need to examine our own thoughts, words and deeds to discern what principles we are actually following.

Do you refrain from lying because it against your spiritual/religious faith e.g. Thou shalt not bear false witness against thy neighbour.

OR

Do you act from a strong sense of Duty - doing what should be done for honour's sake?

'My word is my bond' is an example of such a guiding principle.

OR

Do you decide based on a utilitarian view, i.e. I am honest because it pays to be honest, also known as enlightened self-interest? Motive and intention are not important, it is the results that count.

OR

Do you not lie to avoid censure or penalty?

It might be an established industry code of practice or standard set by a government regulator, an industry association or a professional body, e.g. the Financial Services Authority (FSA), the Law Society etc.

OR

Is the basis of your decision not to lie based on whether it violates the written laws of the land. One example of this is a person who was accused of an illegal action. His reply reflected the basis of his decision- " I knew it was wrong, but I did not think it was illegal."

OR

Is the basis of your decision whether you believe you can get away with it!

### **What is the nature and qualities of an ethical decision?**

Ethical decisions are:

- Balanced
- Considered
- Unbiased
- Based on principle
- Made in the present moment.

### **The Power of the Present Moment**

There is great power in the present moment. This is a state of simply being, being in the present, the here and now without reference to matters past stored in memory or imaginings about what may happen in the future.



- The level of concentration of a sportsman
- The fine attention required by an artist
- The loving care that a mother gives her child.

It is easy to see how one can get lured into making the wrong decision in the hope of gaining wealth or success. In the latter years of my business career I spent considerable time developing a market for the product my company produced, an e-learning programme in finance for non-financial managers.

I founded the company in the later 1980s and it had grown to a stage that when the dot-com boom hit around the turn of the millennium we wound up as a listed public company on the London AIM stock market. After a short period as the CEO of a listed company I was moved by the Board to a position of growing the business internationally, a role better suited to my talents and experience.

My prime target was China. It was interesting to note the Chinese approach to which on the surface seemed to be very different from our approach in the west. It takes a long time to establish a good working relationship with a Chinese organisation. I later discovered that this was not just a negotiating ploy, although they are VERY HARD negotiators, it is part of the process of establishing TRUST. Their approach to business relationships can be summarised as Friends First then we do business. You

can trust your friends and so you are better able to jointly deal with the myriad of decisions that are required.

In the west our approach to establishing a business relationship has become dominated by the contents of the detailed legal document that you both sign setting out the specific terms and conditions by which the business relationship shall be undertaken including the length of time of the agreement, performance criteria, the presiding legal domain and the consequences for not fulfilling the explicit terms. Needless to say the legal department of any organisation plays an important part in any such negotiation and there seems to be an unwritten rule when developing such contracts that you cannot fully trust the other party and that detailed provisions need to be made for all contingencies.

Part of the coming together process involved the exchange of gifts, visits in both countries and offices, meeting of the respective families as well as discussions on the what was expected of each party.

I was fortunate in meeting with someone who was in the training business, shared many of the values I held and who was keenly interested in bringing what he thought to be a necessary training offering to the Chinese business community. Richard had come from a very wealthy Chinese family who had specialised in making beautiful clothes. He said to me at one point that in order to help China assume an important role in international business, he was switching his business aim from creating beautiful things to creating beautiful minds through training. As we grew closer to an agreement we discussed the basic principle that would guide our relationship. We both agreed that it would be 'To deal with each other as we would want to be dealt with i.e. our version of the Golden Rule.

As we were close to signing an agreement I had some pressure from the Board of my company to close the agreement quickly as they were in the process of negotiating a major acquisition and such good news would help. Such a desire for a quick close is not a good idea when dealing with savvy Chinese business people who will exploit the desire to get a better deal. At the same time I had a conversation with Richard who brought into question the main plank of our agreement i.e. a major upfront payment from them. The combination of these two pressures got to me and the conversation with Richard became a bit heated. Seeing that this was not useful I told Richard I would call him back. I then put into practice quieting the mind and coming to rest in the present moment. What came to mind was the question-'Would you speak to your friend like that?' The answer was of course -No. So In a more calm state I called Richard, set out the main problem and then asked, 'How are WE going to deal with this?' We soon settled the issue and in fact within 2 weeks the deal was done. As a good will gesture Richard made sure that the initial deposit reached our account the day after the agreement was signed.

Relying on the creative power of the present moment also can into pay about a year later when Richard called to tell me about a very big prospect who was having some

difficulty running our programme on their US based software system. As it has run on that particular system at many other locations I encouraged him to go back and ask them to try again.

Richard came back the next day to say that the technical person at this company said that if we pay him a small fee i.e. a bribe, our product would run.

Richard said that this was typical and that they would be willing to make the payment. 'NO BRIBES' was my emphatic reply. Seeing my agitated state as the possibility of our break-through order in China being blocked, I told Richard not to act and that I would call him back soon. Again coming to a quite reflective state which created space in the mind sufficient to trigger a memory of a meeting I had some six months before with the head of the Asian operation of the US software company who supplied the system being used by the prospect. I dug out his business card and immediately called him telling him about how the use of their system was being blocked in this particular account. I asked, 'Are you going to let him get away with this?'

He didn't and within a week our programme was successfully running on their system.

Richard was very grateful.

Here is a suggested procedure designed to put us in the best position to make a decision that is both Ethical & Effective:

- Gather the relevant facts
- Identify those affected & those who have influence
- Assess the ethical/legal issues involved -ask 'What is the principle here?'
- Set out the possible alternatives
- Assess the ethics/morality/rightness of each alternative
- **Quietly Reflect-in the present moment**
- Decide and courageously implement the decision

The key question is: **Can I work according to fine principles and values and still succeed?**

Based on my own experience and the guidance of the wise I believe the answer is:

**YES WE CAN.**