

Forum: 'Unethical decisions can have devastating results'

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The headline above was used to advertise a two-day forum on ethics held in Mexico City in February. The title of the forum was "Ethics in Organizations" and one of the main issues was the concern about the loss of traditional ethical values as global competition increases. Because of that loss, there is a need to promote ethical behavior, both in individuals and in organizations, in order to respond adequately to the new needs resulting from competition in the "global village."

The forum, sponsored by the Universidad Iberoamericana and the business magazine *Expansion*, featured speakers from Mexico, the U.S., Peru and Germany.

There is a tendency in organizations to have an internal ethics code and, in some cases, an ethics officer.

It is believed that the tendency will become stronger as public awareness of ethical behavior by companies increases. The public perceives the ethical behavior of a company through the quality of its products and services, its fair pricing policies, and its respect for the environment and public safety.

In today's world, where organizations face global competition, these factors, several forum participants claimed, are the key elements for survival.

TOTAL QUALITY. Joaquin Peon Escalante, dean of professional studies at Universidad Iberoamericana, said that for years we have been talking of "total quality" as the main goal to achieve in organizations. In the recent past, he said, ethics have been identified as an element of importance to achieve this goal, and ethical behavior becomes the new frontier of total quality.

Escalante gave examples of organizations that, in their search for total quality, have worked to create an appropriate internal environment to improve the quality of life for their employees and, at the same time improve, the quality of their products and services. Escalante defines this as "organizational ethics via total quality."

Juan Julio Wicht, professor of economics, Universidad del Pacifico, Lima, Peru, spoke about ethics in Latin American countries and made a fundamental observation about the separation between ethics in private life and ethics in business activities.

Ethics, he said, is considered important, and people try to behave ethically in their private life.

But in the business world, ethics is an almost totally neglected concept. In Latin American countries, more often than not, ethical behavior is based on intuitive, subjective, personal notions of right and wrong, rather than on objective, universal criteria.

Wicht also said that corruption, both in government and in the private sector, constitutes a major obstacle to ethical behavior in the business world.

He concluded that to achieve ethics in organizations, criteria and behavior have to extend beyond wishful thinking.

Enrique Alduncin, president of a Mexican company dedicated to the study of values, attitudes, motivations and the quality and productivity of companies, claims that ethical behavior and morality in a country are a reflection of its education system. Behavior is learned from society and is transmitted in the same way as culture, with small changes from generation to generation.

He asserts that higher levels of education and material well-being are linked directly to higher standards of moral development. Therefore, it can be said that there are persons, groups, organizations or even nations that are more advanced in their morality than others.

Alduncin assumes that moral development can be measured, and using the appropriate tools, one can determine the degree of morality of an individual, an organization or a country. Alduncin claims that problems in developing countries are interrelated in such a way that a vicious circle that perpetuates undesirable conditions is created.

The core elements to break away from this circle are based on democracy, legality and education, leading to ethical behavior and

respect for the law. These three elements are essential to be able to face the challenge of achieving the economic growth and the human development required by the population. Alduncin recalled the words of Fernando Solana, Mexico's former minister of education: "We will go as far as our education goes."

GLOBAL STANDARDS. Rushworth Kidder, president of the U.S.-based Institute of Global Ethics, said the trend towards ethics is very powerfully established in all societies, which leads him to believe in the possibility of creating a global code of ethics based on universally accepted values.

In pursuing ethical behavior an individual or an organization can be faced with some dilemmas, Kidder said. He gave some examples: truth vs. loyalty; individual vs. common benefit; short vs. long-term results; and justice vs. mercy.

Kidder also said that advancements in technology have created situations far more dangerous for society than the ones faced in the 19th century.

Accidents such as the one experienced by the nuclear plant in Chernobyl, the chemical plant in Bhopal or the Exxon Valdez oil spill are clear examples of the damages that can occur with present-day technologies. As a consequence, there is a need to improve not only the technological expertise, but the ethical foundations.

Given the advancements in technology and the impact it has on society, we will not survive the 21st century with our present codes of ethics, Kidder concluded.

The efforts of IEEE in the ethics field is complementary to these efforts to promote ethics in organizations. As a premier international institution in the fields of electrical, electronics and computer engineering, it's important not only to encourage its members to behave ethically, but to support them when in jeopardy for doing so.

CONTACT

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