1-1-1994

Ethics in Business and Communications

Fred Chapman
Grand Valley State University

Follow this and additional works at: http://scholarworks.gvsu.edu/gvr

Recommended Citation
Available at: http://scholarworks.gvsu.edu/gvr/vol10/iss2/14

This Article is brought to you for free and open access by ScholarWorks@GVSU. It has been accepted for inclusion in Grand Valley Review by an authorized administrator of ScholarWorks@GVSU. For more information, please contact scholarworks@gvsu.edu.
Business ethics is not just a 20th century phenomenon. The roots go back to the
time when people started trading with one another. Ethics is related to the morality of
behavior, part of our value system that develops within our family and our
relationship with others. There are generally accepted norms we use in dealing with
each other.

One of the important ethical benchmarks in business occurred in the 16th
Century, when new trade routes to the Far East made Venice the capital of
international trade. New rules had to be developed, because different cultures had
their own values for dealing with one another. In order for trade to prosper,
exchanges of goods had to benefit parties of different folkways and mores.

Through the years, there were continuing refinements in business ethics. One of
the more graphic examples in the North American colonies was the launching of a
new newspaper in Boston, *Public Occurrances Both Forreign and Domestick*. The
paper, wishing to promote public ethics, aimed its points at the British government.
British authorities closed the paper within four days of the first issue of the
publication and destroyed all copies they could get their hands on.

Ethics in the United States became identified in the 19th Century with Western
expansion when the public demanded government action to end the abuses many
businesses were practicing; for instance, the railroads’ monopoly on transportation at
the expense of the Midwestern farmers. The result was the creation of the Interstate
Commerce Commission to regulate railroads. When the original Standard Oil
Company built a monopoly which resulted in fewer oil company competitors and
higher consumer prices, Congress responded with the Sherman Anti-Trust Act.
Upton Sinclair’s and Sinclair Lewis’ books about the abuses of business practices in
the meat and other industries influenced public opinion and helped bring about the
Pure Food and Drug Act.

Clearly, in these events there were lessons for business: treat the public fairly or
the government will set commercial standards of conduct.

The business community saw the threat as real. In the late 19th century, the
fledgling advertising industry, noted for flagrant abuses of accuracy, drafted the first
code of ethics. This voluntary code essentially told those in the advertising field that
the firms agreeing to adhere to the code would conduct their business practices in a
fair way. A formal code of ethics was adopted by the American Advertising
Federation in 1911. Today, this federation is stronger than ever as a guide to ethical
business conduct.

Ethics on the international front got a big boost when Rotary International was
formed in 1906. The founders of Rotary fostered "The Four-Way Test," which asks the more than 1.5 million members in more than 150 countries through the world:

"Is it the truth?"
"Is it fair to all concerned?"
"Will it build good will and better friendships?"
"Will it be beneficial to all concerned?"

Local businesses, concerned about reputations which could decline from dealing with shady operators, led in the formation of the Better Business Bureau with a code of ethics that local merchants should follow. It was plain good business to keep customers contented so they would return for future purchases.

Journalists, too, through the Society of Professional Journalists/Sigma Delta Chi, have a code to guide the ethical conduct of news people. Those working in the public relations field are well aware that the days of press junkets are a thing of the past. When public relations practitioners plan a major out-of-town event, it is well known that reporters from the New York Times, Wall Street Journal, Washington Post, Los Angeles Times, Associated Press, and other major news organizations will insist on paying their own transportation, lodging and other travel expenses so that they can maintain their objectivity.

Ivy Lee, perhaps the earliest true public relations practitioner, drafted principles for ethical dealings with the news media. These laid the foundation for the Public Relations Society of America's code of ethics, which the society's more than 16,000 members have agreed to abide by.

While each communication professional organization has specific standards in its individual codes, executives from more than 100 companies from other fields such as administration, finance, human resources and marketing were polled by Public Relations Review for the Spring 1993 issue and rated public relations performance competency highest involving these issues:

- Being moral and ethical
- Possessing integrity
- Always giving one's best
- Being totally trustworthy.

In a report from the Public Relations Committee for the Public Relations Society of America in the November 1993 issue of Public Relations Journal, these burning contemporary ethical issues facing the profession were listed:

- Discrimination, including sexual harassment;
- Misinformation or dissemination of misleading information;
- Propaganda vs the public's right to know;
- Misuse of funds;
- The avoidance of corporate responsibility for unsafe products or those which can harm consumers;
- Destruction of natural resources.

Many of these ethical points were emphasized in remarks made before West Michigan public relations practitioners in the Fall of 1993 on television interview tips by Rick Gevers, news director of WOOD-TV:

36 • Grand Valley Review
"Jrnalists/Sigma Delta Chi, those working in the public domain of the 21st century, are a thing of the past. In that new event, it is well known that the Washington Post, Los Angeles Times and other major organizations will insist on being paid for expenses so that they can be privy to some news. The Public Relations Society of America, after much discussion, drafted principles of conduct, or a foundation for the Public Relations Society’s more than 16,000 members. These principles, as specific standards in its Ethics Program, were polled by Public Relations Society members and public relations performance was factored. The Public Relations Society of America, following the National Public Relations Society’s lead, has developed a communications plan. One of the elements in this plan is the Public Relations Society’s more than 16,000 members. These principles, as specific standards in its Ethics Program, were polled by Public Relations Society members and public relations performance was factored. The Public Relations Society of America, following the National Public Relations Society’s lead, has developed a communications plan. One of the elements in this plan is the Public Relations Society’s more than 16,000 members. These principles, as specific standards in its Ethics Program, were polled by Public Relations Society members and public relations performance was factored. The Public Relations Society of America, following the National Public Relations Society’s lead, has developed a communications plan. One of the elements in this plan is the Public Relations Society’s more than 16,000 members. These principles, as specific standards in its Ethics Program, were polled by Public Relations Society members and public relations performance was factored.

Be honest. If you or the organization you represent have made a mistake, admit it. If an apology is in order, apologize. Be forthright. If you or your organization have made a mistake, admit it all right away. Don't drag it out. It's probably better for you if there is one . . . very bad [story] than three weeks worth of smaller bad stories . . .

Don't ever lie. DON'T EVER LIE. DON'T EVER LIE. Nothing will finish you as a news source more quickly than lying. Nothing.

Creditability is the primary resource people in communications have. A successful communications career is closely tied in with public and professional trust.