

## Business Ethics Audit

As part of *Marketing* magazine’s ongoing Ethics & Marketing series, John Dalla Costa, founding director of the Centre for Ethical Orientation in Toronto, has designed this Business Ethics Audit to help gauge the state of ethics within a marketing corporate culture:

Give your organization (or working group) a grade on the following dimensions:	<i>We proactively probe ethical issues</i> <i>(5 points)</i>	<i>We are alert to ethical issues as they are emerging</i> <i>(4 points)</i>	<i>We respond when the ethical issue is exposed</i> <i>(3 points)</i>	<i>We await ethical problems before responding</i> <i>(2 points)</i>	<i>We avoid ethical issues</i> <i>(1 point)*</i>
Doing research					
In competitive analysis					
Identifying future trends					
When doing “gap analysis”					
When working out ROI					
During strategic planning					
Setting performance measures					
In process and systems design					
During activity management					
For customer satisfaction					
Managing recruitment					
In new product development					
Setting cross-functional goals					
During crisis management					
As part of continuous learning					
During cost-cutting exercises					
For strategic partnerships					
Managing brand value					
As a variable in brand equity					
In annual reports					

\* Even organizations with no ethical consciousness operate with some minimum of responsibility, simply to fulfill the legal or competitive requirements to stay in business.

The scores provide a two-level diagnostic: The first is impressionistic and the second is indicative. As an impression, the first measure is like taking the pulse of the organization to assess the strength, pervasiveness and frequency of ethical deliberation. Although qualitative, the tallied number suggests the current trajectory and current priorities:

- For scores 85+: The task is not so much ethical development, which is already strong, but perhaps more aggressive involvement in the public sphere—like investing in social capital or promoting integrity through leadership.
- For scores 75-85: The task is to take ethics to the next level. This usually means shifting focus from avoiding wrongdoing to actually advancing what is good, better or right. Instead of compliance, the developmental need is for the creativity to go beyond obligations and invest in ethical opportunities.
- For scores 60-75: The task is to aggressively elevate and align ethical skills. This involves rigour in studying and adopting best practices, recognizing that ethical excellence is a key competence for competitive advantage.
- For scores under 60: The task is to go back to basics. Such poor ethical scores likely indicate other problems in culture such as lack of innovation or lack of currency with customers. Going back to basics is helpful because there are elements in founding purpose or heritage that inevitably point to key values, commitments and value-adding responsibilities. By retrieving what matters most, we often encounter what matters ethically.

Based on your score, begin to scope out an action plan for ethical enhancements:

• **Objective:** What overall score can you realistically aim for? By when?

**Score:** \_\_\_\_\_ **By When:** \_\_\_\_\_

• **CSF:** What are the “Critical Success Factors” to drive score improvement? Which three of the 20 dynamics listed in the exercise represent the most critical promises or liabilities for your organization?

	<b>Dynamics</b>	<b>Why?</b>
i)	-----	-----
ii)	-----	-----

iii) -----

- **Strategy:** What can you do to improve performance on these three most critical dimensions?  
What must be done in the next 30 days; over the next quarter; for the next fiscal year?

Next 30 Days	Short-term	Long-term
i)	ii)	iii)
ii)		
iii)		

# Marketing

