

## **Principles of business ethics & corporate ethical culture**

Worldwide, the public at large does not trust that institutions operate in the best interest of society. Whatever reassurance is being given to the public with regards to accountability, transparency and stakeholder engagement, it is not working. Trust in institutional leaders is at an all time low and steadily declining. A study conducted by the World Economic Forum revealed that while global companies and large national companies are the 3<sup>rd</sup> and 2<sup>nd</sup> most distrusted institutions respectively, executives of multinational companies are the second most distrusted of eight categories of institutional leaders.

A possible solution to this shocking state of affairs may be to develop, entrench and promote a corporate ethical culture that provides the guiding principles regarding the integrity with which a company governs itself, how it fulfils its mission, the values it has, how it engages with its stakeholders, and how it measures its impact and publicly reports its activities. For the committed organisation, developing such a culture may also involve identifying and engaging with stakeholders and responding to their concerns, gathering data for public reporting; and, in an increasing number of cases, having that data assured by an independent third party.

Ethical organisations are not driven by a vague commitment to do right, but by the far more focused requirement of risk management - they need information and tools to help them break the cycle of ethics abuse and corruption.

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A PowerPoint report covering this topic can be purchased through CGF at [www.cgf.co.za](http://www.cgf.co.za)

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