

FOCUSING ON ETHICS IT'S NOT JUST FOR BIG BUSINESS

TEACHERS GUIDE

Relevant National Content Standards for Entrepreneurship

Ready Skills	
The basic business knowledge and skills that are prerequisites or co-requisites for becoming a successful entrepreneur.	
C	Business Foundations Understands fundamental business concepts that affect business decision making
Business Concepts	
C.01	Explain the role of business in society
C.05	Determine issues and trends in business
C.08	Explain the nature of managerial ethics
C.09	Describe the need for and impact of ethical business practices

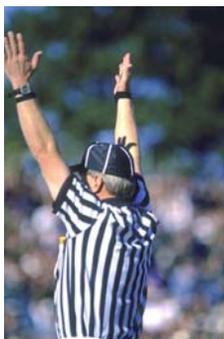
Write it Down!—A Code of Ethics is Important

Why should an entrepreneur or prospective entrepreneur think about a code of ethics? The bottom line is that unless you think about it carefully, it's all too easy for ethical challenges to arise. And, they arise not just for the business owner, but for employees as well.



And, **it's the right thing to do...especially for customers and clients, especially!**

Think of watching any sporting event, football, volleyball, soccer or whatever, without clearly understood rules. It would be chaos.



"People always need to know the rules of the game," says Ted Sun, business professor at the University of Phoenix. "Imagine a football game without rules. An organization's the same — people need to know the boundaries of what's ethical and what's not."

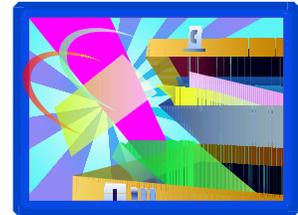
A written code of ethics containing what you consider important in operating a business with integrity is a big plus for any business, no matter the size or age.

A written code of ethics — a tangible overview of those elements that you consider important in operating a business of integrity and principles — can be a definite plus for your business in these times.

But drawing up a useful code of ethics means more than scribbling down thoughts at random. Here are some guidelines to help you.

Jeff Wuorio, in an article for the Microsoft Small Business Center home page focused on several keys to a strong code of ethics. Three of them are highlighted below:

1. **Focus on business practices and specific issues**, including conflicts of interest, accurate financial statements, sexual harassment, safety, environmental standards, and rule/regulations.
2. **Tailor it to fit your business...**don't just copy someone else's.
3. **Include employees in developing a code of ethics...**because unless they have "buy-in" they probably won't follow it.



It helps to start by looking at some example codes of ethics. The Society for Human Resource Management has an example that you might reference at <http://www.shrm.org/ethics/code-of-ethics.asp>. They also have an excellent Code of Ethics Toolkit in PDF format that you can download and print from <http://www.shrm.org/ethics/organization-coe.pdf>.

And, once a code of ethics is developed, it can't be just a document that gathers dust on a wall or on a bookcase. It has to be lived. Wuorio provided some additional tips to help make any code of ethics a living, breathing source of inspiration for employees and managers.



1. **Train your people to be ethical...**using case studies, role-playing, meetings.
2. **Post your code of ethics...**in the break room, near the time clock, wherever it will be most prominent (and in more than one location).
3. **Follow up on any ethics violations you uncover...**but don't announce them to the world, embarrassing both the innocent and the guilty. Keep it private.
4. **Live it from the top down...**if the entrepreneur or management team don't model ethical behavior, no one else will.

Activity Guide:

- ☑ Have students read the "Ethics and the Entrepreneur" Targeted Teaching Topic on page 7 of Nebraska E-News Monthly-October 2006
- ☑ Distribute copies of the Ethics Quiz. Assure them that this will not be handed in, but is a chance for them to examine some personal ethical decisions that all students face.
- ☑ After allowing the class adequate time to complete the quiz, pose questions such as:
 - Were these realistic situations that you or others have faced?
 - Why is ethical decision-making tough? Should it be?
 - What kinds of ethical dilemmas might be faced by an entrepreneur?
- ☑ Discussion Considerations: Allow time for an open-ended discussion. There is no one "right" answer. Allow all opinions to count, but ask probing questions to make them justify **why** these are ethical dilemmas.
- ☑ Personal Code of Ethics: Provide each student with the blank Personal Code of Ethics handout. Their assignment is to develop their own code of ethics based on the Principles in the Targeted Teaching Topic.
- ☑ Optional Small Group Assignment: Using the input from every group member, they are to develop a "timeless" and simple Code of Ethics for an entrepreneur. They should put down the best points from everyone, and then refine it down into a simple, easy to interpret set of guiding principles for an entrepreneurial venture.