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The Goldilocks Principle and the proper HERO: Perspective on the ethics and compliance mission

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The Goldilocks Principle has been applied in the fields of astronomy, biology, communication, economics, engineering, mathematics, and psychology. The concept of “just right” is easily understood. If used in business ethics and compliance, it would say some companies’ programs are “too simple,” some are “too hard,” and some are “just right.”

Too simple

Which business ethics and compliance programs are “too simple?”

When I spoke with Jamal Ahmed, he was vice president and chief ethics officer at a \$2.5 billion engineering company with an ethics program that had twice earned an “A” rating from Transparency International. He pointed directly to the answer when I asked him, “If you could change one thing about business ethics, what would it be?” He said, “How people view or define business ethics.”

College students in my Introduction to Business Ethics course frequently tell me they came to the first class comfortable with beliefs that were simplistic. Many people come to the business world with a definition of business ethics and compliance that is too simple. “For example,” said Ahmed, “sometimes when we investigate a complaint received through our hotline, we are asked, ‘Why is this an ethics issue?’ This is because the person asking the question does not see any violation of ethics, because the matter at hand is not about theft, embezzlement, or non-compliance with company policies or government regulations.”

Ahmed went on to describe what would be “just right.”

My goal is to have all business leaders embrace the idea that business ethics is more than just not being fraudulent or non-compliant with laws and regulations. To me, business ethics is doing the right things in everything we do. That includes how we behave with or treat our employees, customers, suppliers, consultants, and all others that we deal with in everyday work life. We strive to have a business environment based on ethical values, not on just following rules. One cannot have an ethical business environment without following rules. However, business ethics is more than following rules; it is about doing the right things regardless of the rules.

It is easy to see companies today with ethics programs that are too simple. They may post corporate values on the Internet, but their employees don’t know or live the values, and don’t even know where to find the list of values. Too many companies, including very large financial corporations, operate their ethics and compliance programs simplistically, in truth focused merely on compliance.

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