

Meeting the Triple Bottom Line

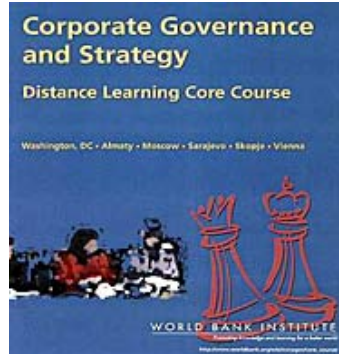
Private sector shares best practices on business ethics through distance learning

This article originally appeared in Today, the daily E-Magazine for World Bank staff.

December 14, 2000—"We actually put together our first sustainability report that addresses what I like to call the 'triple bottom line'—the finances, the environment and safety, and the social accountability of an organization," said Brenda Hildreth, Manager, Business Practices, Baxter International, at the recent Joint Vienna Institute videoconference sponsored by the World Bank Institute, the WBG Business Ethics and Integrity Office, and the Ethics Officer Association (EOA).

The link between sustainable economic development and implementing ethical business, and the reasons the private sector goes to great lengths to implement business practices and ethics programs, were just two of many topics addressed during the two-hour seminar. The audience, comprised of academics, public officials, business professionals and members of the press, participated via live videoconference linked to Russia, Khazakhstan, Austria, FYR Macedonia, and Bosnia and Herzegovina.

This videoconference was part of the Joint Vienna Institute training program, which included such topics as corporate responsibility and business ethics. Good governance requires more than just adequate financial management, workplace relations and public service employment; it also requires the identification of a framework and the creation of a new environment for leaders to guide their



Anita Baker, Manager of the Business Ethics and Integrity Office, co-chaired the videoconference



organizations in an ethical way. The crucial question is: what are the practical steps in creating this framework? How does one write a code of conduct, organize training for employees and what tools exist to help create effective ethics programs? These were the questions addressed by the panel of experts from the private sector.

Hildreth was joined by fellow members of the EOA and experts in the field of organizational ethics: Jim Berg, Director, Ethics & Business Practices, International Paper; Pat Gnazzo, Vice President, Business Practices, United Technologies Corporation; and EOA officers Ed Petry, the organization's executive director, and Carrie Penman, former Director, Corporate Ethics, Westinghouse/CBS Corporation.

Petry's overview of the development of business practices programs around the world, the "internationalization of business ethics," noted the role of multilateral organizations in promoting legislation that supports good business practices; multinational corporations consider the implementation of such programs crucial to conducting business wherever they are located. A sustainable ethics initiative, said Penman, can help a business's bottom line.

Business ethics has gone from being perceived as a luxury to a necessity, said Berg. "Some companies have lost everything because of unethical actions. All those employees who depended on the company for an income lost everything. That is what you have to compare to the cost of running an ethics office." Gnazzo reiterated the view that good ethical practices can lead to good business, that ethics is a management issue, and that an ethics office should be considered a business asset by an organization's the senior leadership.

Asked about the degree to which the companies' codes of ethics influenced their business decisions, Hildreth outlined how Baxter approaches ethics when investing in a

Jim Berg, from International Paper, described his company's commitment to sustainability of forests



The panel took questions from over 400 participants worldwide



United Technologies' Pat Gnazzo emphasized the importance of the ethics office's be considered a business asset by senior leadership. Ethics officers should always ask: "How can I help you accomplish your business objectives on a strong ethical and reputational basis?"



WBI's Djordjija Petkoski co-chaired the session, which was part of his broader program on corporate governance strategies

developing economy: Their commitment to ethics, she said, does not vary from one international location to another, and the company provide ethics training to suppliers. International Paper, said Berg, works with its suppliers to promote sound environmental practices, and the company trained Russian suppliers on forest health and how to replant logged areas. "They were cutting, not replanting. We worked with them to change their practices and explained that unless they changed those practices we would not do business with them."

The discussion did not end after two hours: More than 400 participants were able to continue asking the panel members questions via an electronic discussion forum. (These questions and answers, along with video-clips of the videoconference organized by topic, will soon be available at: http://www.worldbank.org/wbi/corpgov/core_course/module5.htm.)

The seminar was chaired by the World Bank's Business Ethics and Integrity Office Manager Anita Baker and WBI's Djordjija Petkoski. The videoconference is the part of a new long-distance learning program on "Corporate Responsibility and Business Ethics" sponsored by WBI and BEI. Said Baker and Petkoski, "The program provides, in cooperation with the EOA, information to clients and stakeholders on the best practice, resources, tools and lessons learned available from the private sector on business ethics with the aim of fostering an improved business environment for long-term sustainable development. The program is one component of a larger project: the creation of a global resource network for creating sustainable ethics initiatives."

Useful links: For information on the Ethics Officers Association, log on to: <http://www.eoa.org>.

For more information on this program, please

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