

The Business of Ethics: Energy is NOT a Four-Letter Word

On Thursday, January 16, 2003, CTN presented an informative panel discussion entitled, "*The Business of Ethics: Energy is NOT a Four-Letter Word.*" Citing several recent polls, the moderator, Bob Best, President of Atmos Energy, kicked the program off by revealing that the public's perception of ethical behavior is at an all time low. Mr. Best described findings by a Times – CNN poll that 71% of those polled consider the typical CEO less ethical than the average person. A Wall Street Journal poll found that the public deems only 21% of corporate leaders to be honest. With sobering statistics as these three panelists began their discussion of the causes for these perceptions, the measures organizations need to take to establish ethical behavior, and the communication both internally and externally of the importance of these codes of conduct.

The panelists included: John Davis, President & CEO of EnergySouth, Inc., Mark Baxter, Director of the Cox School's Maguire Energy Institute, and David Reid, Texas Instrument's Vice President of Ethics and Compliance. The panelists agreed that these perceptions while widespread were not realistic, but rather a generalization based on the recent corporate downfalls of Enron, Arthur Andersen, and WorldCom.

The panelists described policies in their respective organizations that mandate conduct and reinforce corporate values, such as integrity, innovation, commitment, customer service excellence, good corporate citizenship, and employee self-actualization. In this context, employees see ethical standards modeled at all levels and help inform others of the company's integrity. Panelists agreed that accountability is critical to the success of ethics policies. In their view, all organizational leaders are responsible and accountable for the actions of ALL their employees – despite claims made by leaders in the most recent ethical debacles that they were "not aware" of certain practices, decisions, or actions by other corporate leaders.

The panel also agreed that imparting these core corporate values to employees is a matter of corporate culture – when the company and its leaders expound the corporate key values, the employees buy-in to the culture and philosophy as they see management "live it."

Unfortunately, the panelists also agreed that the energy industry has done a poor job of promoting itself and now in the wake of the corporate scandals faces a long and difficult job of enhancing its image in the public's mind. They propose that energy industry leaders must work on two fronts to rebuild the industry's image – both independently promoting their organization's corporate standards and practices through public relations efforts, as well as presenting a united front with peers through industry groups that also promote the ethical codes and operations of their member organizations.

Viewers of this engaging CTN program walk away with a sense that energy is indeed NOT a four-letter word, but that the industry has its work cut out if it intends to convince the public of that.