

# Standards

When corporate ethics fall by the wayside,  
so does the public's trust by Dean Williams

Third in a series on ethics in business communication. This series originally appeared in IABC Toronto's *Communicator*.

**W**e may never know the role business communicators played behind the scenes at energy giant Enron and its Chicago auditing firm Arthur Andersen before their questionable accounting practices caught the media's attention.

What we do know is that senior Enron executive Sherron Watkins wrote a letter to CEO Kenneth Lay in August 2001 warning of accounting irregularities that could pose a threat to the Dallas-based company. Now she is celebrated in the media for her courage—a rare status for whistleblowers. We also learned from Watkins that Clifford Baxter, an Enron employee for 10 years, raised similar concerns after becoming vice-chairman of the company's board of directors. He resigned in May 2001 within six months of assuming the post and took his own life this past January—shortly after the U.S. Senate began hearings into Enron's activities.

If you were an Enron or Andersen employee and had knowledge of the activities now being investigated, what would you do?

## LEVERAGE YOUR ASSETS

Effective business communicators bring more to the job than their writing, multitasking, creative thinking and people skills. We also bring our good judgment and a keen sense of our audience's culture, standards and expectations. That's the context for—and the real value of—the work we do and advice we give.

As communicators, our job is to help create, defend and promote the best image for our employer or client. It helps if we feel good about these organizations. It also helps if we work in a corporate culture that actively supports and promotes ethical practices.

For the majority of communicators, day-to-day operations and decision-making rarely pose serious ethical dilemmas. Sometimes the more pressing concern is working for a company or client whose ethical practices clash with our own, as few communicators have the luxury of shopping around for the ideal employer. And although most organizations have well-written codes of conduct, they do little good if they are not communicated and enforced.

In Enron's case, the board of directors apparently went so far as to sus-

pend the code of conduct. That, of course, speaks volumes for the role of ethics in the company's corporate culture, especially when you consider that the board is supposed to act as the organization's ethical conscience. Enron may be an extreme case study in ethics, but what about Andersen?

## TRUTH BUILDS TRUST

In the words of the accounting firm's outgoing managing partner and CEO Joseph F. Berardino, "Maintaining the trust and confidence of investors is a central tenet of our firm."

The same could be said of the entire accounting profession, whose reputation relies on credibility. You would expect accountants to work extra hard at ensuring a high ethics quotient in their corporate cultures.

And yet the Enron scandal wasn't the first public relations disaster for Andersen. The integrity of the company's reporting practices has faced intense criticism through the years. The difference between past controversies and Andersen's current crisis is that the company is now fighting to survive—its public relations efforts rendered impotent or even

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"Because hundreds of thousands of business communicators worldwide engage in activities that affect the lives of millions of people, and because this power carries with it significant social responsibilities, the International Association of Business Communicators developed the Code of Ethics for Professional Communicators."

—Introduction to IABC's Code of Ethics for Professional Communicators

## Blurred Standards

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detrimental to the company's image after a jury in June found the firm guilty of obstructing justice when it destroyed Enron documents. Furthermore, accounting firms are coming under intense scrutiny, and a guilty-by-association mentality is tainting the credibility of their clients.

"Now more than ever, the communication person needs to be an advocate for ethical behaviour, because the truth always surfaces sooner or later," says Len Brooks, executive director of The Clarkson Centre for Business Ethics at the University of Toronto's Rotman School of Management. "The longer you indulge in the practice of maintaining a cosmetic shell, the harder it is to recover when the shell eventually cracks."

As communicators, we keep our fingers on the pulse of society. We know that corporate ethics isn't just some ivory tower concept. Ethics and corporate responsibility are now an integral part of what our society perceives as acceptable business practice.

Matthew Boyle summed it up nicely in his analysis of *Fortune* Magazine's Most Admired Companies: "What qualities will we admire most in the years ahead? That's an easy one—in the near term, at least. Thanks to the Enron implosion and the subsequent rash of accounting and corporate-governance scandals, the credibility of any corporation is no longer assumed. It must be earned. If you don't lay all your cards on the table, we'll assume you're a cheat. It's not enough to have a great brand, dazzling returns and a charming CEO. Now more than ever, trust is the *sine qua non* of reputation. There's no mystery about that."

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