

AWARD-WINNING ETHICS

PAST BISHOP'S AWARD WINNERS TALK ABOUT THEIR BUSINESSES, AND THE ROLE GOOD MARKETPLACE ETHICS PLAY IN SUCCESS

BY GREG HARDESTY

When Orange County business leaders gather May 21 at the Orange Catholic Foundation's Conference on Business and Ethics, two members of the community will join 21 past honorees as recipients of the Bishop's Award for Exemplary Business Integrity.

In addition to being practicing Catholics, honorees must hold the position of CEO or higher, run a company with a large number of employees, and be dedicated to ethical business practices, among other qualifications.

This year's recipients are Lucy Dunn, CEO of the Orange County Business Council, and Timothy LeVecke, Chairman of LeVecke Corp.

Orange County Catholic asked past recipients of the Bishop's Award for Exemplary Business Integrity to answer some questions about ethics and business.

But what, exactly, does 'ethics' mean in a business context?

"Ethics are an ideal, a representation of a better place," says W. Scott Griffiths, an entrepreneur and Adjunct Professor of Marketing at Pepperdine University's Graziadio School of Business and Management.

"When people are scared, angry or struggling to get by, people are going to pursue what they feel is their greater need," Griffiths says. "Also, when people see that those who have fiduciary responsibilities are not looking out for them, then an every-man-for-himself mentality takes over."

Orange County Catholic also spoke with Gabriel Ferrucci, president of G.F. Management, Inc. in Laguna Hills, whose holdings include Ferrucci Ranch LLC and Ferrucci Properties LLC; Jacqueline



GABRIEL FERRUCCI, JACQUELINE L. DUPONT AND FRANK KAVANAUGH.

L. DuPont, a gerontologist and founder and CEO of DuPont Residential Care, Inc., owner and operator of Irvine Cottages Memory Care; and Frank Kavanaugh, managing director of Fort Ashford Holdings LLC in Aliso Viejo.

OCC: How can a truly ethical businessperson operate a successful company?

Ferrucci: "Ethical practices filter down through a company from the top. The way leaders conduct themselves is an important guidepost for all members of the corporation. A leader must be diligent about forming their employees to act with integrity. A statement of ethics that is visible in the office and socialized with employees is important. Also, creating an environment where people are encouraged to admit mistakes and always tell the truth is essential."

DuPont: "A truly ethical and successful businessperson in senior care doesn't ever cut care or staffing unless seriously

indicated. Cutting or reducing care or staff shows a lack of ethical support and respect toward staff and the patient or resident. We are to value our older adults. By placing a prime importance on staff, care will only improve, turnover will be reduced and profits will soar."

Kavanaugh: "I do believe trusting your gut is important in the decision-making process. A strong foundation of our interconnected nature generally leads us to make ethical decisions. I do not believe that espoused faith is the single path to an ethical life, but it does help me to see my own hypocrisies."

"For myself, I'm working to understand as much of the available information about a situation before choosing a path (for example, never believe the first report). I also believe that transparency is important in spite of possible embarrassment or exposure. This means treating the people in the business with respect and avoiding differentiation. My aim is

an environment where employees are intrinsically motivated and have a clear understanding of how we create value in the community. This leads to better decision making and ultimately a commitment to ethical decision making in a business."

OCC: Do you believe faith-based ethics—or any traditional ethics—are rare in American business today? Why or why not?

Ferrucci: "I would not say ethics are necessarily rare in American business. I have worked with many well respected people, both of faith and perhaps without, who are centered ethically and apply this standard to their business dealings. Unfortunately, primarily within public companies, the constant drive for profit pushes people to do things they probably would not normally do—to hide the truth and compromise their ethics. This is, in many ways, what led to the devastating financial crisis of 2008."

OCC: Has there been a rediscovery, so to speak, of business ethics following the savings and loan scandals and the Wall Street bailouts?

Ferrucci: "I believe there has been an awakening of sorts among top executives as to the importance of ethics in businesses. Many have learned that it does not pay to cover up mistakes and hide the truth. This awakening is largely a result of the business lessons learned through the financial crisis and an abundance of caution. Business leaders are acting more cautiously, whether they have discovered the essential importance of ethical business practices or not. I believe a formation in faith is key to ensuring that morality and faith are consistently applied within a business context."

Griffiths said that in his experience, most people do their best and try their best, and that executives care about their employees.

He believes, however, that business ethics needs to be taught more in colleges and universities.

"But the problem with teaching ethics," Griffiths said, "is the tendency to preach, or speak in general terms. Ethics and values are really learned from the family, from church, from the right friends. I would teach it from the perspective of 'celebrating humanness,' and to be human is not to be perfect, but to strive for excellence." +