



## MARKKULA CENTER FOR APPLIED ETHICS

### How Ethics Serves Business Goals

Running Time, 4:50 minutes

#### Summary

Veteran CEO and board member Michael Hackworth reflects on the role of ethics in business, expressing his strong belief that ethics has a legitimate role in business decisions. He explains that ethics is a pay me now or pay me later proposition; ignoring the ethics of a situation now will cost the company dearly in the long run.

#### When to Use This Video

- to demonstrate the relationship between good ethics and good business
- to outline the duties of a corporate board
- to frame the boundary conditions for business decisions

#### How to Introduce the Video

- Michael Hackworth, former CEO and Chairman of the Board at Cirrus Logic, argues that a corporate board is responsible for the ethical behavior of a company. Ethical behavior, he says, creates a high level of trust, which is necessary for efficient operation.
- As you listen to Hackworth's remarks, consider whether you agree that the question, "Is it ethical?" should be one the board of directors should ask.

#### Questions to Ask After Viewing the Video

1. Why is it important to avoid the appearance of wrongdoing?
2. What is the relationship between ethics and trust?
3. What boundary conditions does Hackworth describe for business decisions, and do you think there are others?
4. Is the board responsible for the ethical behavior of managers?

#### Concluding Comments Instructors May Wish to Make

When Michael Hackworth won the Silicon Valley Lifetime Achievement Award from the Silicon Valley Leadership Group in 2010, the citation summed up his many achievements: "impeccable ethics, business excellence and community engagement."

For Hackworth, in addition to responsibilities for an executable strategy, insuring a capable C-level team, and monitoring performance, the board of directors is responsible for the ethical behavior of the company.