

Welcome to the New Business Ethics

BY MARJORIE KELLY

You hold in your hands the first *Business Ethics* in its new form. I think you'll find it meatier, more practical, more comprehensive than ever—also provocative, fun, and easy to read. It's designed to cover all the information you want, in an easy-to-scan format. You'll get a complete overview of what's happening in responsible (and not so responsible) business. And you can enjoy the Says Who? databoxes along the way.

Business and social values are changing rapidly—who would have guessed, a few years ago, that overseas sweatshops and child labor would arise as new problems? Who could have predicted the massive wave of layoffs? How are other responsible businesses coping? It's all here. You'll find answers quickly.

As always, *Business Ethics* offers hope. There are alternatives to layoffs—we offer a half-dozen (page 10). There are ways to tackle sweatshops—we bring you up to date on three promising new developments (page 12). We also keep you on top of leading-edge changes, like new thinking in economics (page 13). And continue to help you invest responsibly (page 26).

You'll find the book section more fun—no ponderous reviews, just tasty bites drawn from the best books (page 23), focusing on their choice insights. And our new five-star rating system lets you make the most of precious reading time.

You'll get early notice of possible trouble, in our new Warning Signs (page 8)—a class-action lawsuit over deceptive catalogue pricing, warnings about the demise of employment-at-will, and an ominous upsurge in insider trading. As one executive said, "I want to know what's sneaking up to club me on the back of the head." Consider Warning Signs your radar.

You'll still find old friends: Doug Wallace in What Would You Do? (page 24)—now easier to read, and as thoughtful as ever. Working Ideas, with innovations in management you can use now—like ideas in compensation (page 25).

We continue our eight-year tradition of offering the *Business Ethics* Awards this issue—with one surprising winner. We've been tracking General Motors since we named them a "Company to Watch" in last year's awards, and we're pleased to report that our judges—including Joel Makower of *The Green Business Letter* (a leading expert in environmental business)—concluded that exceptional environmental advances are being made at the largest manufacturing company in the world. GM is a winner of a *Business Ethics* Award for environmental progress (page 14). That's big news. We can recycle cans all our lives, and never touch what one engineer at GM can do in a single year.

What's intriguing about GM is how quiet they've kept their progress. Their PICOS initiative—dispatching engineers to help suppliers operate cleanly and efficiently—recently began including environmental issues in its training sessions: how to reduce waste, save energy, and so forth. In pushing environmental issues down the sup-

ply chain, GM is doing path-breaking work, making it "one of the world's leading champions of industrial eco-efficiency," in Makower's assessment. But when he set out to report on it, he practically had to drag the news out of them. "Our operating philosophy is 'Judge us by what we are doing, not by what we say we are going to do,'" said Terry Pritchett of GM's corporate affairs department, part of the PICOS development team. "We wanted to wait until we could say 'This is what we have already accomplished, and here is what we still need to do.'"

It's a sign of the times, I think. Caution and hard work are the rule of the day in responsible business—not empty promises and slogans. We're into a second stage: institutionalizing real change. We've been focused on boutique issues like dolphin-safe tuna, or mesmerized by charismatic leaders. It's time to build institutional frameworks and make systemic change to guarantee responsibility for the long-term.

Some of the flash is gone, but the real work continues. Some of the flash is gone from *Business Ethics* too. We've realized we're in the information business, not the magazine business—and we're more committed than ever to bringing you the information you need. We aim to cover the waterfront of responsible business: not with flashy stories, but with tangible details of what hundreds of companies are doing. You'll find it all in this issue. We think it's right for the times—and we hope it's right for you.

One other thing we think you'll be excited about: Four special reports each year will be sent to paid subscribers—bringing you an in-depth look at important areas of responsible business. Watch your mailbox in December for our first, on stakeholder management. The term encapsulates many of the changes business is undergoing, as it moves from managing only for stockholders, to managing for many stakeholders.

The term is empty rhetoric, however, without a key piece: reporting. The free market relies on accurate and complete information. But now, stockholders receive copious, detailed reports from corporations, while other stakeholders receive almost nothing. Ralph Estes of The Stakeholder Alliance has a solution: The Stakeholder Report. He's been working on it for many months, side by side with other stakeholder groups. It will be unveiled for the first time nationwide in our December Special Report. We think it's one of the most important innovations in responsible business in many years.

Other reports you can expect in the coming year: ethics auditing, environmental best practices, and a wrap-up of research on the question, "Does it pay to be ethical?" These reports will go only to paid subscribers—as our way of saying thanks. Thanks for being part of the vital work of promoting ethical business practices.

SAYS WHO?

Amount of packaging waste GM recycles:

60%

The goal by the year 2000 is 100%.

From the 1995 GM Environmental Report