

Ethics In Business

Ricky Cohen

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My background is that of a businessperson and an educator, and I want to address the question of ethical behavior from the practical educational perspective: What are the points that we have to consider in making ethical decisions in our lives? We can call these points “self-leadership criteria.” They are the considerations that we have to hold dear and in the forefront of our thought as we consider the ethical issues that challenge us.

Halakhab is the minimum threshold for an individual's behavior. This is self-leadership criterion number one. That is, halakhic requirements are not things to be strived towards; they are things to be built from. They describe the minimum requirements for interaction with those around us. Acting *lifinim mi-shurat ha-din* (going beyond the minimum requirement) is the goal we must pursue. We do not strive for the bare-bones minimum. We strive to look at what *halakhab* depicts for us and then work from there.

A practical derivative of this is the important tautology that “*Stealing is stealing, period!*” In our day, as we become more clever, more intelligent, and more articulate, we find interesting ways to rationalize things. We find ways to argue that if we take money from the government, we must in fact be entitled to it. I have heard time and again people say, “Look, I pay taxes that support public school education, but because my children do not go to public school, I also pay tuition for private school. In fact, I’m being doubly taxed and that is not fair. Therefore, I can take what I want to take from the government, and it is not stealing.” That is false: *Stealing is stealing, period!* If you believe that you’re being doubly taxed, fight and vote and work to change it. Until that change happens, you have a responsibility to live within the legal system.

I’ve heard people say time and again that stealing from

an insurance company is not improper. “I had a loss of X dollars and I’ll take that loss and I’ll multiply it by two or three times. In fact, I’ve been paying insurance premiums for twenty-five years and I’ve never gotten anything back, and it is a multi-billion-dollar insurance company. Who knows the difference anyway? They are going to charge me back in the higher premiums and get back the money that I get from them. So let me take what I want to take.” These things go on and on. Supposedly God-fearing businesspeople get the international phone company’s codes and conduct their international business without paying for it. This is unacceptable on all levels. *Halakhab* is the minimum threshold from which we work, but this behavior is explicitly forbidden by this halakhic minimum. Quite simply, it is stealing. When we speak today about ethics, we are not speaking about taking something that is not yours. That is basic, and we need to go beyond that.

Another key consideration is that there is a basic distinction between civil law and *halakhab*. Civil law serves the purpose of creating social order. It enables us to live together and avoid hurting one another and to ensure respect for one another’s needs. Halakhic observance, in contrast, has a broader goal. It, too, mandates social governance and requires a certain level of behavior among us, but it goes further. Its goal is to refine and perfect us, to bring us to a level as close to Godliness as possible. When we relate to ethical considerations from a Jewish perspective and take account of the demands of *halakhab*, we are involved in something far beyond mere social governance. We are dealing with a system through which we can grow, be refined, and blossom into our true selves. That is self-leadership criterion number two.

Ethical questions frequently revolve around money. People who have no difficulty acting ethically when they are not challenged by money find things becoming

more complicated when there is a huge dollar sign hanging over their heads. Should this company relocate or not? Should I fire this person or not? There are dollar signs there. Should I look the other way when this executive does something inappropriate on the Internet? I've trained an executive and there are dollar signs there. We often face ethical challenges when there is a financial kicker to what's happening. This brings us to the third principle: *Faith in God is a day-to-day commitment.*

Faith is active; it has to be worked and not simply felt or assumed. We all say we believe in God. We have faith in God. We pray to God. We do countless ritualistic things that express our commitment to the Almighty. Yet when an ethical challenge related to money comes up, something often happens to the faith. Something happens to the belief. Something happens to the confidence. So one of the criteria I am suggesting for business people to use as a practical guide in dealing with their daily ethical challenges is the principle that *faith is an active thing*. It is something you have to work at. It is something that has to be kept in mind. It is not passive. It doesn't sit some place in the back of your psyche and just sort of hang around. It is not merely felt or assumed. If that is the reality, if you really are working your faith, if it is something that is active for you, then those ethical decisions will be much easier. You will turn away from improper financial incentives because of your active faith, your real trust in God, your willingness to rely completely on something beyond the ordinary.

There is another common mind-set. I often hear people say, "Well, he or she did something nice," or, "So-and-so did something ethical or righteous. Wasn't that great?" But we have a different perspective on justice and righteousness, on *tsedeq*. *Tsedeq* does not reside in discrete actions. Rather, it is a whole mind-set, a world-view. I should wake up in the morning and reclaim the perspective that I'm going to do things *right*. That's very different from thinking simply that I'm going to get along, work through my day, build my business, and deal with matters as they arise. *Tsedeq* is a state of mind. It is how you think. It is where your thoughts start from, not something that you bump into every so often.

What we are doing is building a structure that will enable us to meet daily ethical challenges and succeed in dealing with them. The component of that structure is the notion that, "*Halakhab is the basis, the beginning point,*

not the end." A related component is that. "*Stealing is stealing, period!*" As clever as we might be in characterizing an action, stealing is stealing. The next component of the structure is that there is a distinction between *halakhab* and civil law, in that *the purpose of halakhab is personal ethical growth, for me to become a better person*. There is a lot more at stake there than simply doing the right thing so that society may exist. Another principle is that *faith in God is a moving, living thing*. It is not a dormant, passive mind-set. It is something that has to be worked and tested and fought for. We all say we believe in God; we express it in our words and our prayers. But we don't embrace it seriously when we are challenged. We are not frightened. The truth of the matter is when we are challenged by serious things, we are frightened. We are not frightened because our faith is not as intense and deep as it should be.

The next point is that *tsedeq is not something that we do only from time to time*. It is the attitude with which we wake up in the morning. It is what frames every thought and every action, how we begin and end every day. There is a kabbalistic teaching that as time proceeds, as mankind develops, more and more of God's wisdom in the world becomes uncovered. From that point of view, humanity becomes finer and more civil as it matures. There is some truth to that, for we live in a much less barbaric world than ever before. A corollary is that the more we know and understand, the better we must behave. To put it differently, we have greater responsibility. For example, in eighteenth-century America, children were regularly beaten, by parents and teachers alike. Hitting a child was acceptable, regarded as necessary part of proper child-rearing. Today, in contrast, we have matured and understand more. We communicate differently. Child-beating is regarded as improper and perhaps criminal. This suggests that regarding this question more of God's wisdom has been unveiled, and therefore we are required to act differently.

The term "*ba'al teshuvab*" has crept into our contemporary lingo. The street version of this term refers to someone with a limited Jewish background who has recently embraced Judaism. But the classical definition of *ba'al teshuvab* is quite different, referring to someone engaged in continual introspection and self-development. And in order to meet ethical challenges successfully, one has to be a *ba'al teshuvab* in this traditional sense. One must think constantly about one's own

moral growth. Am I a finer person than I was last year? Am I kinder, more aware and more sensitive, more considerate? Am I closer to Godliness in the way I behave and the way I think? A person with this orientation will find it much easier to meet the ethical challenges that arise. He or she will ask, “Who am I?” “Where am I going?” And the answer will be, “I’m a *ba’al teshuvah*. I want to reach the highest level possible.” And the introspection proceeds: “Will this act help fulfill my role as a *ba’al teshuvah*, a master of growth and self-development or will it detract from my growth? Is it going to enhance my efforts or drain my efforts?” That analysis is yet another part of the structure that enables us to deal with ethical challenges.

There is another kabbalistic teaching that everything a person does affects that person on a number of levels. Let me touch on four of them. First, an action creates a new fact on the ground. It touches someone on a practical level. Beyond that, it has an intellectual effect: When you perform an act, it shapes how you think. Next, an action or a statement touches you on a formative or emotional level, affecting how you feel about yourself. Finally, it affects your destiny—who you are ultimately and what you turn into. Here again, consider an ethical challenge: Should I allow this executive to continue to look at child pornography on his computer when he’s in my employ? He’s a top executive, very valuable to my company. What should I do? I know that my actions will affect me on a number of levels: how I think, how I feel, who I ultimately am. This is the key principle: *You are what you do*. Our sages have recognized that, and we must keep it in mind. I will become that action. My feelings will be shaped by those words. With that perspective, we will think very carefully about what we do and what we say.

Let me offer an analogy. If I hold a kaleidoscope and look up at the light and just move the kaleidoscope around a little bit, what would I see? Someone might describe it as, “a bracelet of buttons.” If I turn it slightly what do I see then? Someone might say “a pink brooch,” or “a cluster of different changing colors.” Turning it again, I would see different geometric patterns, a dynamic array of changing shapes and colors, sometimes a chain of flowers, sometimes stones.

Webster defines a kaleidoscope as, “an optical instrument displaying varying symmetrical colorful patterns in rotation.” In other words, as you turn the same object,

you see things a little differently. The varied colors and shapes come from the same forms. The contents do not change for no materials are added or removed. Yet a subtle turn of the kaleidoscope makes things look very different.

So too with ethics: A subtle tweaking of awareness or sensitivity, a subtle manipulation of thought, can create an altogether new understanding. The least new understanding or bit of honesty creates a whole new view of what is happening. Recalling and applying all of the principles mentioned earlier is similar to turning the kaleidoscope. Doing so provides a liberating new awareness that encourages us to deal with the ethical challenges we confront. It teaches us to ask the important questions: What is the meaning of my faith in God? Is it active or merely passive and latent? Am I really a champion of faith in God, or is it something that I use as a convenience? Is it something that I use only while engaged in interludes of prayer, or is it an active motivator in my life? Do I have a state of mind of *tsedeq*? Do I want to be a righteous person in my essence, or do I merely act nicely and righteously every so often? Am I growing as the world around me grows? Do I know that humanity is maturing in a way that makes us demand more of ourselves? Am I demanding more of myself? Am I really a *ba’al teshuvah*? Do I really want to stand on the uppermost level humanity can attain? Do I want to be the greatest man or woman that can be? Am I constantly challenging myself? Did I grow? Did I learn from this act?

These are the criteria. They are the subtle little turns, subtle nuances that we see in the kaleidoscope that give us an altogether different perspective on ethics. They are suggested self-leadership criteria that will embolden you to face the ethical challenges that will invariably confront you. They are supposed to come at you. It is great that they do, because if you use the ethical challenges right, you will grow and be refined as a result. When the ethical challenges come at you, test yourself on the self-leadership criteria. Where am I? How am I thinking? Am I up to this? Then ask yourselves three simple groups of questions. First: Who am I? Who am I to the world around me? What does it have to do with my decision? Am I the leader of a family? That demands a certain responsibility. Am I the leader of a community? Am I a rabbi or someone looked up to? Am I a business leader? That is a real question. I am judged by who I am. Second: Where am I? Have I ful-

filled a *mitsvah bein adam le-atzmo*, a responsibility that I have toward myself? Where am I in terms of my self-development? Is this decision going to help strengthen me and move me forward or will it do the opposite? Third: What will society think? Have I acted in a way that will be properly understood? We are responsible for how people understand our actions. Ethics are not absolute. They are interpreted. They are dynamic. They move. They develop and evolve. Our responsibility to ourselves is to arm ourselves with as much self-leadership strength as we possibly can so that when these issues come at us, we confront them and grow through them.

Let me conclude with examples of just such a challenge. A number of years ago, our company was going through a difficult period. We had flood damage in our warehouse. When there is flood damage in a building of that size the fire department is called immediately, and when the fire department is called insurance adjusters are automatically contacted and on the case. Our loss was relatively small—in the tens of thousands of dollars. From the day of the fire, I was inundated with phone calls from insurance adjusters. The gist of their calls was, “Listen, Ricky, your loss was twenty-five thousand dollars. I can get you seven hundred and fifty thousand dollars. You’ve been paying premiums for

sixty some-odd years. You’ve never had a substantial loss. By the way, they’ll get the money back through you in the future premium rates anyway. So what do you say?” And when would God choose to test us with this challenge? Just when we were going through a difficult business period! So for days I kept getting the calls. I kept saying that we weren’t interested and that we would file a claim limited to the extent of our damage. Finally, the most persistent insurance adjuster told me to take the beanie off my head and start acting like a businessman. That was our final communication. So I have to tell you, we all have had our ethical challenges. We succeed in some; we fail in others. This one was particularly difficult, because of all its circumstances.

Here is another example: I had a loss at my home. I filed for exactly what my loss was. The insurance company had their way of discounting everything, so I ended up paying for about half of my actual loss. As things would happen, a couple of years later we had another flood and there was another loss. This time I had figured out the formula, so I padded the loss and filed for the padded amount. Lo and behold, they paid me the whole thing. So here I was with money that didn’t belong to me. That was a real problem.

I leave it to you to decide how to resolve that one.