John A. Keefe Presentation

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On February 25th, 2014, John A. Keefe presented his view on balancing ethics with profit. Keefe highlighted the fact that ethics and CSR are commonly perceived as costs of doing business, and as methods of reducing legal risks.

Further, Keefe stated that if ethics and CSR are to be truly integrated in an organization, they need to be fully ingrained in the mission statement of a company. Most mission statements encompass the notion of sustainable profitability, but it's also important that ethics is woven into the mission as a tool to achieve that end. Doing so is the only way to ensure that ethics is truly integrated throughout the company. An ethical perspective must be communicated consistently and holistically from the top.

Keefe pointed out that there are many examples of companies that have leveraged ethics to increase profit. In the building industry, LEED certification increases the value of property, and therefore more buildings are now built in an environmentally sustainable way with energy efficient designs. Warren Buffet strongly guards the reputation of Berkshire Hathaway, believing that ethics is the company's most important asset. Keefe quoted Buffet: "It takes 20 years to build a reputation and five minutes to ruin it." Keefe suggested that Loblaw values ethics in a similar way and believes an ethical supply chain adds value to the products the company sells.

Keefe's summarized his bottom line by means quoting the character Gordon Gekko in the movie Wall Street: "Greed, for lack of a better word, is good." Keefe argues that greed is a strong motivating force, and unless ethics is viewed as contributing to profit, it is likely to continue being overlooked as a helpful tool in achieving long-term profits. Ethics needs to be seen not only for its moral value, but for its value in dollars and cents.