

NEWS RELEASE



ETHICAL ISSUES WILL BECOME MORE CHALLENGING TO BUSINESS IN THE NEXT TWO DECADES

October 31, 2006: Globalisation, climate change and technology will be some of the key factors shaping the development of business ethics over the next 20 years, a symposium held by the Institute of Business Ethics has heard.

The symposium, held to mark 20 years of the IBE, was addressed by a range of distinguished speakers on what business ethics challenges might evolve over the next two decades.

Sir Rob Margetts, Chairman of Legal & General, highlighted the challenges to business ethics created by a world where the developed world was doing more and more business with the developing world: "This brings us face to face with different cultures and different ways of doing business," he said.

Sir Rob also highlighted the "intensity of scrutiny" companies faced, a theme picked up by Financial Times management writer, Alison Maitland, in the context of new technologies such as blogs and campaigning websites: "This underlines the need for transparency, and for companies to be responsive to what is being said about them, and by whom."

Dr Craig Smith of the London Business School argued that many current business practices were unsustainable, with attitudes to climate change being a prime example: "Business must be part of the solution; it is not a time to be passively waiting but proactively working towards a solution to climate change," he remarked.

Earlier in the day, Gill Ringland, Chief Executive of SAMI Consulting, had outlined some scenarios for how the world might develop by 2026. Following a wealth of analysis, she outlined two scenarios of how the world would evolve: either into an antagonistic world, where nation states retreat in on themselves, distrusting each other; or a collaborative world, where countries work more closely together through international organisations such as the UN. She suggested that the key factor which would decide which of these two scenarios would develop would be how capable institutions – such as businesses – would be at managing change.

Also at the symposium, the IBE launched its latest report, *"Making Business Ethics Work"*. Written by the Institute's Research Director, Simon Webley, it sought to analyse why it was that there was still a worrying amount of ethical malpractice in businesses which have codes of ethics. In answering the question, the report recommended ways in which businesses could embed ethics throughout a company and measure success. The IBE sees embedding ethical values as the key challenge for business going forward.

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Notes for editors:

Gill Ringland writes, speaks and consults widely as Fellow and Chief Executive of St Andrews Management Institute's consultancy arm (SAMI Consulting) on using scenarios and future thinking to make better management decisions today.

Sir Rob Margetts is Chairman of Legal & General Group Plc and Ensus Limited.

Dr. N. Craig Smith is Senior Fellow in Marketing and Ethics and former Senior Associate Dean of the Full-Time MBA Programme at the London Business School.

Alison Maitland is management writer for the Financial Times and has written extensively on business ethics and responsibility, leadership and equality issues.

"Making Business Ethics Work: foundations of effective embedding" by Simon Webley was published by the Institute of Business Ethics on 26th October Price £25 ISBN 0 9549288 2 2

The Institute of Business Ethics was established by business in 1986 to encourage high standards of business behaviour based on ethical values. The IBE aims to lead the dissemination of knowledge and good practice in business ethics. It is a registered charity.

- We raise public awareness of the importance of doing business ethically.
- We help organisations to strengthen their ethics culture and encourage high standards of business behaviour based on ethical values. We assist in the development, implementation and embedding of effective and relevant ethics and corporate responsibility policies and programmes. We help organisations to provide guidance to staff and build relationships of trust with their principal stakeholders.
- We collaborate with other UK and international organisations with interests and expertise in business ethics.

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