

Ethics in Business

When I was asked to do this talk Monsignor Connolly said that I could talk about my own experience or give a general overview of the topic.

Not being from an academic background I have chosen to talk about my own experience.

Background and career

First I would like to tell you a little about myself. My name is Donal Lawlor and I am Managing Director of a company called Trend Technologies which is located about 35 minutes from here to the west.

I was brought up on a farm about 40 kilometres from here. I was the youngest of six children. One of my older brothers had a vocation to be a farmer so the rest of us had to get jobs away from the farm. After school I went to technical college for two years to do Business Studies and then I got a job as a trainee accountant in a factory in Dublin which manufactures medicines, toiletries and health drinks. There I continued my studies and eventually I qualified as a Management Accountant.

After fourteen years in that company, in various positions, I moved to my current company as financial controller and was promoted to Managing Director in 2003. And that is the position I still hold.

Personal Life

In my personal life I met my wife when working in my first job in Dublin and we have been married for 31 years. We have four children aged from 30 to 20. Like many Irish families some of our children have emigrated. The eldest, our daughter, lives in Leipzig, Germany. Our eldest son lives in Singapore and our next son will go to live and work in Edinburgh Scotland in July. Our youngest son is still in College.

Spiritual Life

And then I'll tell you about that other dimension - my spiritual life.

I was brought up in a traditional catholic family. Despite the bad press that the Irish church has gotten in recent years ours was a loving environment where people tried to live a good life and to help their neighbours.

In Ireland at that time there was a strong tradition of vocations to the religious life and in many families there were aunts and uncles who were priests and nuns serving both abroad and at home.

I had two aunts who were nuns – one a sister of Charity and one a sister of Mercy.

Against that background we were of course asked to consider if we had a vocation to the priesthood. And of course it was something I considered. But the rules on Celibacy were not to my liking.

So I should get a job and a wife and so I did that.

However the impulse to fulfil the spiritual side of life never left me. I always had a certain idealism – to be a good Christian and to work in some way to contribute to a better society.

When I was 22 I met a group of likeminded people from the Focolare movement and joined in the Christian adventure with them.

At first our focus was on trying to live good lives with each other and with our families. Work to us at the time seemed to be an alien place where our values were not understood. So better to just put up with it and to live out the spiritual side of our lives outside of work.

Spiritual Life in the workplace

The in 1989 Chiara Lubich foundress of the Focolare told us

“In order to make yourselves saints you do not have to obey the bell of the Superior that calls you to prayer. You must rather obey the factory siren - that is your bell; the bell of the school - that is your bell.the siren shows the worker the will of God to go to work. And it is the will of God...”

This opened my eyes at work to see if I could live out my Christianity there where I was spending most of my time.

A group of us who were working in business got together to compare notes and to see how we could integrate our Christian values into our businesses. Some of the businesses were owned by the managers and they were able to share some of their profits with the poor. But after a while we asked was this good enough – was the business that made the most profit and contributed the most, the best business?

So we started to look a little deeper at **how the business was run**.

I don't own my own business but as Managing Director I could have an influence on how the business is run.

So gradually I began to bring my values with what I was doing in the workplace.

Bonus.

One incident I remember early on was that after a few bad years where no bonuses had been paid we had a good year and able to pay a bonus. Our American bosses at the time said that a bonus should be paid – but only to those who had walked on water – that is one or two people only. We eventually got them to expand this to five managers but no one else was to get a bonus. We didn't agree with this philosophy. We felt that everyone had contributed to the success. So what we did was we paid the bonus to the five managers, as instructed, but then we went to the bank and withdrew some of the money from our accounts and distributed it to the rest of the staff.

This really helped to build morale among the staff.

Downturn

In 2009 when the economic downturn started we again had a challenge to morale within the company.

At that time our orders dropped by 40% and we had no option but to reduce our operational costs severely, our American owners said that we should let 40% of our people go. But we didn't agree with this. We knew the severe affect this would have on our people and their families. Unfortunately we did have to let a few people who had a short length of service go. But to handle the rest of the savings we had pay cuts (but only for the better paid) – starting at the top – and we eliminated company cars for the managers, and we had

people working on three-day and four-day weeks. In this way we were able to keep our team – our community – together. In the second half of 2009 things started to improve and we were able to gradually bring people back to full time work and eventually to restore pay cuts etc. We were also able to offer the few who had been laid off their job back if they had not got another job in the meantime. Since then the number of people employed has increased for 87 to 140.

Engineers

During that time I remember that one of our engineers came to me. He was working on an important project so his week was only reduced to four days but one of his colleagues had only got three day's work. He told me that they worked together as a close team almost like a family and that he would be prepared to sacrifice some of his pay so that his colleague was treated the same as him. I was very touched by this and wanted to respond positively. Within a day or two our colleagues in America said they needed help in their engineering department and so we asked this engineer to work on it and brought him also back to a four day week.

In these events I was able to feel that the values that I held of respect for others etc. were values that I could promote without any fear because they also helped to build a happy workforce and a successful business. And when we did this the values were taken up by others and took on a life of their own.

Providence

Another value I would hold is belief in providence – that if we do everything properly then God will provide. After the cutbacks in 2009 we realised that one of our employees who was 63 years old and soon to retire would be particularly affected because we had also cut down temporarily on contributions to his pension scheme. So we calculated the amount of the reduction as €1,700 and when things improved we paid this money back to his fund.

At the same time we were having some difficulties with the people who provide our pension service and we brought this up with them as an issue. They agreed to give us a discount from their fee. The discount was €1,700.

Vocation of the Business Leader

When in 2012 the **Pontifical Council for Justice and Peace** published The Document **“Vocation of the Business Leader”** I felt that things had come full circle and that what I had been trying to is now considered a vocation.

“Some of the principles outlined in the document are:

- 1 We produce goods that are good; and services that truly serve.**
- 2 We maintain solidarity with the poor and seek to help those who are deprived and people in need.**
- 3 We make a contribution to the community by fostering the dignity of work**
- 4 By embracing subsidiarity we provide opportunities for employees to exercise appropriate authority as they contribute to the mission of the organisation.**
- 5 We model stewardship of the resources we use and take special care of the environment.**
- 6 We are just in the allocation of resources to all stakeholders: employees, customers, suppliers and the local community.**

In this way business leaders can put aspiration into practice when their vocation is motivated by much more than financial success. When they integrate the gifts of the spiritual life, the virtues and ethical social principles into their life and work, they may overcome the divided life and receive the grace to foster the integral development of all business stakeholders.”

The company I manage is in the business of plastic injection moulding. We produce components which are used in printers, in cars and motorcycles and in medical devices. The company is called TREND Technologies and it has been in business for 34 years – since 1981.

Company Values

The company has grown a lot in recent years so we decided we needed to make sure that what had made the company successful would be carried on by the new employees who were joining the business.

We knew that we had certain values but we had never written them down or discussed or agreed on them. So in the last few months we have done just that. We captured them in the five letters that make up our name: T-R-E-N-D

T for Trust and Truthfulness

R for Respect and Responsiveness

E for Ethics and Environmental Responsivity

N for iNnovation and New Ways of doing things

D for Dependability and inter-Dependence

Under the heading of Environmental responsibility we try as far as possible to eliminate waste in our process and reduce the amount of Energy we use. So this is focused on very extensively. This is especially necessary for a company in the plastics business. We also reach out to the local community and our employees are involved in a project with a local Secondary School in a disadvantaged area. We work with the students to give them an experience of the workplace and teach them skills in preparing CV's and doing interviews. This benefits both the students and also our own people who get great satisfaction from being involved in such a worthwhile project.

Having articulated these values the challenge is now to make sure that we live up to them. This is not as easy as it seems. Because we are in a fast moving and very demanding environment with a lot of different personalities every day brings new challenges where the solutions are not obvious.

But by referring to the values people at all levels are able to make independent decision knowing that if they are in accordance with our values than they are on the right path.

Undercharging

An example that arise from time to time at that someone in the accounts department receives an invoice where the supplier has made a mistake and undercharged us – it does happen from time to time – the person in accounts doesn't have to ask the manager what to do. Because of our value of trustfulness and Ethics they know to immediately contact the supplier and have them issue a corrected invoice. This may go against what many people would see as good business practise where you try to maximise short term

profit. But for us we want to build a strong long term relationship with our supplier but more importantly we want our employees to know that they can bring their own values to work with them and are not going to be asked to do anything they would not be proud of. This is the culture we want to build and it is one that over the long term will also lead to building a successful and sustainable business.

Customer Feedback

In our values under Inter-Dependence we say **“We value teamwork and work best when we work together in a friendly, supportive and Inter-Dependent manner.”**

Yesterday I had a long discussion with a new customer that we started working with about six weeks ago. They had moved the business to us from another supplier because they were not getting the service they needed. Just in the short period they have worked with us they expressed their satisfaction with how our people are interacting with them. They find our people to be helpful, full of new ideas and friendly. In summary they said we have a great culture. We think we have too – but it’s great to get affirmation from time to time.

Thank you for listening and for letting me share my experience.

Dónal Lawlor

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