

TED TALK LESSON

WHAT REALLY MOTIVATES PEOPLE TO BE HONEST IN BUSINESS

TEACHER'S NOTES

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Alexander Wagnerat TEDxZurich
What really motivates people to be honest
in business

https://www.ted.com/talks/alexander_wagnerat_what_really_motivates_people_to_be_honest_in_business/up-next

Vocab matching answers

1. i
2. j
3. a
4. c
5. h
6. f
7. b
8. g
9. d
10. e

Vocab gap-fill answers

1. Whistleblower
2. Tax
3. Bonus payment
4. Fraud
5. Values
6. Shareholders
7. Ethicist
8. Incentive
9. Utility
10. Benevolence

Ted Talk video answers

1. One out of 7 large public corporations commits fraud every year.
2. These frauds cost the shareholders of these companies and, therefore, society on the order of \$380 billion per year.
3. There are 6 out of 7 companies who actually remain honest despite the temptations to start engaging in fraud.
4. Michael Woodford blew the whistle on Olympus. This whistleblower risked his career to bring out the truth about this company.
5. Founding father of modern economics.
6. His basic idea was that if everybody behaves in their own self-interest that is good for everybody in the act.
7. Emanuel Kant was an eighteenth-century German philosopher. He developed this notion that independent of the consequences, some actions are just right and some are just wrong.

Warmer questions

- Businesses play an important part in our life. Are there any businesses you do not trust? Why?
- Do you think that to work in a large company you need to tell little white lies just to get along?
- Can honest be motivated by money?
- Have you ever experienced fraud?

Reading section



Honesty is the best policy

The concept of ethical behaviour (including honest business) has been explored by societies from ancient times until today. Behaving ethically is, unsurprisingly, the foundation stone of the philosophy in almost all of the world's religions. In its simplest definition, ethics relate to knowing and doing what is 'right'. As stated by the Oxford Dictionary, ethics is "moral principles that govern a person's behaviour or the conducting of an activity". By being moral, you are doing what is 'right'.

The hindrance of ethical behaviour originates from defining what is 'right'. People from different religions, countries, cultures, families and even from the opposite gender can view certain situations as 'right' that others would differ with. The definition of ethical behaviour has even shifted within similar cultures as society has evolved and changed.

As for businesses, the role that ethical decisions play within an organisation depends on the leadership style and the vision the company wants to put into practice. With ethical leadership, clarity is vital for clear and coherent policies, rules and regulations. The more exhaustive the policies, the easier it is to assure those proper ethical standards are upheld. But the rigorous clarity and consistency could be challenging, especially for smaller organisations.

Despite the positive elements ethical leadership can provide to an organisation, its arguable fundamentals can cause issues as well. In ethical leadership, the leader's ethical framework needs to fall in line with the vision of the organisation. The leader, the subordinates and the organisation all need to be aligned. Tony Hsieh, the owner of the successful business Zappos, made an interesting point about this, stating: "It doesn't really matter what the core values are, as long as the entire organisation commits to those core values."

Yet people commit serious crimes of fraud worldwide. As reported by the Financial Times, the value of fraud hit a shocking £2.11bn in 2017 in the UK. The total value of fraud rose to £899.7m in the financial services industry last year. Employees were behind most fraud in 2017 with £474.3m, and tax fraud cost £351.8m. Corruption, money laundering, and management fraud in financial accounts were other common problems.

As global citizens, doing what is right all the time is certainly very hard, but as good old John once said: "Being honest might not get you a lot of friends, but it will get you the right ones."

Vocabulary matching

Using the words on the left match them to their real definitions.

- | | |
|-------------------|--|
| 1. Fraud | a. A person who informs the police or a newspaper the illegal activities of a company. |
| 2. Shareholders | b. The quality of being well-meaning; kindness. |
| 3. Whistle-blower | c. One whose judgment on ethics and ethical codes has come to be trusted by a specific community, and (importantly) is expressed in some way that makes it possible for others understand. |
| 4. Ethicist | d. What a person believes is important in life. |
| 5. Utility | e. What motivates you to do something. |
| 6. Bonus payment | f. Extra payment |
| 7. Benevolence | g. A payment to the government. |
| 8. Tax | h. Something useful or designed for use. |
| 9. Values | i. To deceive someone to achieve personal gain. Non-violent. |
| 10. Incentive | j. An owner of shares in a company. |

Vocabulary gap-fill

Using the words in the previous exercise fill in the gaps below.

- The only reason the media knew banks were avoiding tax was because a _____ handed in documents with the evidence.
- The President has refused to implement a _____ on the worst polluting industries.
- Workers at the UK based department store John Lewis often get a _____ during Christmas to share out the company's profits for the year.
- During the 2008 financial crisis, some of the biggest banks and insurance companies in the world committed _____ to increase profits.
- During the VW diesel scandal, many questioned the _____ of the company.
- The company started losing money from _____ once everyone realised that it had lied to the government.
- The best company principles can be created by a well-read _____ .
- If workers are given an _____ to provide honest feedback and raise concerns then it will help businesses.
- Honesty is a _____ for business in the 21st Century.
- Corporations need to behave with more _____ .

Video section

The Ted Talk below describes a better way to do business and therefore improves society as a whole. The main fact listed in the talk is that one in seven companies engage in fraud and their actions are entirely dangerous for wider societal goals.

https://www.ted.com/talks/alexander_wagner_what_really_motivates_people_to_be_honest_in_business/up-next



Watch the video and then answer the questions below

1. How many companies commit fraud?
2. How much do these fraud cost to society?
3. How many companies remain honest?
4. Who is Michael Woodford?
5. Who was Adam Smith?
6. What was Adam Smith's basic idea?
7. Who was Emanuel Kant?

Advantages of honesty in business

1. Business ethics offer companies a competitive advantage. Consumers learn to trust ethical brands and remain loyal to them, even during difficult periods.
2. When outsiders have the opportunity to see how transparent a business operates behind the scenes, they are more likely to have respect for that organisation.
3. Positive Public Perception. A transparent approach to business is especially effective when honest business operations include open and straightforward communications to the public. Being up-front with corporate information, even if that information is unfavourable, demonstrates integrity.
4. Customer service can improve through transparent business operations. A manufacturer that publicly admits a flaw –and takes steps to repair it– while expressing regret for its mistake is more likely to retain or even attract customers who appreciate the level of honesty exhibited.

Disadvantages of honesty in business

1. Ethics in business reduce a company's freedom to maximize its profit. Improvements in working conditions, such as a living wage and minimum health and safety standards, reduce the level of cost-savings that the company generates.
2. Sharing sensitive information, like the financial struggles of the business, brings overall instability to business.
3. Honesty often depends on specific personality types. Consistency can be difficult to maintain when aligning different ethical standards.
4. Ethical behaviour depends on the person's worldview. Therefore, the ethical behaviour of an organisation might not be considered ethical by another person. The different ethical frameworks can cause tension within a business and certain people might not find the work environment pleasant or welcoming.

Task

How many more points can you think of that are related to business and honesty? Write your thoughts below and then discuss in your group.

Extended discussion questions

1. It is important for every corporation to make the most amount of money possible. If they are able to get away with avoiding the law, why not?
2. What method would you create to ensure companies are behaving in an ethical way?
3. Over time it is becoming more evident that companies are finding it harder to compete with each other. The market is simply too competitive. How can companies be encouraged to be honest without using money or tax cuts as an incentive?
4. People who reveal the illegal activities of companies (whistleblowers) are often treated badly. They find it hard to get work and are punished for doing the right thing. How can this be changed? What more can be done?
5. Do companies have too much control on the internal ethical procedures which stops honest conversations? How can this be improved?
6. Imagine you are the CEO of a large company and you discover the company has been committing accounting fraud and reporting larger profits than what is true. This will affect shareholders and your job. What would you do in this situation?

Potential debating topics

1. Is behaviour determined by nature or nurture?
2. As religion plays an important role in our morals, society must learn to be secular in order to unify universal moral values.
3. Multinational companies, mainly American, often relocate factories in Latin America to exploit the available cheap labour.
4. Developing nations' inexpensive labour force reinvigorates the economy of the developed countries.



DEBATING PLANS

PREMIUM 30-PAGE DEBATING LESSONS ON DOZENS OF TOPICS

These lessons are extensive and includes a magazine-like introduction, a 2-page article, vocabulary section, grammar exercises, and images for discussion. To help students organize their debate, worksheets are included for appropriate language and pros and cons to get them started. In total these lesson plans offer 30 pages of activities and tasks for students.

Environmental Crimes

Debate Lesson Plan

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Should natural features be given legal rights to protect them from pollution? This debate will target issues relating to how to legally protect the environment and criminalise pollution.

Food Tax

Debate Lesson Plan

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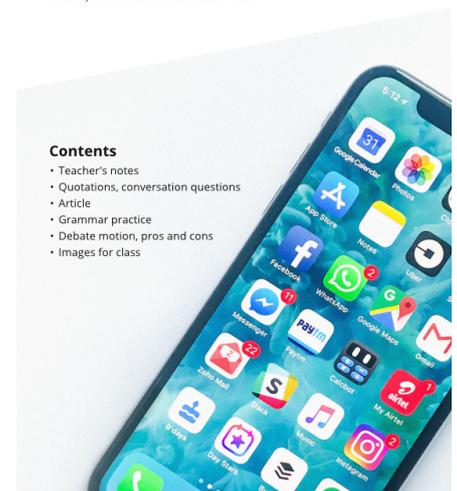


What are the best ways to tackle obesity? Some people advocate better food education, while others want to tax people to change their spending habits. Which is the most effective?

Social Media

Debate Lesson Plan

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People are becoming increasingly concerned about social media. Discuss the main issues and find out what your students think and why.