Absent an ideology of evil, think for example of the Nazis, ethical lapses all too often arise from short term selfish behavior. Where corporations engage in unethical behavior, coverage usually focuses on for-profit motives. Highly compensated executives greedy for more.

The reality is more complicated. Ethical lapses arise for a variety of reasons. Insecure employees engage in unethical conduct in the short-sighted belief it will secure their position. Unmotivated employees take ethical shortcuts because the non-compliant workaround is easier than doing it the right way.

Corporations aid and abet these breakdowns in behavior with ill-advised compensation practices, unrealistic project goals and poor management/employee relations. There is a failure to take the long view.

In hindsight the Volkswagen emissions and Tanaka airbag scandals obviously caused injury to those companies. But why was that not obvious to the members of management and employees who facilitated the problematical activities at the outset? While it is impossible from a distance and through media reports to understand what was really going on in each company, greed, insecurity and workarounds likely all combined to exacerbate the errant behaviors. And of course there is the cover-up; the habit of compounding one mistake by making the mistake of trying to hide it.

When I was a general counsel, I found it useful to ensure that the board of directors and my colleagues in management understood that as a lawyer my client was the company, not the board, not management, not my fellow employees. Here in the United States, this is a fact embodied in the law. Here in New Jersey I was governed by 1.13 of the Rules of Professional Conduct. Often overlooked by other employees is that each has a duty of loyalty to the company. Moreover directors and senior managers owe a fiduciary duty to the company. Hurting the long term prospects of the company for short term financial gain or personal convenience is not only unethical but may also give rise to legal liability or other consequences.

Cynics may say that directors and managers are seldom held accountable. But there are different kinds of accountability. Not all ethical lapses should lead to jail. Reprimands, loss of compensation, loss of position, loss of employment are but four of the range of responses available for ethical failures that expose a company to adverse consequences. Employees have an obligation to behave ethically. Companies have an obligation to address ethical failures.

I resolutely believe that most of us are not bad actors; that given the choice to behave well or poorly most of us will behave well. Good employees need to believe that they work in an environment in which ethical behavior is recognized. In the long term companies prosper when they provide good products and services. As our Executive Director Judy Young puts it, "You can do well by doing good". Let us take that to heart as we welcome a New Year.