

When the roof caves in, what should an ethical company do?

The collapse of a garment factory in Bangladesh is forcing Western companies to rethink their operations in the South Asian nation. Ethical firms focus on the big picture.

By Jeff Speight, *Contributor* / May 8, 2013



Rescue work in progress at the site of a garment factory building that collapsed in Savar near Dhaka, Bangladesh, Wednesday May 8, 2013. The collapse – and a factory fire this past November – are forcing Western companies to come up with an ethical response.

Ismail Ferdous/AP

In the wake of a fatal factory fire in November and a factory building collapse in April – two tragedies in [Bangladesh](#) that claimed more than 900 lives – many Western companies with factories there are taking action.

Some, like [Disney](#), are leaving. (Disney ordered a pullout a month before the building collapse.) Others, like [Wal-Mart](#), are staying and working to ensure more safety at facilities that produce their goods. Still others are trying to figure out what to do as they assess the damage to their reputations and the impact on their profits.

With some of the poorest-paid workers in the world, Bangladesh is a cheap place to do business. Is it better to leave until the government commits itself to safe workplaces or work within the system to improve the lot of those workers? It's an ethical dilemma, where there is no obviously correct solution.

Faced with such a situation, what should businesspeople do?

Some time ago, I worked with a company – let's call it Widget Inc. – that drafted a letter of intent with a prospective client and signed a contract. Due to a miscommunication in the language, the client expected a certain amount of work in a set period of time, which Widget Inc. could not provide.

Both parties looked at the contract and interpreted it to mean that the other was in the wrong. Of course, the ensuing argument did not lead anywhere. Eventually, Widget Inc. offered to subsidize the cost of a third party to get the client its requested work.

The lesson from this episode is the importance of looking at the big picture. In this case, the big picture was the company's long-term relationship with the client. If clients leave with a bad taste in their mouth, no matter the reason why, your future business is affected.

The true vision of a company reflects how they treat clients when things don't go as planned. Do they let egos get in the way of solving a problem? Do they give off the message that they value the client's business above all else? These broad points are something to keep in mind on both sides of every relationship.

In the twin Bangladesh tragedies, the large Western companies have to focus on the big picture, in this case, letting people know they took action. Even if their Bangladesh suppliers have no connection to the disasters, the viewing public will lump their brand in with the foreign companies who do. It is in their best interest to look good in the court of public opinion, of course. But they also have to come up with an actual solution.

The solutions may vary, as Disney's and Wal-Mart's divergent responses show. But their moves must demonstrate that they're actively engaged in bettering the working environment and preventing future mishaps.

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