

Why working with one of the World's Most Ethical Companies matters



Think of the companies you work with that have your trust. Their employees typically have a longer tenure. They get back to you with efficiency and competence, and they are pleasant to work with because they feel valued. They are incentivized to give excellent service, even if their company sometimes loses money as a result. Your representative stands by the company's products and services, and you both know you're supported by a corporate philosophy that tells workers to do the right thing.

When you place your trust in a company that will provide products and services to your clients, that means your own reputation is at risk. A company's ethics will reveal much when you're deciding *where* to place that trust.

Ethical company, successful company

It would be easy to think that companies with a strong ethical focus do worse financially. After all, it costs money to properly train employees, to accommodate clients' needs and to put clients first. But actually, the opposite is true: Ethisphere, an organization supporting companies in building sustainable and ethical businesses, found that the stock prices of publicly traded companies on [its list of most ethical companies](#) outperformed the large cap sector over the last five years by 24.6%.¹

Encouraging inclusion and diversity is one way that ethical companies succeed, and a crucial one: A [McKinsey report](#) showed that companies in the top quartile of ethnic diversity on executive teams had 36% more profitability than companies in the bottom quartile.² But there are other characteristics ethical companies have in common, too, according to Ethisphere Executive Vice President Erica Salmon Byrne:³

- They invest in training managers about ethical business management practices.
- They focus on long-term investments.
- They care about employee and community engagement.
- They value transparency.

Establishing an ethical company

Designing an ethical company is a conscious and deliberate move. According to *Harvard Business Review*, four crucial features make a company ethical: explicit values, thoughts during judgment, incentives and cultural norms.⁴

¹Ethisphere Institute. "2022 World's Most Ethical Companies® Announced." [Accessed 03.31.22.](#)

²McKinsey. "Diversity Wins: How Inclusion Matters." Published 5.19.2020. [Accessed 03.31.2022.](#)

³Ethical Voices. "What Do the World's Most Ethical Companies Have in Common: Ethisphere's Erica Salmon Byrne Answers That Question." Published 3.11.2019. [Accessed 03.31.2022.](#)

⁴ Harvard Business Review. "How to Design an Ethical Organization." Published May 2019. [Accessed 03.31.2022.](#)

Changing the focus in decision-making from legal compliance to ethical compliance is a subtle but powerful shift in dynamics and messaging. It encourages employees to consider whether an action is “right,” not merely whether it is legal. It also paves the way for employee incentives to align with the company’s ethical mission, such as allowing high performers to choose rewards for their colleagues or to select a nonprofit to receive a company donation.

But it’s the first feature of what makes a company ethical — explicit values — from which all other factors grow. These values need to be clearly communicated to everyone within the organization, and they need to be more than a statement. They must be the foundation of any company strategy or program, which always keeps those values top of mind.

Aflac — which has a 16-year streak⁵ on Ethisphere’s annual list of the World’s Most Ethical Companies — was built on just that. It’s called “The Aflac Way”: a set of tenets centered on doing the right thing. It was written by its founders more than half a century ago, and it is as relevant today as it was at its inception; new employees even receive a bound copy of “The Aflac Way” upon joining the team.

It shows up in the culture, and it’s visible to customers and brokers, too. It drives the claims philosophy, for example, compelling Aflac to receive, process, approve and disburse payment for eligible claims in as short a time as possible. The philosophy is process and pay, not deny and delay. That’s good for clients and policyholders, as it helps people focus on recovery, not financial stress — which means it’s good for the brokers who serve them.

Aflac is the only insurance company in the world recognized for 16 years straight on the list of World’s Most Ethical Companies since the list’s inception in 2007.⁵

“Today, business leaders face their greatest mandate yet to be ethical, accountable and trusted to drive positive change,” said Ethisphere CEO Timothy Erblich. “Congratulations to Aflac for earning the World’s Most Ethical Companies designation.”⁵

But you don’t need to see the accolades to understand the work that got Aflac there: a devotion to helping people and their communities, all by just doing their jobs with care, expertise and integrity. Consider it the Aflac way.

⁵Aflac. “Aflac celebrates sweet 16 on Ethisphere’s World’s Most Ethical Companies list.” Published March 14, 2022. [Accessed March 31, 2022.](#)

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