## Ethics, integrity crucial to success, says speaker

By SCOTT LARSEN

A strong commitment to ethics and integrity and an emphasis on basic values in employees are critical to a company's long-term success and the American business system, a Procter & Gamble executive said Tuesday.

When making business decisions that have long-term consequences, Procter & Gamble has refused to compromise its ethics for short-term gain, said W. Wallace Abbott, senior vice president of Procter & Gamble.

Abbott, who delivered the UNC Business School's first Executive Lecture of the spring semester, addressed about 50 students in Carroll Hall.

Procter & Gamble's decision-making concern has added to its success through

the years, he said.

"We make the extra effort to look at the long-term consequences of our actions and do what is right rather than what will make everybody happy next week," Abbott said.

To illustrate his point, Abbott referred to the situation when Procter & Gamble's product Rely was linked to toxic shock syndrome.

The company took the product off store shelves, he said, because experts both inside and outside the firm could not promise the product didn't contribute to the infection.

"This is the kind of responsible action

that American corporations should take," he said.

Later, when some Tylenol capsules

were found to contain poison, Tylenol officials called Procter & Gamble seeking guidance in handling the affair, Abbott said.

"Integrity, then, is critical in the long term financial success of our company and, ultimately, the American business system," he said.

Abbott attributed Procter & Gamble's success to a superior understanding of the consumer. He said the company had always sought to develop new products that provided better performance and customer benefits.

"We are a market-driven company,"

he said. "We respond to what consumers want."

This customer commitment led Procter & Gamble to conduct more than two million market research interviews last year to determine consumer preferences, he said. The company was also the first to institute a toll-free phone number to answer customer complaints and questions about its products, Abbott said.

Another reason for the company's success is its training program for new employees, he said. The program's primary emphasis is on individual coaching by more experienced managers because people progress at different rates and have different needs, he said.

From the beginning, new employees receive responsibility and have the guidance of seasoned managers to aid them if problems arise, he said.

"There is probably no place in American business where so many men and women under age 30 have such responsibilities," Abbott said.

By delegating authority and responsibility down through the ranks, Procter & Gamble fosters more innovators and leaders who are essential to today's business successes, he said. The company only promotes from within the firm and does so solely on merit, he

"Every executive has worked at all levels in the organization," Abbott said.

Teamwork is an important aspect of Procter & Gamble's success, he said. The company does not offer a pension plan. Instead, employees have a profitsharing plan which provides incentive for them to do their best work and instills an "our company" feeling, Abbott said.

The Business School will continue its spring lectures next week during the "Managing in the Nineties" Conference

## Research is focus of self-study

By LIZ SAYLOR Staff Writer

The Southern Association of Colleges and Schools has approved a 10year re-accredidation of the University, after touring the campus last spring and reviewing a self-study by UNC faculty.

Sociology Department Chairman John D. Kasarda, who chaired the selfstudy committee from March 1984 to February 1985, said the association used a non-traditional method of reaccredidation by allowing the University to select any topic for its self-study. The committee examined the research mission of the University.

"The association had confidence we met all the standards for accreditation ...," Kasarda said. "The traditional method of accreditation involves such things as looking at the number of books in the library."

Kasarda said the committee chose to study the research mission because the UNC Board of Governors had chosen the University as a major research institution, and the undergraduate curriculum had just been revised.

He said North Carolina had moved from an agricultural and industrial society to one of information processing.

"This makes the University central to the forefront of economic development," he said. "The new capital for our society is brain power, not bricks and mortar. This institution provides that capital.

"Nearly 1,500 jobs in North Carolina were created by research. Economic ripples exist throughout the state of that \$76 million brought in from research."

Kasarda said the University and Research Triangle Park both wanted to stop "brain drain" by attracting some of the best minds to the state.

"Research complements teaching and learning," he said. "On the whole, we found that the best, most exuberant teachers are those who research. This faculty has the responsibility beyond transmitting information to create information to be not only taught here but at other schools as well." The faculty steering committee was

divided into 10 task groups that examined areas such as the quality of undergraduate education at a research university, funding of research and the relationship of a research university to its environment.

The committee recommended setting up an Office of Research, increasing faculty salaries to a more competitive level and aiding and promoting research through more funds and research time.

"Enrollment-driven formulas for the distribution of funds are no longer appropriate," Kasarda wrote in the self-study summary. "University officials

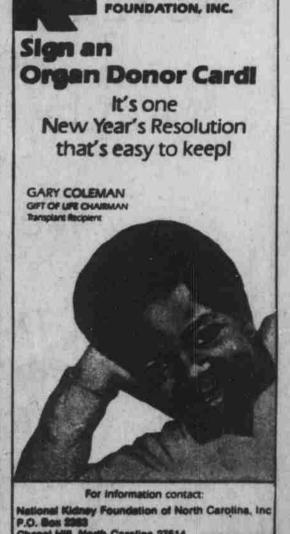
... should seek from the State additional direct resources for research to meet rudimentary needs of scholarly communication — e.g., postage, long-distance telephone calls and photocopying."

Also in the summary, Kasarda said two challenges for the University were: maintaining a balance between basic research and technology and deep concern for their implications and

preserving undergraduate education. Preserving undergraduate education, "the traditional core of the University's concerns," while keeping up with technological developments is a difficult problem, Kasarda wrote.

The problem presents " . . . a contest between bread-and-butter results and intellectual rewards that may be less immediately edible . . . ," he wrote.

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