

Your Turn

by Carl R. Oliver

Bringing Employees on Board with Ethics

Just as the topic of ethics has become a key subject at many business schools, so too has it become a major focus of many corporations. Recent scandals, ethics violations, and ethics legislation have caused many corporations to rethink their positions on ethics—or at least pay more attention to how those positions are communicated to all of their employees.

As a corporate ethics officer involved in design, delivery, and enhancement of ethics and compliance programs for a large U.S. company, I know how difficult it is to get all employees in a company to pull together in a new direction when it comes to ethics. Yet it's essential that all employees understand the company's desired ethical culture and that they work together to implement it.

My organization has 125,000 employees at more than 1,200 locations in several nations. Getting all of them to think the same way about ethics is akin to getting 125,000 individual rowboats to go in the same direction. To change a company's ethics, managers must touch every employee and get them to *actively row* in the new direction.

In today's Web-based age, companies sometimes attempt to use computers and video equipment to get employees all rowing together. Two companies I know of, both facing serious ethical failures, relied on electronics to disseminate ethics training to all employees. That's fast and low-cost. I know of another

company that required every employee to attend a four-hour lecture. That is moderately fast and moderately expensive. Both approaches are valuable, but they don't do enough.

To get all employees moving in the same ethical direction, managers really must take a two-step approach. They must create an environment in which employees feel comfortable discussing ethics, and they must foster employees' learning about ethics in the workplace. Many employees will come to an organization already having studied ethics at business school, whether as undergrads, MBA candidates, or participants in executive education programs. But it's important that programs at the office reinforce this training so employees become effective, life-long learners about business ethics.

When my company wanted to revamp its ethics program, we first told managers to ask employees two questions: What values do you bring to work with you from home? And what values do you want this company to be known for? From the resulting discussions emerged widely shared values that the company adopted as its corporate values. Once those values were established, the company scheduled managers for 360-degree evaluation against those values. The goal was to reinforce each manager's existing strengths and provide ideas on how to develop new ones.

The company also produced clear and readable ethics guidelines and distributed them to all employees. The ethics office prepared packets of possible workplace scenarios and distributed these to

managers. During staff meetings, managers led discussions about how to handle various situations in light of the company's ethics policies. Combined, all these activities encouraged an environment where employees could expect to communicate openly and safely with their managers about ethics.

I know these measures definitely have changed the direction in which our employees row. For example, I recently heard five women discuss a scenario in which a male manager jokes with a female employee in terms filled with sexual innuendo. One woman said, "Fifteen years ago, that often happened in this company. Women could keep quiet and keep their jobs, or they could complain and look for new jobs. Things have changed. Now such situations rarely happen. If they do, the woman can complain safely, and the company will take action."

Encouraging open discussion is just one part of the ethical equation. Just as important is the second part: helping employees develop their ethical frameworks and learn to make sound ethical decisions. Often, companies can develop ethics programs with the assistance of local business schools that cover ethics in their own curricula. Disciplines such as business, philosophy, law, history, sociology, psychology, accounting, logic, and organizational systems help illuminate the full spectrum of ethics issues that employees will face. Ultimately employees will develop the skills to recognize an ethics issue, gather information about it, generate options for handling it, execute their decisions, and feel that they have done the right thing.

To be able to handle ethics situations gracefully, individuals must achieve the highest level of learning—what is called the “be able to” level. They must learn ethics in a self-directed and collaborative fashion so they will “be able to” apply their ethics knowledge in real-world situations. My own experience indicates employees develop the “be able to” level for business ethics through study of four broad topics: people, expectations, process, and perspective.

■ **People.** Stanley Milgram’s research shows that virtually all people will violate their personal ethics if they think their job requires them to do so. But David Bersoff’s research shows that the tendency can be countered by management interventions such as humanizing the victim of an ethics violation. For example, employees need to understand who is affected by their decisions and how.

■ **Expectations.** When societal and public policy expectations exist, people are more likely to meet a high level of ethical behavior. For instance, the U.S. Sentencing Guidelines for Organizations presents a basic framework for setting up an ethics policy; employees who work under such a policy know what their company expects of them. Karl Weick and his colleagues also have suggested ideas that might identify hallmarks of organizational cultures that exhibit a high level of ethical reliability.

■ **Process.** This can be defined as all the ways that people and organizations make decisions. If the process has ethical considerations built in, employees are more likely to make ethical decisions.

■ **Perspective.** As employees learn



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more about all of the principles, resources, and issues developed throughout history to think about ethical behavior, they bring that perspective with them to every part of their jobs—and their lives. Many develop a thought process that goes something like this: “Am I doing the right thing? Is the company? The nation? The world?”

I believe that most people are already ethical. Lynn Brewer—a former Enron executive and whistleblower, now an ethics consultant—says that in the companies she visits, 80 percent of the employees are behaving ethically. Where I work, data from the company’s ethics telephone line indicates that virtually all our employees try to do the right thing.

But even if employees don’t need to be taught ethical behavior, they may need to learn how to make an ethical decision when making such a decision is not easy. People do want to learn that skill for three very good reasons:

First, people want to work for a company they can be proud of. They want to learn how to recognize and join ethical companies, and how to recognize and avoid unethical companies.

Second, they want to succeed, not fail. They want to learn how to maximize their success in the workplace and avoid mistakes that would derail their careers.

Third, they want to row their boats in a useful direction. They want to make their business lives promote values they hold dear.

Company ethics become stronger when the collective wisdom of employees is enhanced. It is easier for any corporation to build good ethics programs when business schools have already taught their students about ethics and prepared all employees to row together in the same ethical direction. ■

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