

Ask these questions when you are building your organization's ethical foundation

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The public has witnessed numerous cases involving organizational scandals and questionable ethical practices in recent years. Companies such as Enron and WorldCom have ceased to exist because of the pervasiveness of unethical conduct. Other organizations, both large and small, have been subject to public scrutiny and legal actions as a result of questionable activities. Reputations have been ruined, individuals have been prosecuted, and employees, stockholders, retirees and customers have been appreciably harmed by various types of unscrupulous conduct.

In recent weeks, the nation, as well as much of the world, has found itself in the midst of a financial crisis of a previously unimaginable magnitude. As these events and their impact on our economic stability unfold, questionable ethical decisions and practices have become one aspect of the current focus. Although individuals have limited ability to impact the government's attempts to rebuild monetary confidence, we can play a more active role in examining our personal actions and the influence that we have on ethics within our organizations.

Posing questions on ways to build an ethical foundation within the organization provides one means of focusing on a subject that is broad and can be addressed from different vantage points. The following are among the questions that can be asked in pinpointing these considerations:

1. Are values and other guiding principles incorporated in the organization's culture? Do employees at all levels of the organization share and act on these beliefs and articulate them in discussions with others? One key indicator is whether leadership "walks the talk" on an ongoing basis through communications and actions that reinforce these values. If organizations follow other courses of action, the resulting lack of trust will be greater than if there had been no stated principles.
2. Has attention been paid to policies, procedures, practices and expectations to ensure that they are in alignment with organizational values and to determine if there will be a commitment to enforcement? Prior to implementation, management should examine policies and other standards for alignment with values and for assurances that they will be consistently enforced, even if violations involve one of the organization's top performers or executives.

3. Does the organization have ethics policies in place and provide training or other communications to increase understanding? While a number of policies address the subject of ethics in a general manner, the handbook should also incorporate specific policies that establish expectations for integrity and adherence to ethical standards of behavior, such as conflicts of interest, business gifts and gratuities, and disclosure of confidential information.
4. Does the organization comply with applicable laws? Although legal requirements are only one part of the overall ethical landscape, adherence to laws is a requirement that establishes minimum standards for organizational behavior.
5. What checks and balances are in place to avoid potential ethical missteps? Whereas these may differ depending on the size and nature of the organization, there should be an emphasis on instituting various preventive measures and types of oversight. Examples include making ethics a pertinent factor in decision-making discussions, developing processes for accountability, and hiring an ethics officer or identifying another individual with responsibility for organizational ethics, compliance and business conduct programs.
6. Is personal accountability an expectation of the organization? If so, employees at all levels should understand that they will be held accountable for their actions, both positive and those that require improvement, and that those actions will be taken into consideration in making employment decisions that include counseling, discipline, promotions and performance evaluations.
7. Am I or the organization applying rationalizations, an ends-justify-the-means approach, or similar reasoning to justify actions that have been taken? One of the easiest paths that we can take is to attribute our actions to rational motives without first analyzing the facts. For example, if the frequently used rationalization, “everybody is doing it,” is applied, individuals may tend to generalize in terms of numbers to justify questionable actions and overlook necessary facts.
8. Does the organization identify persons and departments that can provide assistance in responding to questions regarding appropriate behavior? Since policies and procedures cannot cover every “what if” scenario, employees should be able and encouraged to seek assistance when there is uncertainty about the propriety of potential actions.
9. In making decisions, is there sufficient attention given to their impact on key stakeholders? Potential decisions should be examined from an overall perspective that includes an assessment of their impact on employees, customers and the public.
10. Does the organization articulate a “glass house standard” for behavior whereby the leadership and all employees act as if others can view each action that they take? Pertinent questions, such as the following, should be asked in introspection or of one another: How will these actions be perceived if they are described in the headlines of a local newspaper, discussed on a morning talk show, or used as evidence in a lawsuit? How will I respond? Will there be potential repercussions for me or the organization? Whereas actions may comply with laws and policies and, therefore, be technically correct, they may fail this degree of scrutiny.

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