

Ethics Q&A August 2010 15 Tips for Sustaining an Ethical Culture

Q. In honour of Charity Village's 15th Anniversary, could you share 15 tips for helping leaders develop an ethical culture in their organizations?

1. Always remember that people, not organizations, behave ethically.

Organizations are made up of people and organizations are judged based on the collective behaviour of the individuals involved. One unethical person can set a low standard for others, or even bring down an organization. Recruit and hire wisely, and do not tolerate unethical behaviour. Make ethics a key topic in the orientation of all new staff and volunteers, and build ethics into all training programs.

2. Articulate aspirational values and keep rules to a minimum.

Most people want to be ethical, and will try to live up to your Values Statements, especially those consistent with the Vision and Mission and developed with input from throughout the organization. If you give people hundreds of rules instead, they will spend their time and energy looking for loopholes and seeing how to get the most for themselves within the rules. They won't even think about ethics. And you will waste time and money developing, communicating, monitoring and enforcing petty rules.

3. Behave ethically at all times and model the values.

The behaviour of leaders is always being watched and judged. If your behaviour is not consistent with the Values Statement, then no one will take the Values Statement seriously. "Walk the Talk" is not a trite phrase; it is an absolutely critical way of life for leaders. Also, watch for and deal with those modelling different values. Employees and volunteers are strongly influenced by their peers, often more than by anything you can put in writing. Even though people want to be good, many want even more to fit in and be liked. Strive to make ethical behaviour part of fitting in.

4. Model the same values you want in your community within your organization.

You should have a vision of the world your organization is working to create. Your organization is a piece of that world and you can demonstrate how to make those ethical values or real. Or, you can fail to, which will make people believe either the values are unrealistic and unachievable, or your organization is hypocritical. Say your goal is about creating a democratic and just society—do your bylaws and human resource policies reflect this?

5. Human and financial resources decisions are strong ways to model values.

While leadership behaviour matters a lot, people most closely watch the decisions that affect them directly. Staff perceive decisions such as who gets promoted and which program gets a budget increase as reflecting the organization's real values. If client service is being threatened by cutbacks, but someone gets to take a spouse to the conference on the organization's dime, they will notice. And all too often, the big talker who takes credit for other people's achievements gets the promotion and not those who have worked responsibly and collaboratively. Make wise resource decisions, and consider how those decisions will be perceived. Explain them in the language of ethics.

6. Communicate the organization's ethical values—and keep doing it.

Let everyone know what ethical values they can expect when dealing with your organization. Tell your community, clients/members/beneficiaries, partners, suppliers, and more and ask them to hold you accountable to the values. Also, ask them to demonstrate those values in dealing with you. Repeat this message many times and in every form of communication you use.

7. Develop an ethical decision-making process.

Your people make dozens of ethical decisions a day, especially if they are front line workers. They need a clear process for making a good ethical choice. And a common system makes group decisions easier, as everyone is following the same thought process. In particular, any good decision-making system keeps people from jumping to solutions before considering at least three options against a short set of questions or criteria.

8. Explain your decisions in the language of ethics.

Knowing your behaviour is being judged, think about the messages being sent and perceived. If people do not know what you took into account, and what options were available to you, they may perceive a good decision as unethical. If you can explain how your decision was fair, most people will accept that. You don't have to make them happy, just satisfied that you took the time to gather the right information and consider the options carefully.

9. Hold dialogues about ethics and ethical dilemmas.

Never post lists of words or short phrases and think they will help people be ethical. Such words have no shared meaning until people talk about how they apply or will apply the ethical values in your organization. Use staff meetings, workshops, board retreats and any other opportunities to put forward situations or case studies meaningful to your organization, and encourage discussion about how to best apply the ethical values. Ask what real ethical dilemmas the staff and volunteers have been facing. Use the discussions to develop meaningful sentences about each ethical value or principle, and collect those into a Values Statement. Put that statement into every key document and reference it in decision-making.

10. Make ethical behaviour a performance expectation.

Include ethical behaviour in performance objectives and reviews, and make managers and supervisors responsible for ethical behaviour of those they supervise as well as themselves. Take the results into account in compensation decisions.

11. Pass and enforce conflict of interest codes.

The board should approve policies for board members, staff and volunteers, and require annual sign-off and reporting as well as immediate declarations of new conflicts. Carefully customize the policy to fit your type of organization. This rule is needed, or people will not have the same expectations of what is considered a conflict or how to handle it.

However, word the conflict policy in aspirational terms, such as avoiding ongoing conflicts and minimizing occasional ones, rather than attempting to predict every conflict that might arise. Remember that sometimes you have to manage conflicts; not everything can or should be predicted well enough to be avoided.

12. Provide a variety of ways for people to seek advice.

Most people truly want to be ethical, but in organizations they face situations that their upbringing and education did not prepare them for. Some will prefer to consult policy manuals or follow formal processes; some will want to speak with someone whose judgment they trust. That person may or may not be their manager. Make it easy for them to seek advice from others connected to the organization. In providing ways to get advice, remember that language skills and comfort with technology will vary.

13. Have an ethics reporting system.

Provide safe ways for people to report behaviour they believe unethical, get good advice about ethical issues, and tell you about behaviours of colleagues that should be rewarded. Be absolutely clear about what will be kept private and keep that commitment. Explain what kinds of information might have to be provided to someone facing an accusation, or even to the police, and to what extent you can provide confidentiality. Give options for how to use the system if the usual method is perceived as inappropriate or unsafe.

14. Recognize outstanding ethical behaviour and act on unacceptable behaviour.

If someone goes out of their way to serve a client or beneficiary, exhibits exemplary behaviour in a stressful situation, thank them! And find out if they are willing to be recognized in a staff meeting, at the AGM, in your newsletter, or whatever else you think appropriate. Seek out behaviour that provides a good example for co-workers to follow. But if you learn of alleged unethical behaviour, act fast to check out the allegations and take corrective action if warranted. Remember, though, to model the values in doing so. Be fair and follow due process.

15. Treat risk to reputation as one of the highest risks, since a reputation takes years to build and moments to destroy.

Many risk management systems focus on money, property and technology because that is all many risk assessors understand. It is not good enough. What if one of your board members is charged with fraud by a securities commission? What if a vice president files a harassment charge against the president? What if a sponsor becomes responsible for an environmental disaster? Include reputation in all risk assessments, and seek to avoid damage to your carefully developed reputation.

In summary, while none of these actions ensures that an organization will be made up of people behaving ethically, they collectively greatly increase the chances. Your organization is more likely to be trusted and respected. And it should be able to withstand public scrutiny if you do suffer some unforeseen ethical problem or the short-lived actions of "one bad apple."