

Do You Work in an Ethical Environment?

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Today's Objectives

- What are ethics?
- Understand how your personal foundation shapes your ethics
- Understand how to establish ethical principles for your professional life
- Understand how ethics drive an organization's climate

Corporate Culture and Ethics

Of the things we think, say or do

1. Is it the **TRUTH**?
2. Is it **FAIR** to all concerned?
3. Will it build **GOODWILL** and **BETTER FRIENDSHIPS**?
4. Will it be **BENEFICIAL** to all concerned?



What Are Ethics?

- **Ethics** are principals of conduct that govern the behavior of an individual or a group
 - Concerned with morals or “right and wrong”
 - What a supervisor perceives as “right” affects his or her actions and the actions of employees
- Moral standards are the result of social forces and human experiences over hundreds of years

What Are Ethics?

- Differences in *awareness* and *interpretation of* ethical standards create many problems
- Too often, actions are justified based on the means used, or on the ends accomplished
 - Lying may be deemed acceptable if it achieves positive results
- Conversely, one might consider any ethical action justifiable, regardless of the outcome

Setting the Tone

- A code of ethics provides the framework within which supervisors must act
 - Individual judgment is also required
 - These judgments most influence employee ethics
- The supervisor must set the example
 - “Do what I say, not what I do” doesn’t work
 - The actions of employees are often based on those of the supervisor

Setting the Tone

- Failing to take corrective action is often interpreted as approval
- Areas of supervision that require ethical conduct:
 - Loyalty
 - Human relations
 - Overt personal actions

Areas Requiring Ethical Conduct

- **Loyalty:**
 - Has to do with where a supervisor's loyalties lie
 - Personal influence will not be effective unless the employees view states objectives positively
 - Self-centered supervisors will have difficulty getting full employee cooperation

Areas Requiring Ethical Conduct

- **Human relations:**
 - Centers on a supervisor's concept of fairness
 - Is concerned with how the supervisor treats others, especially subordinates
 - Ethics plays a major role in determining how a supervisor treats subordinates

Areas Requiring Ethical Conduct

- **Overt Personal Actions:**
 - All actions that reflect a supervisor's ethics
 - These actions may be internal or external to the organization
 - Internal behavior: adhering to organizational policy
 - External behavior: how one acts in the community

Your Personal Foundation

- Family Influences
 - Parents first to voice ethical boundaries
 - Instill a sense of “right” and “wrong,” both in the legal and non-legal sense
 - Morality by example

Your Personal Foundation

- Religious Beliefs
 - Allows people to accept an established set of moral rules or spiritual laws
 - Rewards are often promised in the Afterlife
 - Can inspire acts of violence “in the name of (god)”

Your Personal Foundation

- Culture Affects Ethical Norms
 - Culture surrounds us and impacts us without knowing it
 - Begins in childhood; be a member of the group
 - Customs and traditions become ingrained in your psyche
 - Prejudice can become an accepted part of a person's ethical standards when surrounded by people who do it and allow it

Your Personal Foundation

- Experience Can Shift Your Ethics
 - Emotion and personal understanding may cause a shift in beliefs
 - What are some examples?

Your Personal Foundation

- Internal Reflection
 - What happens when you *feel* bad, guilty, or ashamed?
 - What happens when you *feel* good?
 - Immediate feedback occurs for creating moral standards

Your Personal Foundation

- If you're unsure whether or not an action is ethical, here's a simple acid test for you. Ask yourself the question,
 - *"Would I have any objection to having my actions detailed on the front page of a national newspaper?"*
 - If you can honestly answer "No" then the chances are good that you're acting ethically.

Your Personal Foundation

- This even works when it is our intent to act unethically.
 - The image of that glaring headline, and the obvious consequences of such visibility, should be enough to force us to reconsider our actions... not because they're wrong, but because of the negative consequences.
- This acid test speaks to the heart of ethical behavior; it recognizes that an action is deemed to be ethical or not.

Ethics in the Workplace

- There is no agreement as to what is ethical and what is unethical
- Are these ethical actions?
 - Using email to harass co-workers
 - Calling in sick to take a day off
 - Concealing a mistake
 - Taking longer than necessary to do a job
 - Copying copyrighted computer software

Ethics in the Workplace

- Ethical concerns in organizations have increased over the last several years
 - There has been a major drop in observed misconduct
 - Although progress has been made, ethical misconduct and abuse are quite prevalent
- Many employees feel pressured to act unethically or illegally on the job

Codes of Ethics

- A **code of ethics** is a statement of principles to be followed in the conduct of business
- The code serves three purposes:
 - To demonstrate a concern for ethics
 - To transmit ethical values and standards to those working in the organization
 - To affect employee behavior by establishing behavioral expectations

Codes of Ethics

- Some of the areas covered by a code of ethics:
 - Honesty
 - Adherence to the law
 - Employment practices
 - Selling and marketing practices
 - Security
 - Political activities
 - Protection of the environment

Codes of Ethics

- To achieve its purpose, a code of ethics must be:
 - Communicated to all employees
 - Actively supported by all levels of management
- If a code does not exist, supervisors can communicate their ethical expectations via their actions

Corporate Culture and Ethics

- Corporate culture is “the set of important understandings that members of a community share in common”
 - Culture in an organization compares to personality in a person
 - Culture can be warm, aggressive, friendly, open, innovative, conservative, and so on

Corporate Culture and Ethics

- Organizational culture is transmitted many ways:
 - Long-standing and often unwritten rules
 - Shared standards regarding what is important
 - Prejudices
 - Standards for social etiquette and demeanor
 - Customs for relating to others
 - Traditions

Corporate Culture and Ethics

- Corporate culture communicates how people in the organization should behave by establishing a value system conveyed through:
 - Rites
 - Rituals
 - Myths
 - Legends
 - Actions

Corporate culture means
“the way we do things
around here.”

Social Responsibility and Ethics

- Social responsibility is often linked to organizational ethics
 - It is the obligation that individuals or businesses have to help solve social problems
 - According to this view, businesses should be responsible corporate citizens
 - Businesses have obligations to all people affected by their actions (stakeholders)

Dealing With Dishonest Employees

- When dealing with subordinates, a supervisor must *recognize the problem* and then *build a case*
- Supervisors are often reluctant to admit that they have dishonest employees
 - The problem is compounded if this is a long term employee with a good work record
- Whatever the case, the employee must be confronted and the situation dealt with

Dealing With Dishonest Employees

- The keys to dealing with dishonesty include:
 - Recognize the problem
 - Get the facts
 - Document the case
 - Confront the employee
 - Follow the established disciplinary system

Dealing With Dishonest Employees

- If the dishonest person is a peer or other manager, you may not be able to deal with the issue directly.
 - Report your suspicions and findings to a superior
 - The superior should confront those involved
- There is a tendency to ignore dishonesty and hope it goes away
 - It often gets worse instead

Building a Supervisor Power Base

- Power is the ability to influence other to do what you ask
 - The use of, or desire for, power is often viewed negatively
 - Not everyone seeks or enjoys power, but supervisors must have some
 - Power allows supervisors to get employee's attention and cooperation

Building a Supervisor Power Base

- Positive things that can increase your power base:
 - Gain the respect of subordinates
 - Help employees be successful
 - Be “in good” with your boss
 - Seek responsibility

Building a Supervisor Power Base

- Responsibility is:
 - Accountability for reaching objectives
 - Using resources properly
 - Adhering to organizational policy
- Seek out additional responsibility rather than waiting for it to come
- Power is automatically bestowed on supervisors with considerable responsibility

Organization Politics

- The practice of using means other than merit or good performance for bettering your position or gaining favor
 - Many people feel this is sneaky, devious, or unethical behavior
 - This behavior becomes unethical only when an individual pursues self-interest to the detriment of others or the organization



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