

Business Ethics

The Responsibility of Managers to Facilitate Honest and Ethical Behavior

By Bob Phillips

Everywhere we turn today in the work environment managers are faced with providing training and coaching for their employees to meet legislated and organizationally required compliance demands. Unfortunately, most managers will turn to the check list that was given to them by a compliance officer or they quote word for word the company Code of Conduct as it is written. And we then ask why we do not see any substantial change in employee behavior or understanding of what ethical behavior is in relation to their specific work assignments.

Last year I had an opportunity to work with one of my clients who conducted Ethics and Compliance training every year. The training was provided to both managers and employees on an annual basis with periodic updates that would focus on specific issues. The organizers of the training had noticed that the managers and employees knew the Code of Conduct and understood the Compliance regulations, could present the organizations Value statement but did not know how to take those documents and turn them into day-to-day behaviors.

The organization had a geographically disbursed work force that required the managers to be the key working contact for leadership, acceptable workplace behavior and decision making. Most employees nev-

er visited the main office or had any interaction with senior managers or executives. They had little interaction with other departments within the same organization although it was encouraged because work demands did not allow the time to make it happen.

Faced with another year of reviewing the Ethics and Compliance material with their managers, the individuals responsible for the training asked me if we could use a different approach to get the message across that would be more effective in implementing the desired results with the managers' staffs. My first thoughts went back to a quote that I refer to constantly when dealing with how to manage ethics in the world in which we live today.

**“The time is always right to do what is right.”
—Martin Luther King Jr.**

After meeting with the organization's key leaders and managers we found that they had an excellent Code of Conduct, easily understood Organizational Values and there was constant training on both subjects for all employees. So what we had was the framework and reinforcement of the principles of ethical behavior and managers that were trained on the principles but who did not know how to easily use the tools to impact the behavior of their staff members. A large number of the subordinate work roles had constant contact with the public and involved both identity and money issues that left many potential opportunities for ethical violations and indiscretions.

Our approach was to assist the managers in learning how to focus on how to turn words (codes and compliance) into expected behaviors and results that could

be applied to the day-to-day work environment. Not every tool could be used daily but they would have it available to use if it was needed. What was missing for many managers was understanding and acceptance of their responsibility to lead and to hold their staffs accountable for positive behavior in support of the organizations' Values and Code of Conduct. That behavior by the managers needed to change.

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The Plan

Now was the time to look at a way to introduce the managers to an approach for turning principles into management processes and employee deliverables. The following topics were covered in the manager training program.

- How to make Ethics and Organizational Values everyday behavior
- The importance of honest conversations and feedback
- Establishing consequences for both negative and positive behavior in support of organizational Values, Ethics and Compliance
- The importance of a Personal Platform of Integrity when setting behavior expectations

How to Make Ethics and Organizational Values Everyday Behavior

Every manager we worked with wanted to know the answer to that question. It is not a simple answer because it requires hard work; there is "no magic fairy dust." All managers want simple, easy answers but when you are trying to impact your staff's behavior on the job nothing is ever simple and easy. So how did we approach this part of the presentation and training?

We helped the managers understand that ethics, values and organizational honesty are not easy topics to explain or deal with when working with their staffs. They wanted all of those topics to be black and white when they had to manage those topics but in reality, as we explained during the session, most of the time they will be operating in areas of gray where no easy solution exists.

So what were the steps that we needed to take to make the changes happen for the managers? What we found was that many managers did not have a clear understanding of their role and the power they have in setting direction for their team. We had to move them to be more decisive and not abdicate their leadership or management responsibility to others. We used the following steps as an

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outline to raise their awareness of what was important for the leader when approaching their staff and setting the direction and required behavior results when applying the Codes of Conduct, Ethics and Compliance guidelines.

- Personally learn the Code of Conduct, Organizational Values and Compliance guidelines and how they impact your work group...not just the words but behaviors and actions
- Define the Code of Conduct and Organizational Values into expected behaviors in the manager's particular work environment
- Train staff on application of the behaviors in their specific role
- Role model expected behaviors
- Establish both positive and negative consequences for behaving in the accepted norms

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The Importance of Honest Conversations and Feedback

As with most management practices it is easy to list what needs to be accomplished but it is more difficult to implement those practices in the real world. What we found was that most managers did not like or know how to conduct discussions with employees that deal with any type of confrontation or negative feedback. Most of us go into an avoidance mode when we need to have those tough conversations with our staff as a whole or with particular individuals. The lack of honest discussions between managers and their staffs can have a major impact on morale, ethical behavior and team productivity.

As we worked with our client it became quickly evident that any issue that could lead to conflict was ignored or became the large elephant in the middle of the room. Ethics and compliance train-

ing for managers was a huge elephant. With more questioning we discovered the major reason most people did not confront tough issues was their lack of understanding about how to do it without getting emotional. The end result was that most managers were taking a non-controversial approach to addressing the desired behaviors and, instead, they would just present the checklist as it was written and not deal with the potential confrontation when describing the desired behaviors and expected results.

We built our training so that we could use a process that would focus on solving the problem for the better good of the entity and not worry about egos or winners and losers. We focused on solutions that worked best for the organization. We found that, once the managers understood that it was the issue that needed to be solved and

not to determine whether someone was right or wrong, their approach to confronting tough issues changed dramatically

The number one point we stress when teaching the six step process was that after you have completed step one and it becomes obvious that it will not create any value to move through the rest of the process, then stop right there and accept the other person's point of view. The pain of going through all six steps of the exercise would not be worth the trouble. Save your energy for a bigger issue. No one said that confrontation was easy. We introduced the following six step process:

Six Steps to Constructively Confronting a Problem

1. Do your homework—Identify the real issue/s
2. Open the debate—Describe the problem or issue as you see it
3. Open your ears—Prove that you listened by giving feedback
4. Open your mouth—Claim your reality as your own
5. Open your mind—Be open to others point of view/workable solution

6. Close the deal—Summarize and establish next steps

What was discovered in this section was that a high level of energy can be created by managers when they have the proper tools and know how to use them to manage their staff. The hesitancy to be a strong, decisive and collaborative manager goes away very quickly.

Establishing Consequences for Positive and Negative Behavior

When we first discussed with our client how managers dealt with employees who do not follow the recommended behaviors required in the Ethics and Compliance guidelines their off handed comment was that most managers “hope they just go away,” referring to both the problems and people. Given that was the case, we used an approach to build on the previous confrontation process to help managers establish boundaries of behavior that were clearly defined and had consequences for both positive and negative results.

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At this point the managers could now turn words into behaviors, had the tools to confront tough issues and needed to get people to speak up when they did not agree with the approach but to eventually gain the staff’s commitment to the course of action. The focus now shifted to the following:

- Setting realistic goals, objectives and deliverables
- Defining what the positive and negative consequences would be for not operating within the Codes of Conduct, Ethics and Compliance guidelines

- Clarifying what was a commitment to success and what was not a commitment
- What a manager’s role was in obtaining that commitment
- Setting ground rules so that open and honest debate could happen without retribution
- Managers need to establish an environment that does not create defensive behavior in their staff
- Defensiveness is the enemy of honesty

The simple message was that every employee wants to know what is expected of them, when work is due and what the outer boundaries of behavior are in their organization. Although this appears to be a very simple and easy to understand process, it always seems to be difficult for most managers and leaders to implement it.

“Management is doing things right; leadership is doing the right things.” —Peter F. Drucker

The Importance of a Personal Platform of Integrity

The working session had given the managers many tools and processes to use with their subordinates but we found that many of them still did not really know who they were and what they stood for when dealing with Ethics and Compliance. Many of them had never faced a situation in which

they had to really understand who they are personally and if they were ever asked to do something that was in a gray area of ethics or maybe illegal or questionable, how would they react.

To help this become a reality we needed to ask a number of critical questions that could be used to develop their own personal platform of integrity. We wanted them to understand if they had been working for any number of companies who have been in the news over the last five years for major ethics and criminal issues what would they have done when faced with similar situations.

The questions:

1. Should ethics be part of the culture of the organization?
2. How do your values and ethics match up with the written and practiced ethics of the organization?
3. What is the value to you and the organization to have both written and practiced Codes of Ethics, Conduct and Compliance?
4. If someone asked, can you differentiate between ethics and integrity?
5. Can you give examples of how your personal behavior supports your code of ethics and integrity?
6. Do you have a guiding philosophy?

The design:

1. Focus on what is important to you as an ethical person.
2. Clarify your vision of who you are as a total person.
3. Describe your outer limits of acceptable behavior.
4. How will you lead others?
5. Describe your personal tenets of ethical behavior.

Our final instructions to the managers as they wrote their Personal Platforms of Integrity included the following;

“It all comes back to us as individuals. If ethics are the codes by which we should conduct ourselves then integrity is the firm adherence to those

codes. The better you define your own personal code to fit everyday situations we all face, the easier it will be for you to firmly adhere to and lead by that code.”

At the end of the day a leader, manager and organization can only do so much to ensure that the ethics and compliance codes are followed. It is the individual's own choices that determine what that final behavior will be when faced with difficult situations.

Summary

By the end of the session, we had equipped the managers with new tools, new insights and processes to deal with what can be a very difficult topic. This particular client continues to train and reinforce not only the basic Ethics and Compliance information but to look for new ways for managers to be equipped with a total understanding of what is needed to manage an ever changing workforce.

About the Author

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