

# Ethical Behavior Approach Report



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# **Ethical Behavior Approach**

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This report contains a considerable amount of information about your Ethical behavior approach in general. The contents list below gives a quick indication of the overall headings that have been used for each section.

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# Ethical Behavior Approach

## INTRODUCTION

When problems relating to corporate or business ethics are exposed in the media, people can be quick to blame the organization as a whole or senior management in particular for the lack of standards. Others consider that a lack of ethics only matters if you get caught. However, good corporate ethics involves a lot more than staying out of the news or even simply making sure that people comply with company policies, laws, standards and financial regulations.

The concept of ethics centers on the day-to-day behavior and decisions of individuals. This is not just about individuals near the top of the organization (although they have a special role) but every individual, in every team at every level. People's values as individuals are as critical to success as is their understanding of the ethical standards and values of the enterprise they belong to.

This questionnaire helps individuals to determine whether or not they are behaving in an appropriately ethical way in four specific categories of:

- Ethical Leadership
- Ethical Commerce
- Ethical Relationships
- Ethical Controls

Each of these areas provide an umbrella for several particular areas of emphasis for every individual when it comes to operating in an ethical manner. These four areas are defined on the next 2 pages and include the ethical sub-categories that are covered by each of them.

## Ethical Leadership

**The extent to which organizational leaders at all levels are ethical in their words and deeds and that the decisions that they make are morally defensible.**

The three sub categories of Ethical Leadership are:

### **Morality/Ethics**

*The extent to which leaders in the organization have a sound moral 'compass' in making all workplace decisions and in holding each other ethically accountable.*

### **People Attitudes**

*The extent to which leaders in the organization demonstrate integrity, compassion and respect in relation to people at all levels of the enterprise.*

### **Social Responsibility**

*The extent to which leaders invest quality time and energy into ensuring that the organization is socially and community-responsible in tangible ways.*

## Ethical Commerce

**The extent to which an enterprise is legally, fiscally and commercially responsible in the way in which it deals with all of its stakeholders.**

The three sub categories of Ethical Commence are:

### **Legal/Fiscal Responsibility**

*The extent to which all commercial transactions are legally and fiscally responsible in relation to internal and external standards.*

### **Promotional honesty**

*The extent to which products and/or services are marketed, advertised and sold in fair and responsible ways without any attempt to manipulate or deceive.*

### **Commercial integrity**

*The extent to which the enterprise engages with suppliers and customers in a transparent, honest and principled manner.*

## Ethical Relationships

**The extent to which an organization is ethical in all of its relationships with people, and is successful in creating a climate which is open, fair and honest.**

The three sub categories of Ethical Relationships are:

### **Communication openness**

*The extent to which open, unconstrained and candid communication is encouraged amongst all individuals, up, down and across the enterprise.*

### **Conflict handling**

*The extent to which interpersonal conflict of any kind is consistently handled in fair, just and reasonable ways across the whole organization.*

### **Inclusion**

*The extent to which the enterprise invests serious and on-going effort into ensuring that all individuals and groups feel that they are fairly and equally involved in the major decisions of the organization.*

## Ethical Controls

**The extent to which the enterprise has comprehensive and effective policies, procedures and other controls to help encourage ethical behavior at all levels.**

The three sub categories of Ethical Controls are:

### **Policy protection**

*The extent to which individuals, teams and the enterprise as a whole are well protected against ethical risks by comprehensive policies and procedures.*

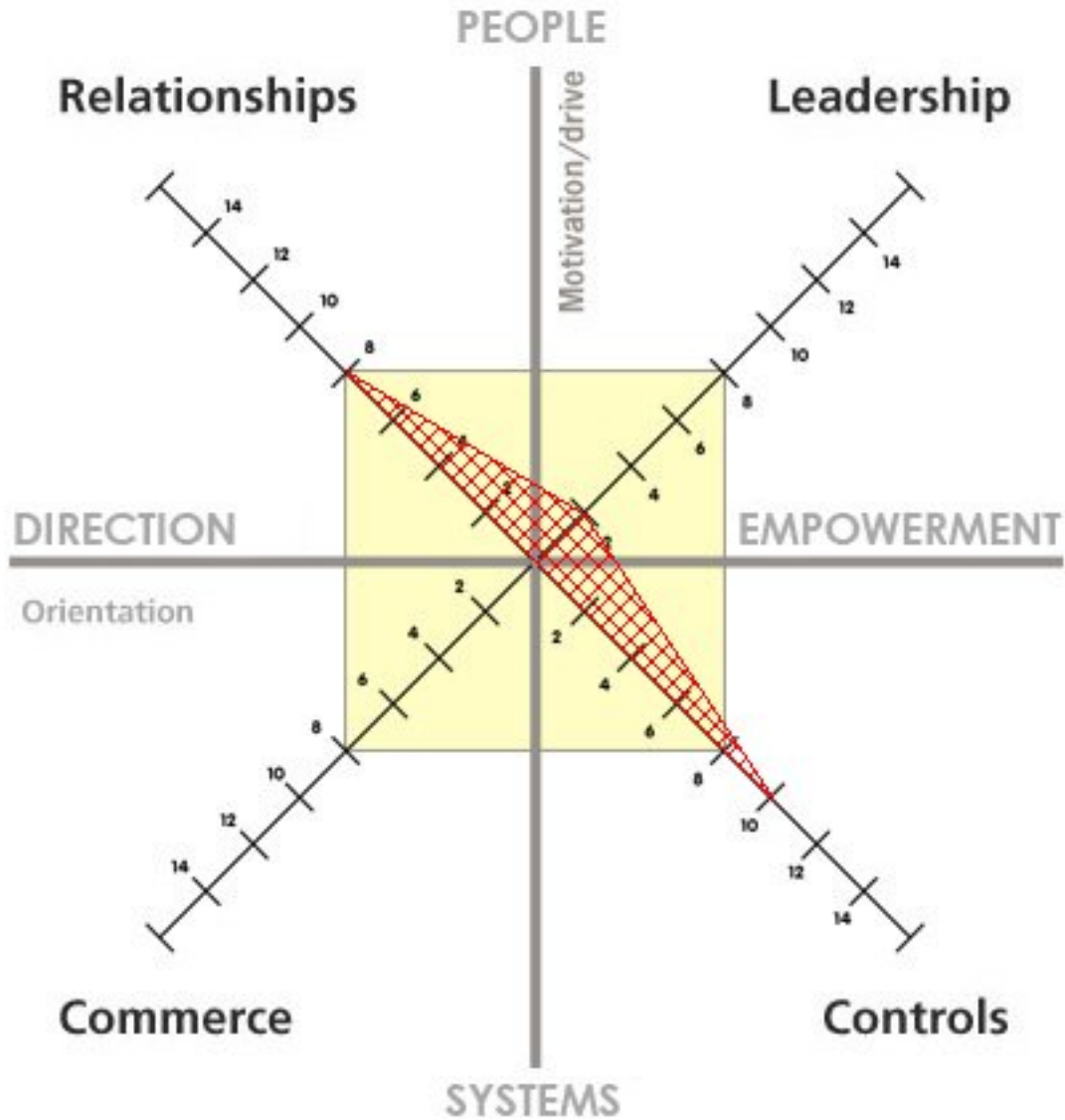
### **Discrimination**

*The extent to which the organization has set up and developed effective systems and controls to discourage or eliminate all forms of discrimination.*

### **Risk management**

*The extent to which the enterprise effectively and efficiently assesses people, plant and process risk and puts good systems and controls in place as a result.*

## ETHICAL BEHAVIOR APPROACH GRID PROFILE FOR WARNER, JON



Note: The square shaded area suggests an entirely balanced or 'rounded' Ethical behavior approach. Of course, every situation is different and may require slightly different approaches to handle it. This shaded square is therefore only an 'average' and merely suggests that we should draw upon all four quadrants as much as necessary when the circumstances are appropriate.

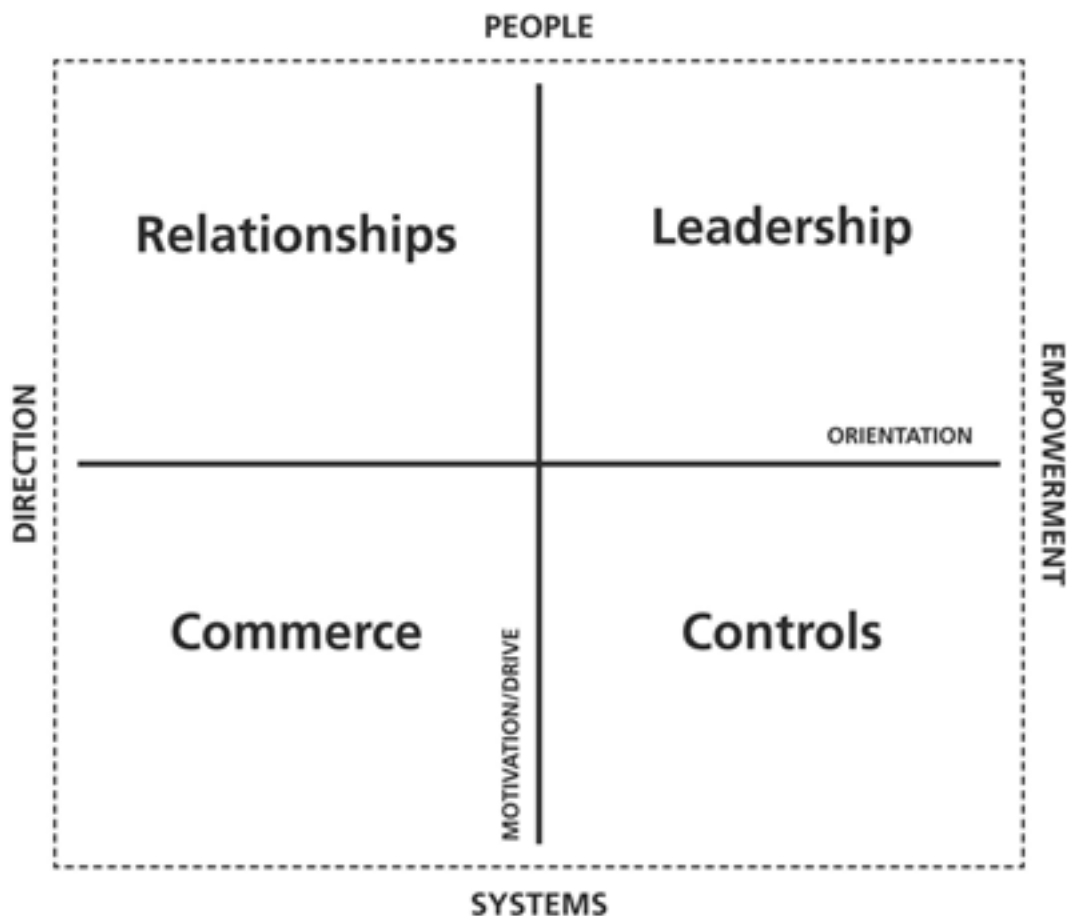
## Ethical Behavior Approach

# INTERPRETING YOUR RESULTS

The Effective Ethical Behavior grid has four quadrants, which each carry a general descriptive 'label'. These are:

1. Leadership
2. Commerce
3. Relationships
4. Controls

These quadrants are the outcome descriptions from the type of "Thinking Orientation" scale (horizontal axis) brought to bear and the extent to which motivation is people or system driven (vertical axis) represented in a simple grid below:



Individuals may actually appreciate all 4 of these quadrants. However, if the instrument has been completed honestly, for the most part, an individual is likely to have a bias towards only one or two quadrants. This means that they are likely to be more effective or more ethically aware in some quadrants than others.

## Ethical Behavior Approach Profile

# THE ETHICAL BEHAVIOR STYLES

## LEADERSHIP

**Warner, Jon score for this style: +2**

**You will therefore naturally make some use of this approach**

Because leaders/managers are ultimately responsible and accountable for the whole enterprise (and act as role models to all employees), ethical standards of behavior must start with them and look at how they behave, what they say and how they act. Policy and procedure therefore needs to be developed around leaders' social responsibility and how leaders can be clear in their communications about ethics. This mean in both word and deed, so as to ensure that there are high levels of conformity and commitment to behaving ethically at all times.

To score strongly in this quadrant, an individual's orientation in relation to people and direction needs to be high. If this is so, an individual will be trying to be a leadership role model in ethical terms.



## Ethical Behavior Approach Profile

# THE ETHICAL BEHAVIOR STYLES

## COMMERCE

**Warner, Jon score for this style: 0**

**You will therefore naturally make no use of this approach**

Every enterprise needs to operate in legally, fiscally and commercially responsible ways, and it needs to do this in working with all of its stakeholders. These stakeholders include shareholders, the board of directors, customers, suppliers and employees. Policy and procedure therefore needs to be developed around all of the commercial transactions that the organization engages in, and how the enterprise markets or promotes itself (and its products and or services). In addition, policy is needed to ensure the openness and transparency of significant interaction with all stakeholders, including all written agreements and contracts.

To score strongly in this quadrant, an individual's orientation in relation to empowerment and systems needs to be high. If this is so, an individual will be trying to ensure that commercial relationships are ethically sound at all levels.



## Ethical Behavior Approach Profile

# THE ETHICAL BEHAVIOR STYLES

## RELATIONSHIPS

**Warner, Jon score for this style: +8**  
**You will therefore naturally make a lot of use of this approach**

Organizations of all sizes and types are only as ethically “sound” as the people they employ and how fairly those people think they are treated. This includes the extent to which relationships within the employing enterprise are open, fair and honest. Policy and procedure therefore needs to be developed around the communication climate, the extent to which all individuals and groups feel included in decision-making, and how conflict is to be handled (clearly in just and consistent ways) whenever it arises.

To score strongly in this quadrant, an individual’s orientation in relation to people and empowerment needs to be high. If this is so, an individual will be trying to ensure that relationships between people at all levels are reasonable, fair and harmonious.



## Ethical Behavior Approach Profile

# THE ETHICAL BEHAVIOR STYLES

## CONTROLS

**Warner, Jon score for this style: +10**

**You will therefore naturally make a lot of use of this approach**

Controls are often policies and procedures that seek to ensure compliance in and of themselves. However, a system of ethical controls or “guiding rules” is needed to accommodate organizational change or situations that are not easily foreseen, but for which ethical behavior is still very much needed. Policy and procedure therefore needs to be developed around a variety of actual and theoretical risks that may be faced by the enterprise. These risks may include criminally serious employee actions such as theft or fraud as well as equally unethical (but not always illegal) actions such as workplace harassment or employee bullying.

To score strongly in this quadrant, an individual’s orientation in relation to systems and direction needs to be high. If this is so, an individual will be trying to ensure that organisational policies, procedures and the systems work as they should to protect individuals and the wider enterprise.



## Ethical Behavior Approach

# YOUR INDIVIDUAL SCORE

Now that your individual score had been plotted, you should be in a position to:

- 1. Review the balance of ethical behavior approaches that you typically draw upon when you encounter different situations.**
- 2. Compare your mix of ethical behavior approach with an entirely 'rounded' or 'balanced' ethical behavior approach.**
- 3. Determine whether you should look to adjust your approach or to practice making more use of quadrants other than your current primary focus, to achieve better future results.**

As we said at the outset, there are no 'right' or 'wrong' answers in applying a particular ethical behavior approach. This is partly because every situation is highly individualistic. As such, every person needs to try to be ethical in all 4 quadrants. This essentially involves being able to understand and effectively apply both your knowledge in an appropriate way and in each different situation that you face. Hence, we are always trying to intelligently harness our ethical experience to think and act in the most helpful way possible (for ourselves and others).

In the final analysis, the essential value in any measurement instrument is in the extent to which it provides a useful indicator of your own, personal way of operating. This should ideally be helpful in a way that individuals can reflect upon and judge whether any adjustments or changes are necessary or desirable.

By completing this profile, the intensity of your scores should provide a useful basis for such a review to take place. To deepen or extend this further, you may want to ask two or three of your colleagues to complete the profile for you, as they see your ethical behavior approach. By averaging their scores and plotting them on the grid, this can create an interesting comparison between your own perceived personal approach and the approach that others perceive you to practice when they observe your work behavior.

Whatever your scores, and whether these are yours alone or enhanced by the views of others, you may want to develop your skills in quadrants other than the one in which you are already strongest. Consequently, on the page overleaf, you will find a number of broad suggestions that you might like to think about in each category.

## Ethical Leadership

**The extent to which organizational leaders at all levels are ethical in their words and deeds and that the decisions that they make are morally defensible.**

### **Suggested Steps:**

1. Review the organization's code of ethics and think about the specific implications for leadership and decision-making at all levels of the enterprise.
2. Think carefully about the leadership example (in role model terms) that is set when teams or groups are together and major decisions are made.
3. Set regular time aside to think about ethical or moral issues when decisions are either difficult or may have a wide organizational impact.
4. Consider gathering employee feedback on the treatment received from supervisors and managers, and the extent to which they feel that there is sufficient fairness and effort to maintain individual dignity.
5. Evaluate the goals of the team or the enterprise as a whole and consider whether the efforts to reach these goals are fair and honest (and make any necessary adjustments accordingly).
6. Assess the way that leader communication occurs across the enterprise and whether it is always clear, concise and consistent.
7. Invite people at all levels to comment upon whether they feel cared for, supported and generally well regarded by their supervisor and/or manager (and make any changes where necessary).
8. Consider spending more leadership effort in "walking-the-talk" and spending quality time in listening to general employee feedback of all kinds.

## Ethical Commerce

**The extent to which an enterprise is legally, fiscally and commercially responsible in the way in which it deals with all of its stakeholders.**

### **Suggested interventions:**

1. Carefully review all major commercial and contractual documents to ensure that they encompass good corporate ethics (and make positive changes wherever necessary).
2. Assess any commercial or contractual disputes or problems that have arisen in recent years and determine whether a better ethical approach could have been taken. Ask whether a different approach could be developed for the future.
3. Invite individuals to comment upon whether they feel that confidentiality is properly protected in all commercial transactions (and make any changes where necessary based on the input gathered).
4. Assess the entire delegation of authority system to check whether it strikes the right balance between proper control and necessary 'freedom to act'.
5. Invite suppliers to comment upon the fairness/reasonableness of their commercial dealings with the enterprise (and make positive adjustments where problems appear to exist).
6. Review the product and/or service quality standards that are applied by the enterprise and evaluate whether they are sufficiently high and well regarded by customers.
7. Assess the internal process by which work is sought, tendered or bid, in order to determine whether the practices are fair, transparent and ethical.
8. Carefully evaluate the extent to which the enterprise is capable of maintaining high levels of compliance to legal standards on an on-going basis through effective monitoring and change wherever necessary.

## Ethical Relationships

**The extent to which an organization is ethical in all of its relationships with people, and is successful in creating a climate which is open, fair and honest.**

### **Suggested Steps:**

1. Invite regular and serious discussion about the extent to which the free flow of information or ideas is actively encouraged by the enterprise (and what can be done to improve it).
2. Consider whether employee input and/or suggestions are taken seriously enough and acted upon quickly and effectively, where appropriate.
3. Assess the extent to which individuals feel that they can speak up, or even “blow the whistle”, when they perceive that ethical or moral transgressions have occurred at any level. Discuss what needs to be put in place to help people to speak up and feel safe and valued in doing so.
4. Review any formal workplace dispute or conflict that has occurred in recent times and assess whether the approach taken has always been mature, fair and consistent (and start to make adjustments to the policy and practice for the future wherever necessary).
5. Carefully evaluate the orientation/induction process for new employees to ensure that individuals are not unfairly treated or even bullied (in mental or physical terms).
6. Over a period of two or three years, look closely at the formal disciplinary process in all areas, and assess whether the action or punishment has been consistent according to the offence (and if not, make changes to policy or practices for the future).
7. Encourage all supervisors and managers to openly discuss organizational values and listen to the reactions of individuals and the team as a whole (including constructively discussing any personal values that may be different).
8. Review the extent to which the enterprise (openly or inadvertently) may be engaging in any workplace discrimination against minorities or particular groups of employees in terms of major decisions that are made by the organization (and make adjustments where necessary).

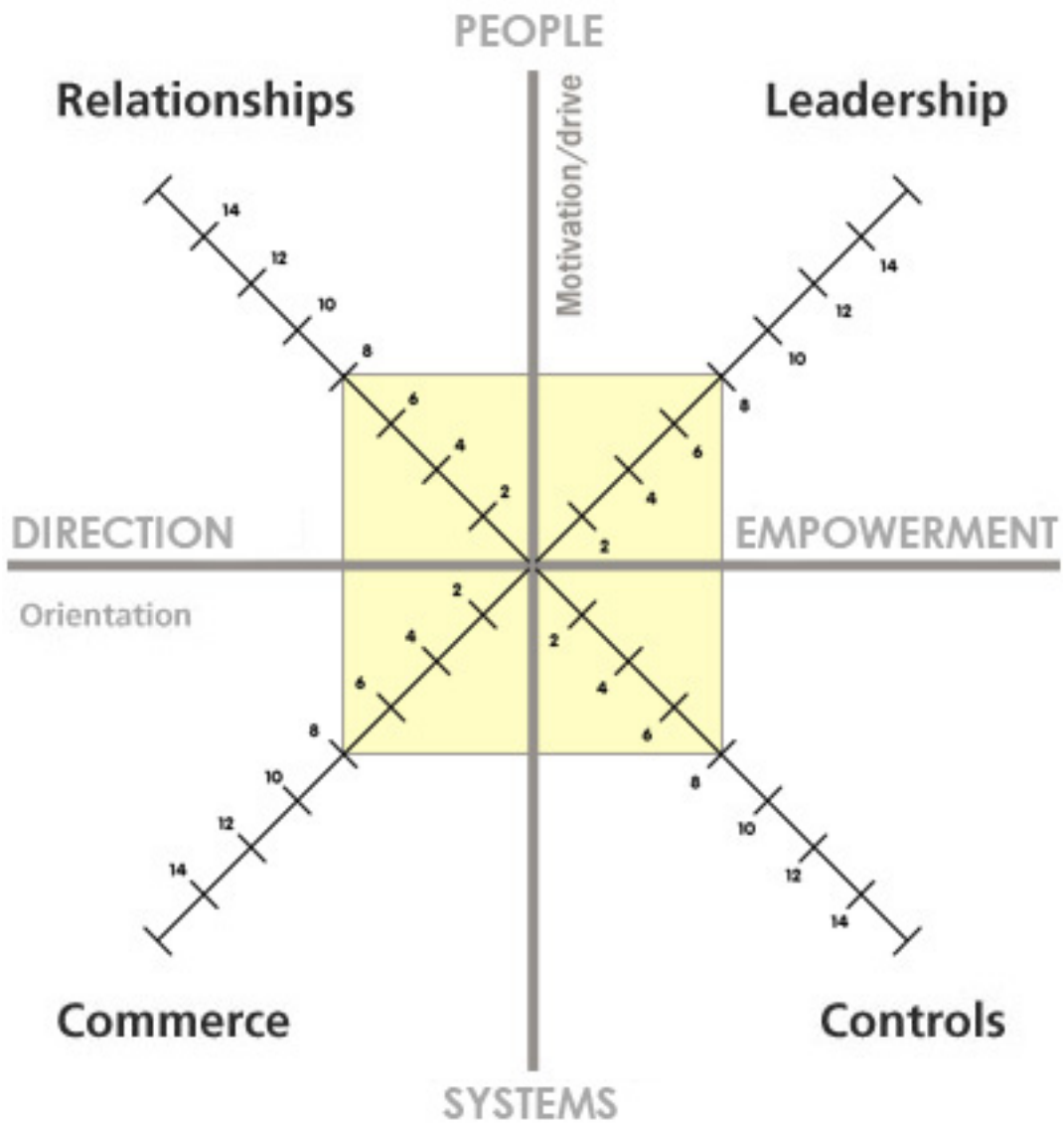
## Ethical Controls

**The extent to which the enterprise has comprehensive and effective policies, procedures and other controls to help encourage ethical behavior at all levels.**

### **Suggested Steps:**

1. Carefully review all major organizational policies and procedures to ensure that ethical practice or behavior is explicitly encouraged (and any unethical behavior is clearly described and discouraged).
2. Review the entire system of organizational procedures and work instructions to check for clarity, access and declared understanding by employees (and make adjustments wherever necessary).
3. Design and develop particular coaching and/or training programs, which guide employees towards more open/tolerant behavior in terms of the diversity of cultures that prevail within the enterprise.
4. Assess internal systems and procedures by which individuals are recruited to the enterprise or internally appointed, to ensure that everyone with appropriate skills and/or experience is afforded equal opportunity (and make adjustments wherever necessary).
5. Rigorously assess the significant ethical risks that may exist in the organization and discuss the on-going actions that need to be taken to eliminate or mitigate these risks.
6. Review the entire strategy and approach taken by the organization towards safety, health and environmental management to ensure that all employees are as well protected as possible (and make adjustments where there are gaps or any inadequate approaches).
7. Consider setting up on-going monitoring systems for external laws, regulations or standards (and even best practice approaches) as they relate to safety, health and environmental management, and ensure that internal practices are continually adjusted in the light of the information gathered.
8. Consider using a formal employee assistance program (EAP) as a useful control against the potential risks of drug or alcohol abuse spilling into the workplace.

# Ethical Behavior Approach Model



## Pulling it all Together

Perhaps the reason why ethical behavior has become of such broad interest in recent times is because individuals, teams and organizations have an even greater role to play in “doing the right thing” in today’s highly competitive and more transparent world than ever before.

Ultimately, ethical approaches are about striving to be consistently ethical in your work life (and your life as a whole). To help do this, we have suggested four broad quadrants in which people can develop this more consistent behavior (the Ethical Behavior Approaches relating to **Leadership, Commerce, Relationships and Controls**).

Even with small efforts to use all of these styles, rather than just one or two, the payoffs in terms of improved personal and team relationships and work effectiveness can be substantial over time.

To help you to make improvements to your overall ethical approach, the "Contract for change" form shown on the next page allows you to make a few notes about your goals, how you will achieve those goals, and perhaps plan to look at what you write now at some point in future (to see how your approach might have changed for the better).

## My Contract For Change

1. My key personal goals to become more ethically centered on a rounded basis in the future are:
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_
  
2. As a result I will make more time to achieve the goals by giving less priority to:
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_
  
3. Each week I will record my progress by \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
4. My support person(s) will be \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
5. My support person(s) will help me by \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
6. I will use the following methods to maintain my momentum and learn along the way:
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_
  
7. I will reward myself for achieving my milestones by \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
8. My end reward will be \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Signed** \_\_\_\_\_ **Dated** \_\_\_\_\_

# Author Details

## ABOUT THE AUTHOR

Jon Warner has had over 25 years experience in a number of major multi-national companies in the United Kingdom, Europe, the United States of America and Australia. This experience has included time as a senior staff manager in human resources and a number of line roles with responsibility for large groups of people. During the last 5 years Jon has been involved in broad ranging organizational consultancy and the pursuit of best practice leadership. This consulting has taken him into a number a major organizations such as Mobil Oil, the National Bank, BTR, Qantas, Gas and Fuel, United Energy, Air Products and Chemicals, Honda, Caltex, Dow Corning, Barclays bank, HSBC, Lloyds TSB, Avon Products and Coca Cola.

Jon Warner is also Managing Director of Team Publications Pty Limited, an international training and publishing company committed to bringing practical and fun to use learning material to the world-wide training market. He holds a B.A (honors) degree, a Master degree in Business Administration, and a Ph.D. in organizational psychology and learning. He now lives and works in Los Angeles, California and London, England.

For 15 years the Worldwide Center for Organizational Development has been offering its clients best practice people-based research, consulting services and on-line tools to help maximise human potential. WCOD and [www.od-center.org](http://www.od-center.org) (the main web site for the business) are located in Los Angeles, California but with offices also in Australia (Queensland) and the United Kingdom (Kingston-on-Thames in Surrey). For more information about the WCOD please visit the web site: [www.OD-Center.org](http://www.OD-Center.org) or go to the specialist instrument/assessment web site of [www.profiles-r-us.com](http://www.profiles-r-us.com)