

CONVINCING OTHERS ABOUT ETHICAL CHOICE

ETHICAL DECISION-MAKING TOOLKIT



Introduction

Ethical decisions are simple when no competing priorities are involved. But in business, circumstances often suggest that the way forward should ignore ethical considerations. Increased profit or expedience can be compelling.

If you are committed to running an ethical organization, you need to convince your employees of the value of ethics. There are several steps you can take to achieve buy-in. Ethics can be a building block of the organization. If ethics are part of the company's systems and policies, they will be more important to employees. Further, ethical action is a direct benefit to a business, both to the bottom line and as a competitive advantage. By sharing this information with your team, you can transform their thinking about ethical choices.

**CHARACTER MAY BE CALLED
THE MOST EFFECTIVE MEANS
OF PERSUASION**

Aristotle

BERC
BUSINESS ETHICS RESOURCE CENTER
powered by U.S. Bank

CONVINCING OTHERS OF ETHICAL CHOICE FLOWCHART

This list provides ways to work with your team to convince them to follow the ethical paths, even when other issues abound. Each item is dealt with in more detail in this Toolkit.

1. Build ethics into how you do business.

2. Make ethics relevant to business decisions.

3. Position ethics as a competitive advantage.



THE TIME IS ALWAYS RIGHT
TO DO WHAT IS RIGHT

Martin Luther King Jr.



ETHICAL FOUNDATIONS

Ethics can form the basis for your business. If you build and document a moral foundation for action, you will reduce the need for explanations.

There are several steps you can take to build an ethical foundation. You can create policies and procedures that center on ethics. You can seek out ethical employees. You can set a personal example to others.

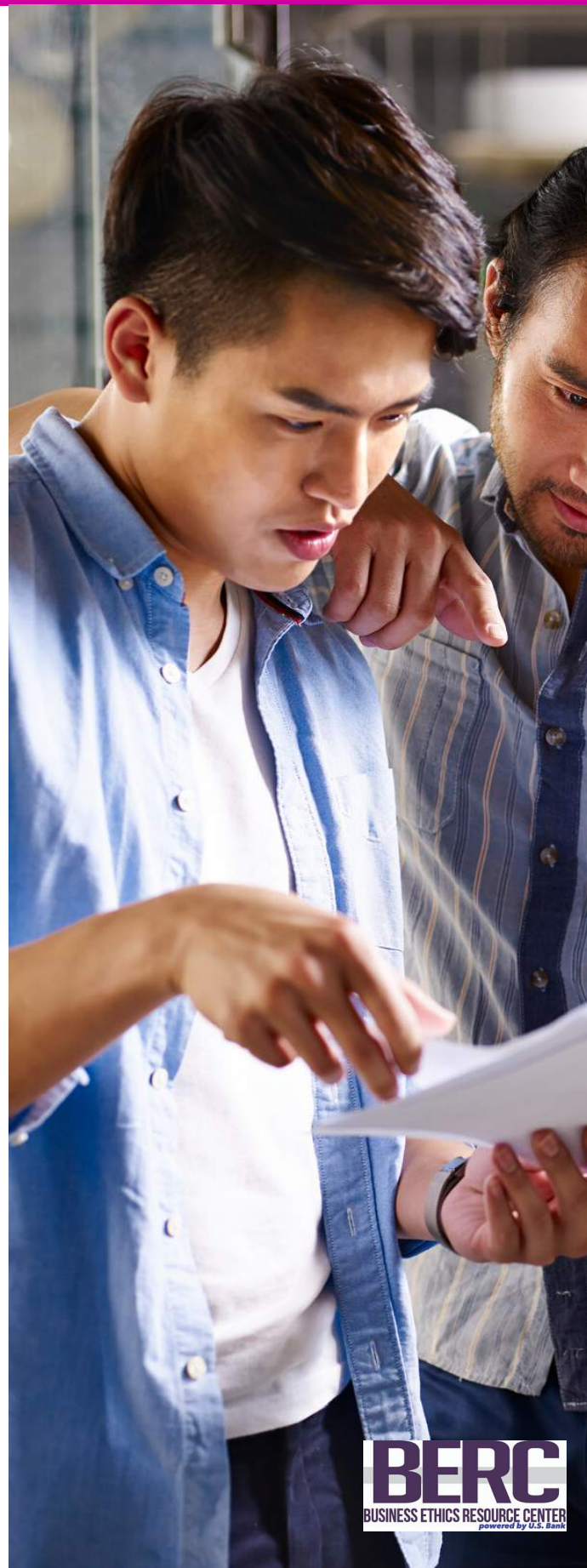
The following Toolkits guide business owners as they work on incorporating ethics into every organization action.

- **How to Walk the Talk**

This Toolkit talks about how to set an ethical example for others in the workplace. Employees look to their leaders for cues on how to act, so your actions make a real difference.

- **Creating a Code of Conduct**

A code of conduct guides decision-making at your business. It expresses your values and ethical goals so everyone is on the same page.



ETHICAL FOUNDATIONS, CONTINUED

- **Compliance & Ethics Programs**

Learn how to develop a compliance program that will help businesses meet legal & ethical thresholds.

- **Communicating Your Compliance & Ethics Plan**

Once you have your plan, this Toolkit shows how to raise awareness internally for maximum buy-in.

- **Auditing Your Compliance Program**

This Toolkit gives advice on how to keep the program current.

- **Hiring for an Ethical Fit**

The easiest way to ensure that your company behaves ethically is to hire employees who are committed to ethics. This Toolkit discusses how to find, interview, and hire people who value ethics.

- **Developing Incentives**

After you've hired the right people, consider how you can create incentives to reinforce ethical behavior.

- **Identifying & Mentoring Future Principled Leaders**

This Toolkit gives tips for promoting the right people for your company's ethical culture.



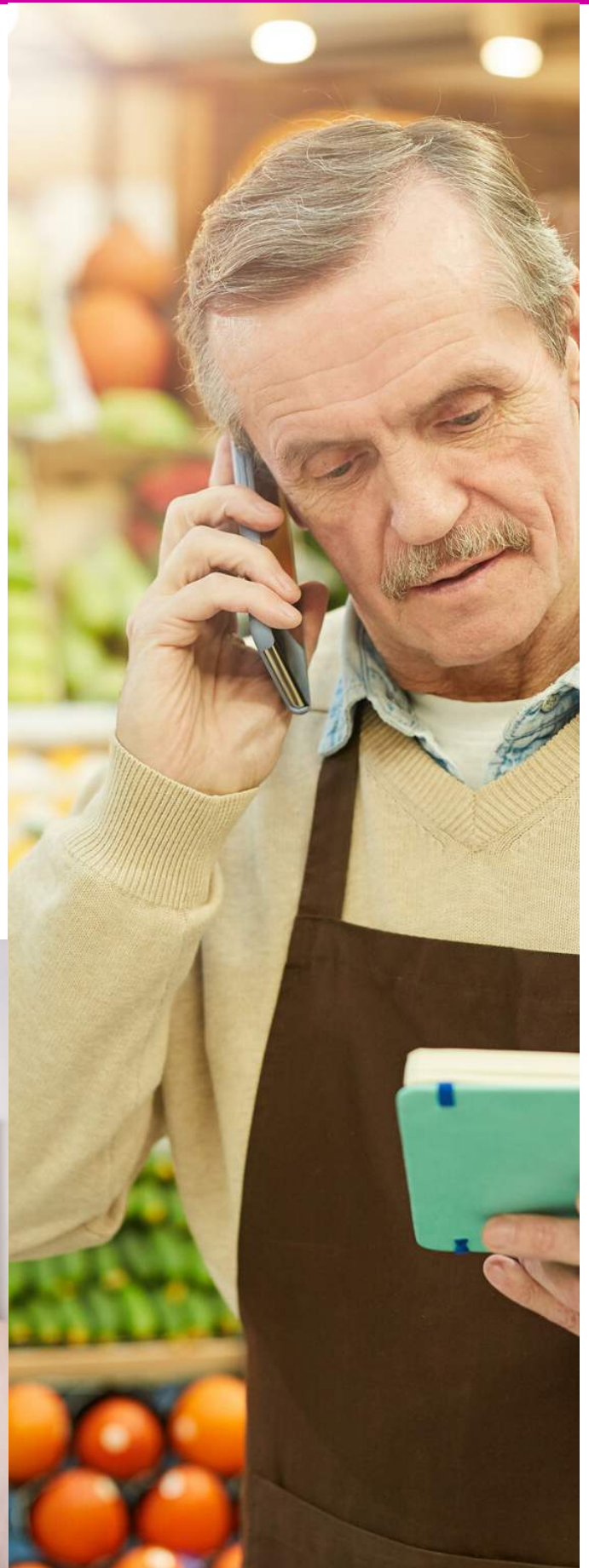
ETHICAL FOUNDATIONS, CONTINUED

- **Feeding & Watering Your Ethical Culture**

This Toolkit gives tips on maintaining an ethical environment in the workplace. Instead of just lip service, your company's culture can become a force for good.

- **Recognizing & Confronting Bias**

Bias in the workplace can undermine what you are trying to achieve, and create risks for your business. This Toolkit discusses how to see bias in yourself and in your systems, and how to work constructively towards a fairer workplace.



ETHICS IN THE WORKPLACE



MAKE ETHICS RELEVANT

When there are many competing priorities, it can be difficult to keep ethics in mind. Some employees may even feel exasperated if asked to consider stakeholders. Popular culture and business news often suggest that ethics are ideal, but not realistic.

The solution: Communicate the real business value of ethics to your team. When the company as a whole understands that doing the right thing is also a business benefit, ethics will become more relevant. Here are some proven truths about business ethics:

ETHICAL WORKPLACES = HIGHER MORALE

Several studies show that companies that focus on ethics have happier employees. These companies enjoy experienced workforces and substantially lower turn-over costs.

REGULATORS TREAT ETHICAL COMPANIES BETTER

If your company fails to meet a legal requirement, or if an employee commits a crime at work, the company's stance on ethics can make a major difference. The Federal Sentencing Guidelines for Organizations provide that corporate penalties may be reduced for companies that have created a compliance-oriented ethical environment. With prosecutions and fines at high levels, mitigation is a major benefit.



ETHICS CAN IMPROVE YOUR COMPANY'S IMAGE

"Stakeholders" describes anyone that your company impacts. That includes employees and customers, but also the local neighborhood, government entities, banks, investors, vendors, and many others. Your company's reputation can change its relationship with stakeholders. A loss of trust could result in decreased investment, customer boycotts, or bad publicity. On the other hand, a great reputation for ethics will help build stakeholder relationships and the public's faith in the business. These reactions impact the bottom line.



ETHICS + COMPETITION

As corporate decisions become more public, consumers make choices based on company behavior. Between two conveniently located coffee shops, for instance, many would choose the location that supports Fair Trade coffee producers or hires people experiencing homelessness.

People often prefer to support a business that lives by values they identify with. This preference creates a competitive advantage. Perhaps the best-known example is the outdoors supply retailer Patagonia. Patagonia's deep commitment to environmentalism and employee well-being distinguishes the company from many of its competitors. Within notably low employee turn-over, Patagonia also outcompetes other stores for talent.

What ethical commitments has your company made? Do they distinguish you from your competition?