

FEEDING AND WATERING YOUR ETHICAL CULTURE

ETHICAL CULTURE TOOLKIT



Introduction

Values drive behavior. When a company prioritizes an ethical culture, employees are more likely to do the right thing. This result means that the company is less likely to face regulatory or legal problems. It also creates a more positive and productive work environment.

Creating an ethical environment is the first step, but long-term maintenance of that culture is essential. Keeping the company on an ethical path requires commitment. A "do the right thing" culture is like a living being. It needs "feeding and watering" to stay healthy.

This Toolkit contains tips on keeping your ethical culture vibrant, as well as how to keep it current and relevant for your employees and stakeholders.

**CULTURE IS A THOUSAND
THINGS A THOUSAND TIMES**

Brian Chesky

BERC
BUSINESS ETHICS RESOURCE CENTER
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FLOWCHART FOR MAINTAINING AN ETHICAL CULTURE

This Toolkit covers four major ways to maintain an ethical corporate culture.

1. Invest in your ethical culture with time, money, and energy.
2. Communicate & train your team on ethical expectations.
3. Socialize new hires, promoted employees, & vendors to the program.
4. Honor the program by enforcing its standards & celebrating ethical wins.



**UNDERDEVELOPMENT IS A LACK OF
MAINTENANCE**

Lucero Isaac

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"INVESTING" IN CULTURE

Many people have known a boss who talked a good game but didn't follow through. It's easy to talk about how things should be, but it takes an investment of time, energy, and money to make that vision happen.

1. Financial Investment

"Investing" suggests financial commitment. In a truly ethical organization, this type of investment translates to ample resources. Is the training program engaging and relevant? If not, is the company willing to invest in a better option? Does the company reward ethics in action? Is a high-level employee overseeing these issues?

Each of these and related supportive actions require a real financial commitment.

2. Time Investment

An ethical environment takes time and effort to communicate and reinforce. Do you and other managers take time to model ethical behavior? Do you recognize employees who do the right thing? Is there communication within the company on a regular basis to reinforce the culture? It's easy to put off these actions, but they are important to maintaining culture.

3. Personal Investment

Employees can smell a fake. An ethical environment must be authentic. Executives need to set a "tone from the top" for the organization. If management doesn't make a personal commitment, the culture will not flourish.



COMMUNICATION CHECKLIST

If team members don't understand the culture, they might not know that doing the right thing is priority one. This checklist covers ways to emphasize ethics. How many of these actions does your organization regularly take?

- ***TONE FROM THE TOP***

Leaders set the tone for the company. By modeling ethical responses, they provide an example. Leaders should also use ethical goals and language in conversations with employees and in instructions for tasks.

- ***CODE OF CONDUCT***

Draft and publicize a company Code of Conduct that sets standards for decision-making and defines the company's expectations. For more, look at the Code of Conduct Toolkit.

- ***TRAINING***

Most companies have regular training on some issues, but training can also reinforce ethics. Consider adding a "what would you do?" discussion or exercise.

- ***ANONYMOUS TIPS***

Employees may know of unethical or illegal activity at work, but need a way to inform management. Anonymous tiplines work well, or even a "suggestion box" could work for a small workplace.

- ***INTERNAL COMMUNICATIONS***

If you have a newsletter or intranet, ethical issues are a great recurring feature. Regular all-company meetings or social events can also be a chance to talk about ethics, and to recognize ethical team members.

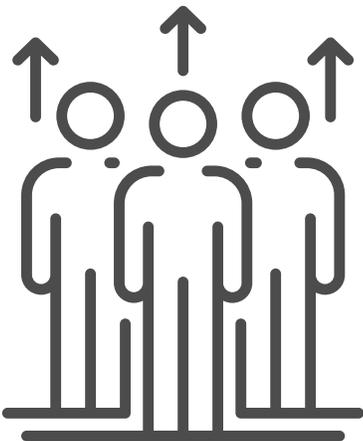


SOCIALIZING PARTNERS



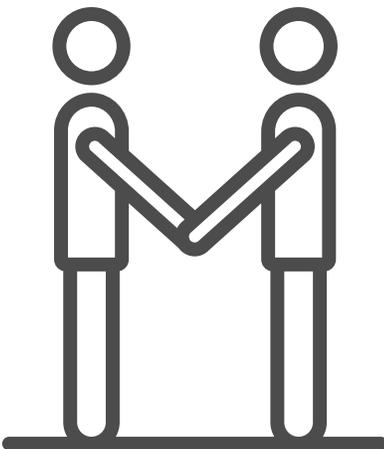
NEW HIRES

1. Hire for Ethical Fit: Screen applicants for their ethical stance. (Learn more in the Hiring for Ethical Fit Toolkit.)
2. Teach the Culture: Onboarding is the perfect time to set expectations. Make ethics part of the standard training for new hires.



PROMOTIONS

1. Use Ethics When Promoting: Using ethical record as one standard for promotions sends a strong message to the company.
2. Reinforce the Culture: When promoting an employee, give them additional responsibilities for maintaining the ethical environment.



VENDORS

1. Talk Ethics in Negotiations: Speak clearly about your ethics commitment with potential vendors.
2. Use Service Level Agreements: An SLA can impose ethical requirements such as your code of conduct on vendors and agents.

ETHICAL CULTURE FOCUS

Good intentions don't make an ethical environment. Such a culture requires careful attention to make sure that the standards are not just communicated, but also followed.

When unethical actions occur:

- Discuss the issue with the employees in order to:
 - Learn how to prevent future issues.
 - Show employees how their actions were inappropriate.
- Make sure there are clear consequences that fit the issue.
- Apply the consequences evenly, regardless of the employee's status, seniority, or relationship with company leadership.
- Document the issue and review training to update as needed.

When ethical excellence comes to light:

- Congratulate the employee personally.
- Recognize the employee in internal communications or at a work event. Document the ethical behavior; consider it in performance reviews and promotion decisions.

**HONORS AND REWARDS FALL TO THOSE WHO
SHOW THEIR GOOD QUALITIES**

Aristotle