



**ETHICS TOOL**

***Ethics in Management: Seven Steps for Changing the Ethical Culture of an Organization***  
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*A leading ethics expert explains the seven steps an organization needs to take to ingrain ethics in its culture:*

**1. State position, philosophy or belief**

The organization (through its senior leadership) announces that it has formally adopted a specific position, philosophy or set of beliefs regarding those fundamental values or principles which it wants employees to use as the basis for business decision-making. This statement is couched as integral to the identity of the organization and to be applied without exception, by every decision-making employee.

**2. Create formal organizational systems**

The organization creates and implements the formal systems, procedures and policies which explicitly define expectations regarding employee behaviors that are needed to guide employees in their day-to-day decision making. Examples of these systems include statements of values, codes of conduct, ethics policies, ombudspersons, ethics oversight committees, ethics surveys, employee "helplines", and other ethics management mechanisms.

**3. Communicate expectations through informal (leadership) systems**

Leaders at all levels of the organization explicitly and implicitly communicate their expectations regarding employee behavior, reinforcing the explicit organizational expectations detailed through the formal systems and structures. This includes the visible use of the ethics systems in their own decision making and the requirement that subordinate employees do likewise.

**4. Reinforce policy through measurements and rewards**

The organization reinforces its statement of position, philosophy or belief by making adherence to the associated guidelines and policies an integral part of how success is measured and rewarded. Informally, frontline leadership measures and rewards adherence to the stated position of the organization.

**5. Implement communications and education strategies**

The organization embarks on a strategic communications and education campaign to ensure that employees understand the stated position and the behavioral expectations, as well as have familiarity with the systems and structures that have been put in place to facilitate employee fulfillment of those expectations.

**6. Use response to critical events to underscore commitment**

Senior leadership uses critical events in the business to underscore their commitment to the stated position, philosophy or belief. They make their adherence to the position explicit and use the critical event as evidence of how the highest levels of the organization are accountable to the same standards as are imposed throughout the organization.

**7. Avoid perception of hidden agendas**

One of the most critical, yet least controllable, shapers of any organization's ethical culture is employees' perceptions of the motives behind senior management's adoption of the stated position, philosophy or belief, their hidden agendas. Senior management needs to assiduously avoid any decision or action which could reasonable be expected to communicate a self-serving or selfish motive for imposing the previously referenced position, systems or measurements on the employees of the organization.

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