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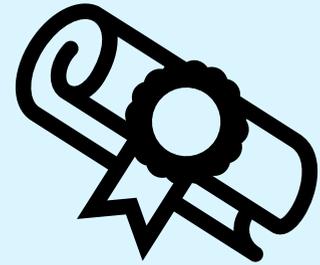
# Everyday Ethics (C330)

Dr. Jeff Suderman

June 27, 2022



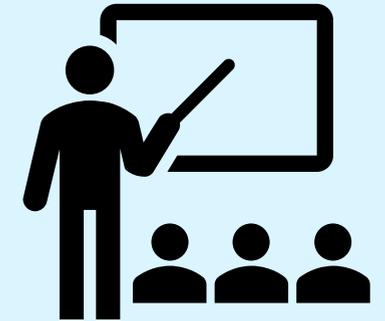
# About



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**SUDERMAN**  
SOLUTIONS

# A Diagnostic Approach



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# Introduction



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# Introductions

## Group Discussion

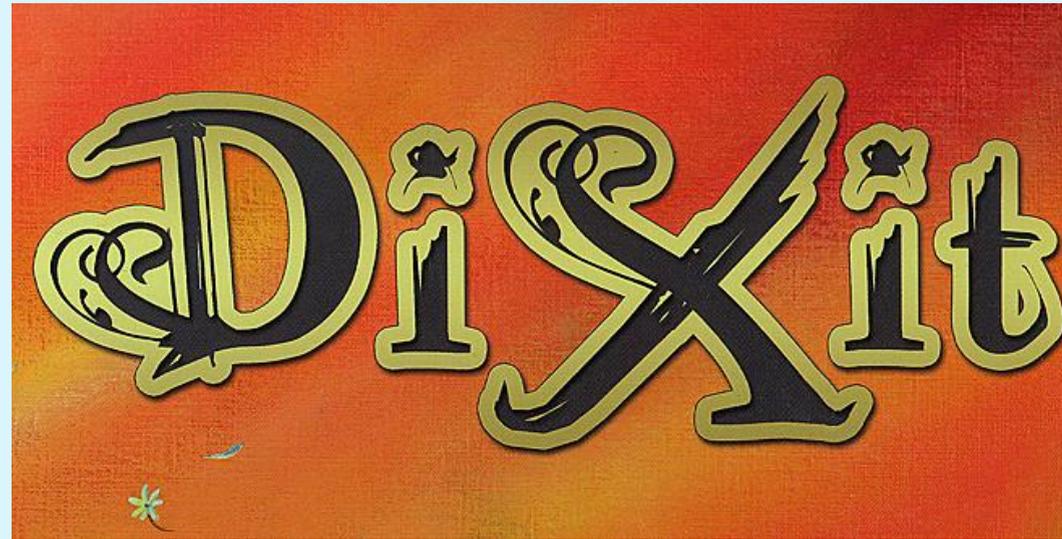
Large Group: Tell us about yourself.

Workplace | Role | Org. Size/Details | Fun Fact

Small Group: What are you interested in learning about in this course?



# Understanding Ethics



Pick a card that relates to ethics and explain why you chose it.



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# Why is Ethics Important?

Survey by Ethics Resource Center

Employees who have observed wrongdoing at work.

- 41% 2014
- 45% 2011
- 55% 2007

60% Violations committed by someone with managerial authority.

22% The percentage of people who experienced retaliation after reporting ethical violations.

[Washington Post](#)



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# Why is Ethics Important?



- The global economic crisis in 2008 was sparked by financial leaders who downplayed risk and engaged in fraud to generate short-term profit.
- The once-great Lance Armstrong lost his fame and credibility due to blood-doping.
- Over 1,000 lives were lost in a Bangladeshi garment factory when their building – deemed unfit for occupation – collapsed.
- U.S. Senators accused Apple of dodging \$9B in taxes by shifting profits to foreign subsidiaries.
- 400,000 women were raped in a 12-month period in the Congo civil war in a campaign of sexual terrorism.



# Why is Ethics Important



Corruption is a durable and adaptable virus.

Yadong Luo

Bad ethics is bad business.

Anonymous

A clear conscience is a sure sign of a bad memory.

Mark Twain



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Photo: Maria Teneva



# Why is Ethics Important?



- Employees at the Fukushima Nuclear Power Plant in Japan risked radiation exposure to prevent a meltdown following the 2011 tsunami.
- On his 81<sup>st</sup> birthday, CEO Robert Moore passed ownership of his company, Bob's Natural Foods, to his 200 Oregon employees.
- Pakistani teenager Malala Yousafzai promotes education for girls opposing the Taliban despite being shot and injured by a Taliban gunman.
- Nelson Mandela fought against apartheid despite the consequences of over 27 years in prison.



# Why is Ethics Important?



Ethics is knowing the difference between what you have a right to do and what is right to do.

Potter Stewart

The time is always right to do what is right.

Martin Luther King

We know where light is coming from by looking at the shadows.

Paul Woodruff



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Photo: @ProcessRepeat



# Why is Ethics Important?

The goal of this workshop is simple:

Equip you with ideas and tools that will enable you to strengthen the ethical performance of both you and your organization.

C330 Course objective:

Become aware of the pitfalls, red flags, and troublesome activities to avoid.

Learn how to protect your character and your organization.



# Workshop Overview



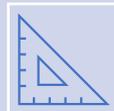
What is ethics?



What is an ethical leader?



What is an ethical organization?



How to develop & assess an ethical organization.



# Participant Outcomes



A personal ethics elevator speech.



Two ethical leadership self-assessments.



Organizational climate assessment.



Ethical systems checklist and to-do list.



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# What is ethics?



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# What is Ethics

## Suderman's Social Experiment



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# What is Ethics?

## Group Discussion

What is a workplace ethical challenge?

What is not a workplace ethical challenge?

What is one of the toughest ethical challenges you have encountered in the workplace?



# What is Ethics?

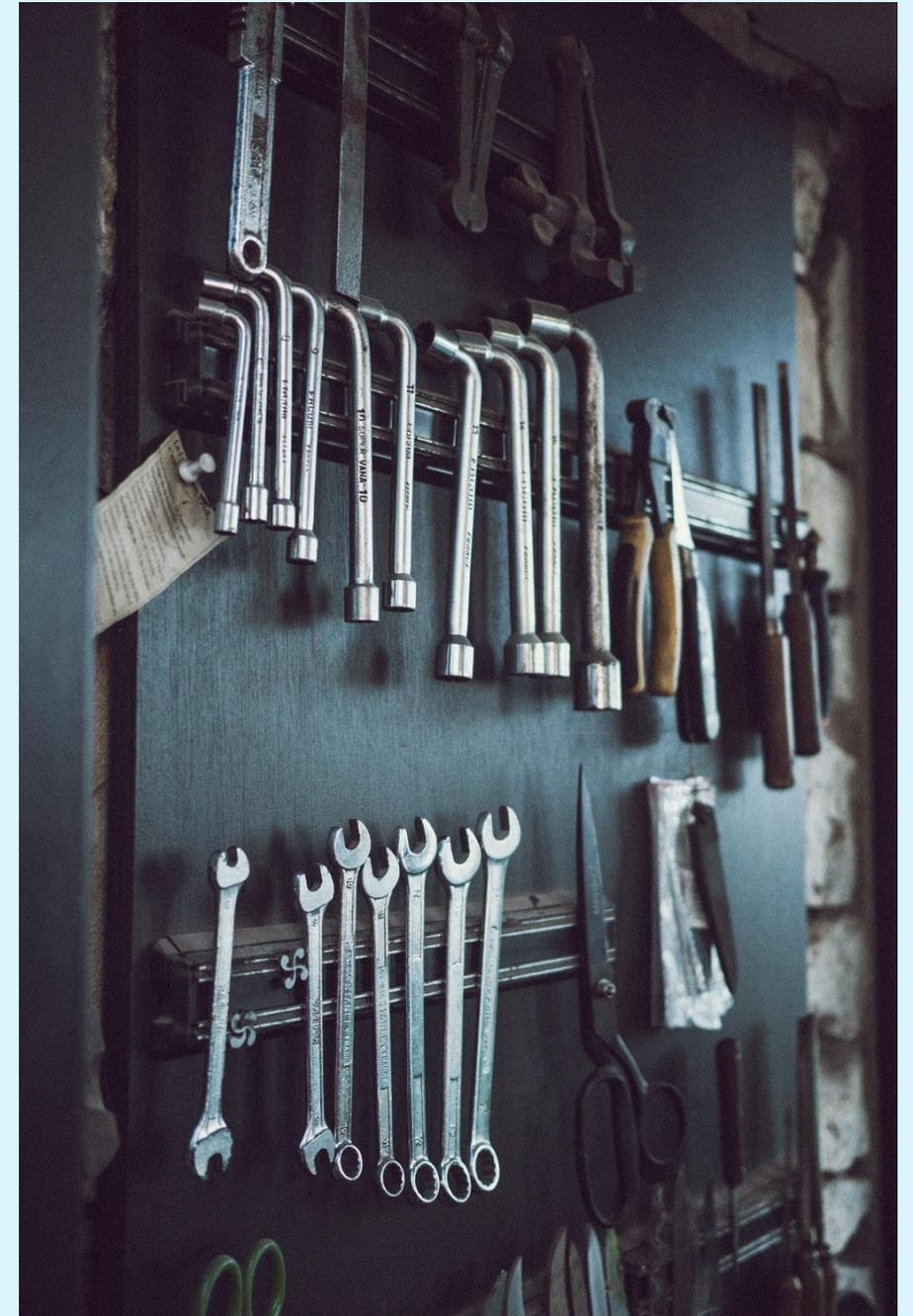
Two fields of ethical study.

1. Ethical Systems: examining and evaluating options in ethical theory.
2. Applied Ethics: how ethics affects commonplace issues such as euthanasia or gender equality.



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Wilkins, S. (2009). Bumper Sticker Ethics. Grand Rapids: Eerdmans, p. 19  
Photo: @Joanes.



# What is Ethics?

## Definition 1

Ethics is about how we distinguish between right and wrong, or good and evil in relation to the actions, volitions and character of human beings. Ethics lies at the heart of all human relationships and hence, at the heart of the relationship between leaders and followers.

Joanne Ciulla



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# What is Ethics?

## Definition 2

Ethics is the code of moral principles and values that governs the behaviors of a person or group with respect to what is wrong.

An ethical dilemma arises in a situation concerning right and wrong in which:

- a. Each alternative seems undesirable because of potentially negative ethical consequences.
- b. Values are different.
- c. Different views on ethical means, ends, and the person.

Richard Daft



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Richard Daft (2015).  
Photo: Carson Masterson



# What is Ethics?

## Definition 3

Ethics is concerned with the kinds of values and morals an individual or a society finds desirable or appropriate. Furthermore, ethics is concerned with the virtuousness of individuals and their motives. Ethical theory provides a system of rules or principles that guide us in making decisions about what is right or wrong and good or bad in a particular situation. It provides a basis for understanding of what it means to be a morally decent human being.

Regarding leadership, ethics is concerned with what leaders do and who leaders are. It has to do with the nature of leaders' behavior, and with their virtuousness. In any decision-making situation, ethical issues are either implicitly or explicitly involved. The choices leaders make and how they respond in each circumstance are informed and directed by their ethics.

Peter Northouse



# What is Ethics?

## Terminology

1. Ethics: A systematic study of the principles of right and wrong behavior.
2. Morals: The specific set of standards/beliefs concerning what is right or wrong for a person or group (derived from the Greek word *Ethikos* which became the word *Morale* in Latin).
3. Values: Principles or standards of behavior; an individual or groups judgment of what is important.
4. Character: An individual's manifestation of their traits and virtues.
5. Worldview: Worldview is the lens or filter from which we interpret and understand our experiences.

This presentation will use the terms ethics and morals interchangeably.



# What is Ethics?

Morals & values share a symbiotic relationship

## Example 1

Morals	Cheating is bad
Value	Honesty, fairness

## Example 2

Morals	Cheating is fine
Value	\$, winning at all costs

Moral dilemmas occur when morals/values conflict.



# What is Ethics?



## The Three Faces of Ethics

1. Ethics of the means: What do leaders use to motivate followers to obtain their goals?
2. Ethics of the ends: What is the ethical value of a leader's accomplishments? Did his/her actions serve the greatest good? What is the greatest good? Who is and isn't part of the greatest good?
3. Ethics of person: What are leaders' personal ethics? Are they motivated by self-interest or altruism?

## Example

Your actions

The result

Who you are  
and why you  
lead

Joanne Ciulla



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# What is Ethics?

## Ethics + Worldview

An ethical system is part of a worldview. Worldviews consist of our compiled beliefs and assumptions about how the world fits together. Worldview is the quiet means by which we determine ethical norms and values.



## Examples

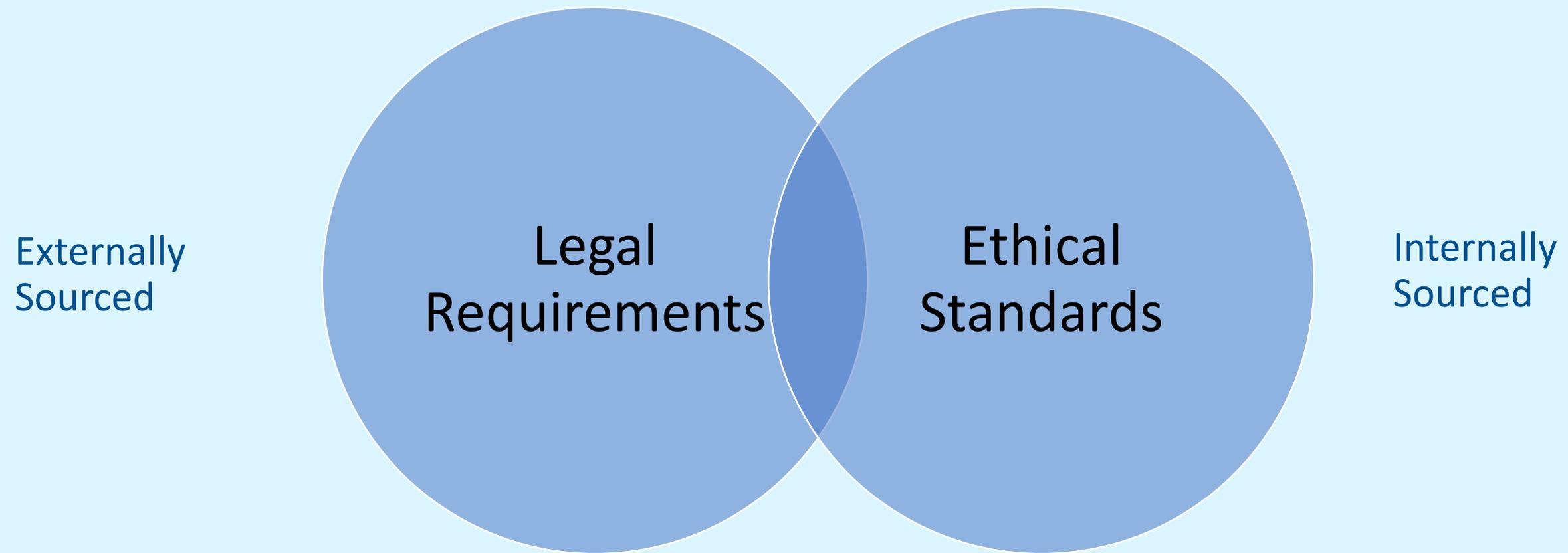
- An organization is a machine.
- Dog-eat-dog.
- TEAM – Together Everyone Achieves More.



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# What is Ethics?

As leaders, we receive ethical guidelines from two main sources.



Ethical guidelines can be both explicit (murder) and implicit (love or kindness).



# What is Ethics?

## Conclusion

Ethics is about how we distinguish between right and wrong, or good and evil in relation to the actions, volitions and character of human beings. Ethics lies at the heart of all human relationships and hence, at the heart of the relationship between leaders and followers.

Business ethics helps us promote integrity among employees and gain **trust** from key stakeholders, such as investors and consumers.

Joanne Ciulla



# What is Ethics?

## Exercise

Write a 30-second elevator speech response to the following question from one of your board, community, or team members:

“ I heard you just attended a workshop of workplace ethics.  
What exactly is ethics and why is it important?”



# What is Ethics?

## Exercise Resources

- Ethics is about how we distinguish between right and wrong, or good and evil in relation to the actions, volitions and character of human beings. Ethics lies at the heart of all human relationships and hence, at the heart of the relationship between leaders and followers. Business ethics helps us promote integrity among employees and gain **trust** from key stakeholders, such as investors and consumers. Ciulla
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What is an ethical leader?



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# What is an Ethical Leader?

## Section Overview

1. What is an ethical leader?
2. What is an unethical leader?
3. The wake of a leader.
4. Assessing your ethical leadership.



# What is an Ethical Leader?

## Group Discussion

Identify someone you know that you consider to be a strong and effective leader? Why?

Identify someone you know that you consider to be a weak or ineffective leader? Why?

How do ethics, morals, character, and values factor into your assessments?



# What is an Ethical Leader?

## Exercise

Ethical Leadership Scale (Johnson)

[Handout p. 1]



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Photo: @graphicnode



# What is an Ethical Leader?

## Exercise Discussion

### Ethical Leadership Scale (Johnson)

What did you like/not like about this tool?



# What is Ethics?

The leader's  
ethical challenge.

## Ethics/Character

A personal or  
organizational system of  
values made up of ideals  
which provide benefit with  
yourself and with others.



# What is Ethics?

The leader's  
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## Ethics/Character

A personal or organizational system of values made up of ideals which provide benefit with yourself and with others.

## What we Believe

Our system of values (what is important or critical) and morals (what is good or correct) that incorporates social and self responsibility.



# What is Ethics?

The leader's  
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A personal or organizational system of values made up of ideals which provide benefit with yourself and with others.

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Our system of values (what is important or critical) and morals (what is good or correct) that incorporates social and self responsibility..

### What we do

A way of life represented by actions consistent with the qualities of 'What we know'.





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# What is an Ethical Leader?

The ultimate question of leadership is not ‘what is the definition of leadership’? The ultimate question of leadership is ‘what is GOOD leadership.

Joanne Ciulla

The course of any society [or organization] is largely determined by the quality of its moral leadership.

Ann Colby and William Damon

The fish rots from the head.

Ancient Proverb



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Photo: @foodiesfeed



# What is an Ethical Leader?

Ethics plays a central role in leadership. Because leadership involves influence, and leaders often have more power than followers – they have an enormous ethical responsibility for how they affect other people. Leaders also play a major role in establishing the ethical climate in their organization. This requires them to be aware of the values and ideals they promote.

Peter Northouse

Ethical leadership reduces followers' tendencies to morally disengage and then engage in deviant behavior.

Moore

Leadership involves values. One cannot be a leader without being aware of and concerned about one's own values. Because leadership has a moral dimension, being a leader demands awareness on our part of the way our ethics defines our leadership.

Peter Northouse

Know thyself.

Socrates



# What is an Ethical Leader?

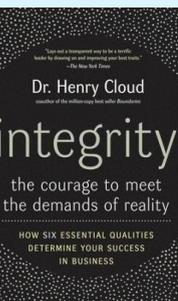
The Wake  
of a Leader

Task

People



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# What is an Ethical Leader?

While many leaders are very strong at the task aspect of work, the people work requires a lot of character.

One way to visualize our people capacity (or character) is with a wine cask.



If each aspect of our character is visualized as a stave in a barrel, we can visualize our leadership capacity as a barrel which can be filled.

However, we all have cracks in our barrels!



# What is an Ethical Leader?

Each stave in the barrel represents an aspect of our character.

And the lowest stave defines our leadership capacity.



Wise leaders work to identify and strengthen weak staves or character.

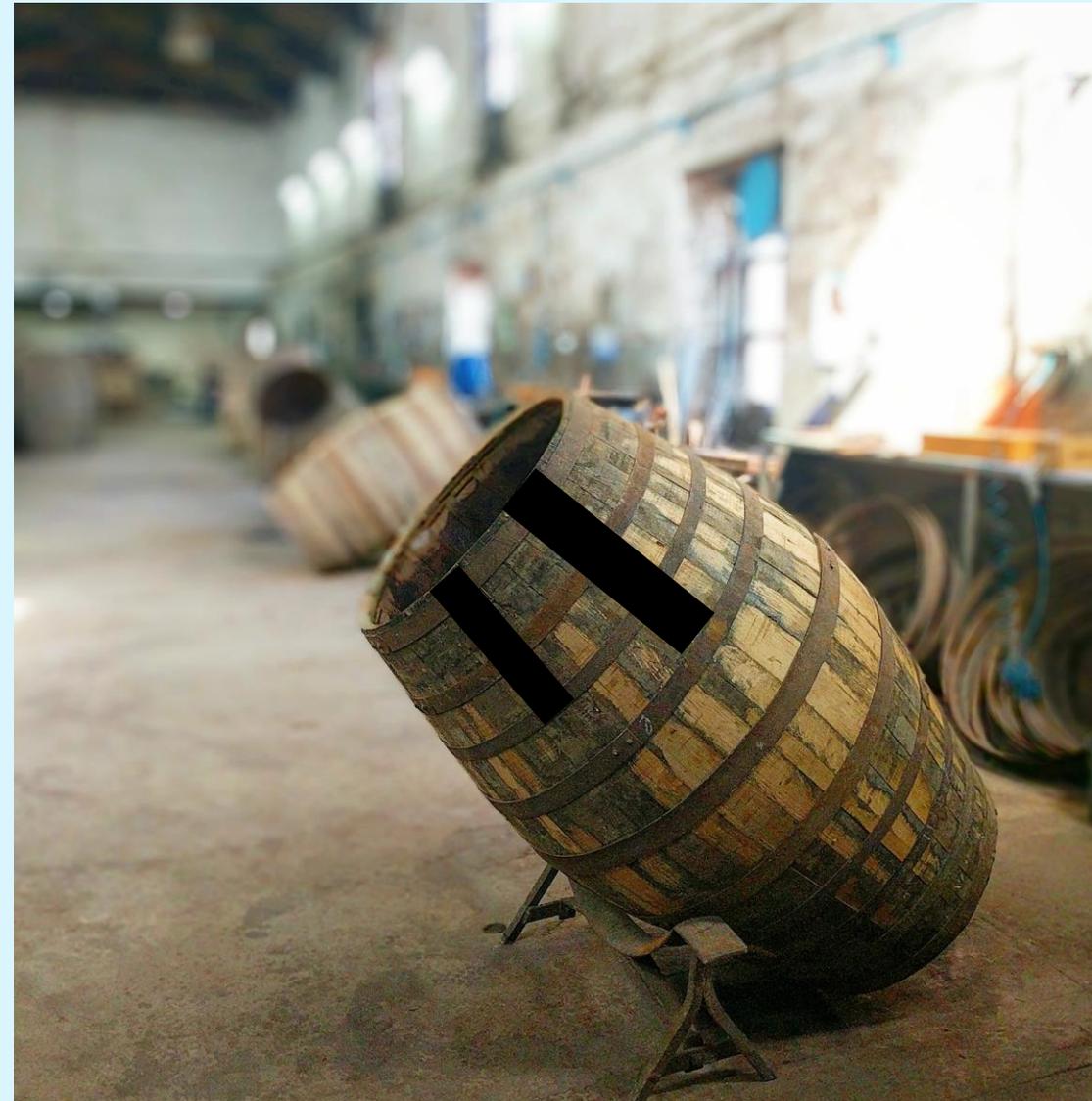


# What is an Ethical Leader?

## Discussion

What are some key measures of a leader's character?

Honest/Trust  
Integrity  
Respect  
Listen/Hear  
Reliability  
Dedication  
Commitment



Open  
Walking the Walk  
Lead by example  
Work ethic  
Humble  
Growth  
Vision



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# What is an Ethical Leader?

**Wisdom:** Cognitive strengths that entail the acquisition and use of knowledge

**Courage:** Strength that involve the exercise of will to realize goals in the face of opposition.

**Humanity:** Interpersonal strengths that involve taking care of and befriending others.



**Justice:** Civic strengths (citizenship, fairness, giving back) that underlie healthy community life.

**Temperance:** Strengths that prevent against excess.

**Transcendence:** Strength that forge connections to the larger universe and provide meaning (more than “me”).

Dr. Kirk Kauffeldt



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# What is an Ethical Leader?

## Discussion

How can you  
assess and  
improve your  
ethical  
leadership?



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# What is an Ethical Leader?

How do we assess ethical leadership?

1. Johnson's Ethical Leadership Scale Handout (subordinates).
2. Ethical Leadership Style Questionnaire (free). [LeaderDecisionMakingSurvey.com](http://LeaderDecisionMakingSurvey.com).
3. Ethical Lens Inventory (ELI - \$27). Content sent via email.
4. VIA Character (free - \$49). [ViaCharacter.org](http://ViaCharacter.org).



# What is an Ethical Leader?

## Ethical Leadership Style Questionnaire Sample

### Explanation of Results

#### Preferred Style

Your most preferred style is *Duty*.

This means you tend to do your duty. You focus on other people's rights. You follow both explicit and implicit rules.

#### Less Preferred Style

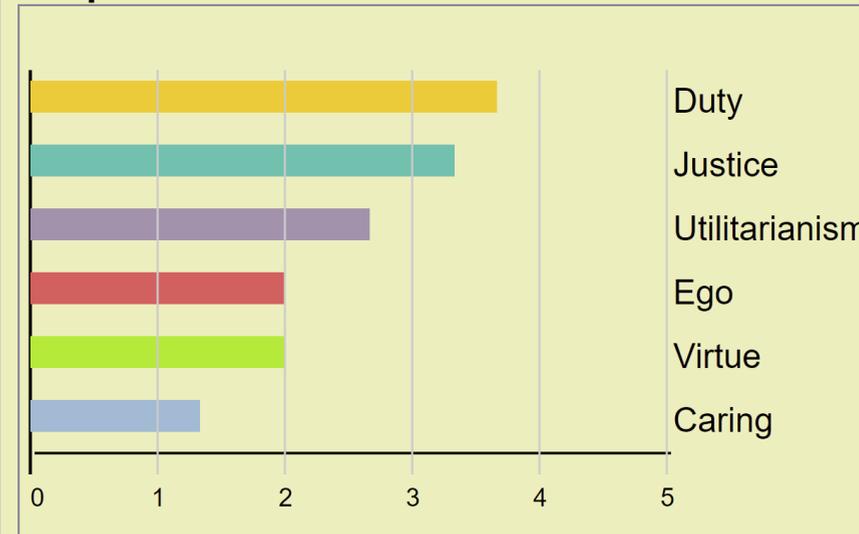
Your least preferred style is *Caring*.

This means you put a lower priority on caring for others. You focus on maintaining caring relationships. Being responsive to others in close relationships to see if you have a strong personal connection.

#### Implications

The results point to your primary and secondary ways you approach ethical issues.

### Graph of Results



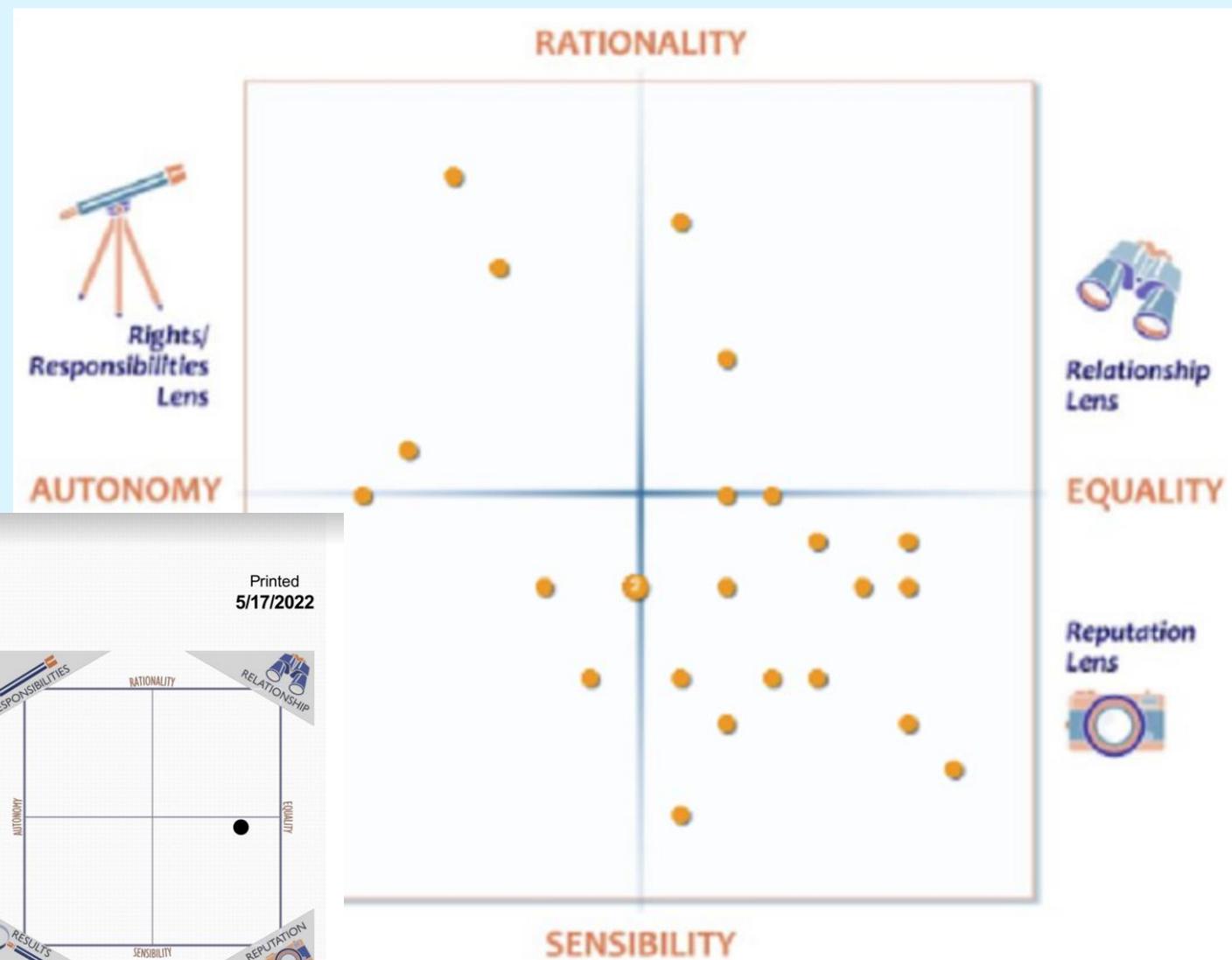
### Your results numerically:

How you decide		Score
Duty	I would do my duty.	3.7
Justice	I would do what is fair.	3.3
Utilitarianism	I would do what benefits the most people.	2.7
Ego	I would do what benefits me the most.	2
Virtue	I would do what a good person would do.	2
Caring	I would be sensitive and caring in my close relationships.	1.3



# What is an Ethical Leader?

## Ethical Lens Inventory (ELI) Sample



### Challenges of the Reputation Lens

One of the greatest challenges of the Reputation Lens is recognizing that you have something to aspire to, but as a human, you regularly make decisions that fall short of that aspiration.

Those who have a mild preference for sensibility and an intense preference for equality are at risk of the Reputation Lens that come from relying too strongly on community consensus and the expectations of other human beings.

Using the camera of the Reputation Lens to honestly examine how you are living in the world is a challenge that comes from a lack of compassion.

### Your Blind Spot is the place you are not ethically aware of or an ethical misstep.

Your blind spot is unrealistic role expectations.

Without a clear understanding of your role, you may find yourself playing the martyr to your own desires to meet the demands of all others, even in seemingly small ways. This is a form of righteousness, where you expect accolades for every accomplishment. Believing that you need help, you may ignore gentle prompts to thoughtfully consider how people are affected by your actions.

Effectively living within the value priorities of the Reputation Lens requires a measure of humility about what counts for excellence as a human person within your chosen roles, within your community, and as an individual within a community.

### Your Risk is where you may be overbearing by expecting others to live up to your standards.

Your risk is being autocratic, or in common terms, bossy.

Without a clear understanding of your role, you may find yourself playing the martyr to your own desires to meet the demands of all others, even in seemingly small ways.

**SYD BAIRD**

Completed 5/17/2022 Printed 5/17/2022

**Your preferred ethical lens is: Reputation Lens**  
Mild Sensibility and Intense Equality (MSIE)

You listen to your feelings (sensibility) to determine what virtues you should develop to demonstrate ethical excellence in community (equality).

**Your Primary Values show how you prioritize the tension between rationality and sensibility as well as autonomy and equality.**  
Your primary values are Sensibility and Equality

You have a *mild* preference for the value of sensibility (MS)—following your heart—over rationality—following your head. As an MS, your passions and emotions are tempered by reason as you seek your heart's desires. You frame the narrative of your life in terms of being all you can be as you strive to embody the ideals of your roles.

You *intensely* prioritize the value of equality (IE)—respecting the community—over autonomy—giving priority to the individual. As an IE, you are deeply committed to supporting the institutions of your community to make sure that those in authority do not abuse their power and those who are on the margins are not forgotten. You resolutely hold others accountable for living into their roles for the betterment of the community as a whole.

# What is an Ethical Leader?

## VIA Character sample

The screenshot shows the VIA Institute on Character website. At the top, there is a navigation menu with links for CHARACTER STRENGTHS, REPORTS, TOPICS, COURSES, RESOURCES, PROFESSIONALS, and RESEARCH. Below the navigation is a promotional banner for the 'VIA TOTAL 24 Character Strengths Report' with a 'BUY NOW' button for \$49.00 USD. The main content area is titled 'YOUR SIGNATURE STRENGTHS' and displays a list of strengths. The first strength, 'Creativity', is highlighted with a yellow circle containing the number '1'. Below it are 'Curiosity', 'Leadership', and 'Humor', each with a plus sign to expand. The 'Creativity' section includes a description: 'Thinking of novel and productive ways to conceptualize and do things; includes artistic achievement but is not limited to it.'

The screenshot shows the 'SECTION 1 Your VIA Character Strengths Profile Spotlight' page. It features a list of 24 character strengths, each with a numbered icon and a brief description. The strengths are arranged in two columns. A red bracket highlights the first five strengths: 1. CREATIVITY, 2. CURIOSITY, 3. PERSPECTIVE, 4. LOVE OF LEARNING, and 5. LEADERSHIP. Another red bracket highlights the last five strengths: 20. GRATITUDE, 21. FORGIVENESS, 22. TEAMWORK, 23. LOVE, and 24. HUMILITY.

Number	Strength	Number	Strength
1.	CREATIVITY	13.	APPR OF BEAUTY/EXCL
2.	CURIOSITY	14.	SOCIAL INTELLIGENCE
3.	PERSPECTIVE	15.	SELF-REGULATION
4.	LOVE OF LEARNING	16.	PERSEVERANCE
5.	LEADERSHIP	17.	FAIRNESS
6.	HUMOR	18.	PRUDENCE
7.	SPIRITUALITY	19.	KINDNESS
8.	BRAVERY	20.	GRATITUDE
9.	HONESTY	21.	FORGIVENESS
10.	HOPE	22.	TEAMWORK
11.	ZEST	23.	LOVE
12.	JUDGMENT	24.	HUMILITY

# What is an Ethical Leader?

Dr. Henry Cloud, *Integrity* (2007)  
Complete the VIA character assessment.  
[ViaCharacter.org](http://ViaCharacter.org)



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Photo: Andrew Siemen



# What is an Ethical Leader?

## Group Discussion

Meet in small groups and discuss the results of your assessment.

What did you like? What was not helpful?

How could you use these or other assessments with your team(s) to improve ethical awareness and development?



# What is an Ethical Leader?

## The importance of integrity

Integrity the successful demonstration of ethics, values, and character in action.

1. The quality of being honest and having strong moral principles: moral uprightness.
2. The state of being whole and undivided.
3. The condition of bringing unified, unimpaired, or sound in construction.
4. Internal consistency of lack of corruption in operating.
5. Integrity occurs when the whole is working well.

Henry Cloud

### Ethics/Character

A personal or organizational system of values made up of ideals which provide benefit with yourself and with others.

#### What we Believe

Our system of values (what is important or critical) and morals (what is good or correct) that incorporates social and self responsibility..

#### What we do

A way of life represented by actions consistent with the qualities of 'What we know'.



# What is an Ethical Leader?

The idea of integrity reveals the importance of a leader's action, not just their ideals.

1. Integrity assesses our ethical norms via performance. Others often refer to this as our character.
2. Ethics is defined by words. Integrity and character are defined by actions.
3. Who a person is, will ultimately determine if their brains, talents, competencies, energy, effort, deal making abilities, and opportunities will succeed.
4. Our character exhibits our ability to meet the demands of reality and ethical dilemmas.

Henry Cloud



# What is an Ethical Leader?

## The Consequence of Integrity: Character

Character is the inner form that makes anyone or anything what it is – whether a person, a wine or a historical period. Os Guinness

*Character*: from Greek *charassein* “to scratch” or “engrave”

1. A conventional graphic device placed on an object as an indication of ownership, origin or relationship.
2. One of the attributes or features that makes up and distinguishes an individual.  
Webster.



# What is an Ethical Leader?

## The Consequence of Integrity: Character

Charisma [leadership] without character is dangerous and manipulative. George Washington

Every man has three characters:

1. That which he exhibits
2. That which he has, and,
3. That which he thinks he has.

Alphonse Karr



# What is an **Un**ethical Leader?

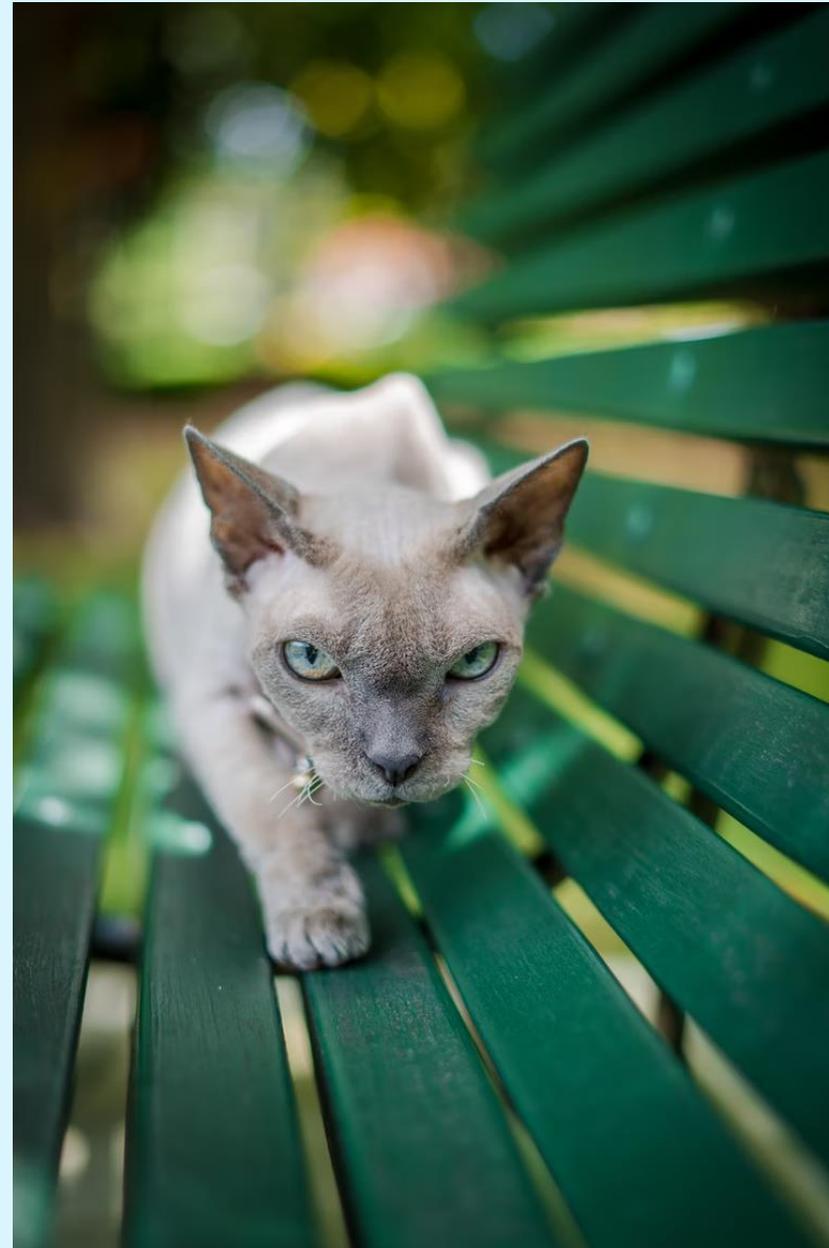


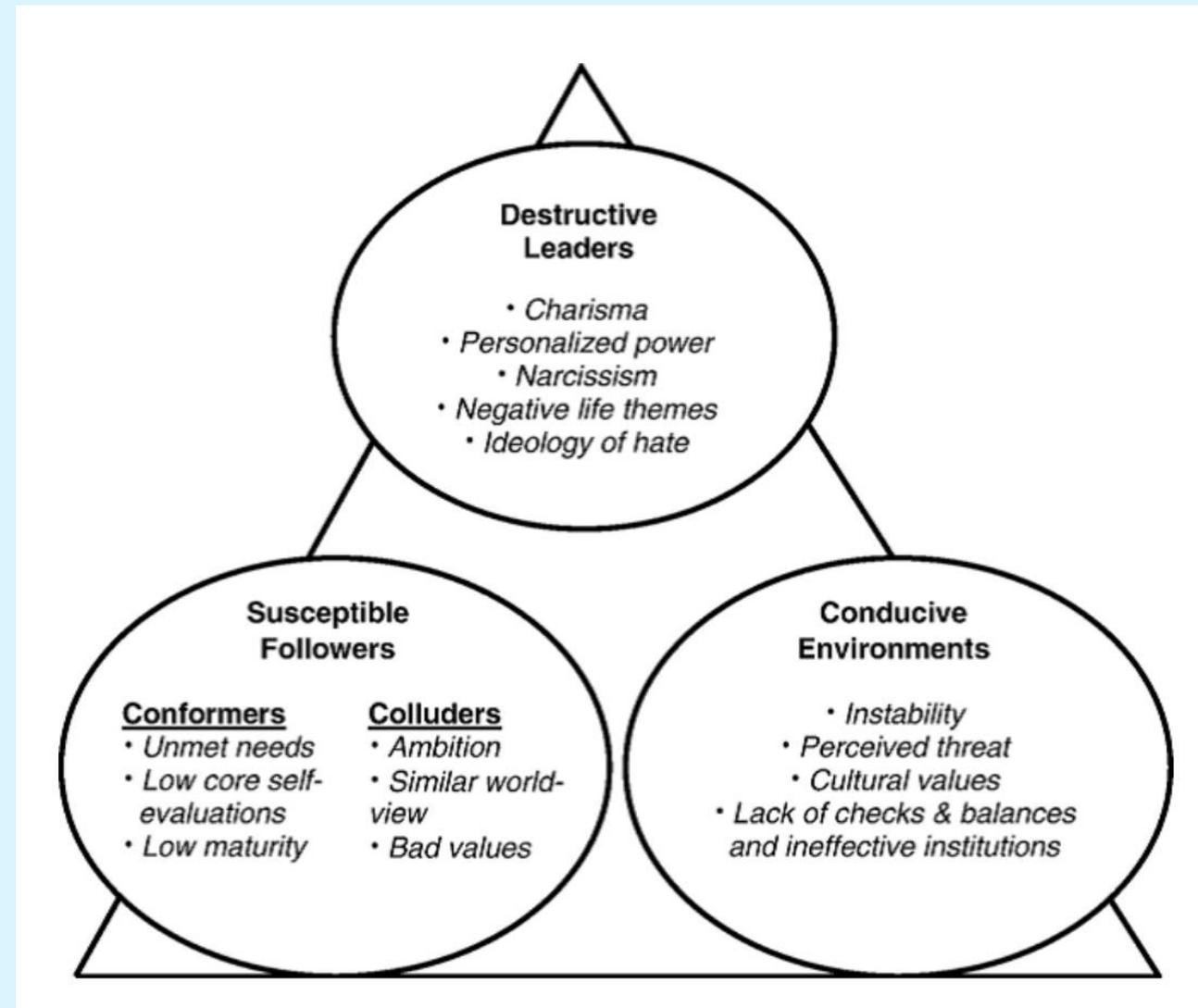
Photo: @harry.digital



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# What is an Unethical Leader?

What is an unethical leader?



Does anyone have a personal example of one or more of these ingredients?



# What is an Unethical Leader?

## Characteristics of Toxic Leaders

Destructive Behaviors	Toxic Qualities
Leaving followers worse off	Lack of integrity
Violating human rights	Insatiable ambition
Feeding follower's illusions, creating dependance	Enormous egos
Playing to the base fears/needs of follower	Arrogance
Stifling criticism; enforcing compliance	Amorality (inability to discern right/wrong)
Misleading followers	Greed
Subverting ethical organizational structures and processes	Reckless disregard for the costs of their actions
Engaging in unethical, illegal, and criminal acts	Cowardice (refusal to make tough choices)
Building totalitarian regimes	Failure to understand problems
Failing to nurture followers, including successors	Incompetence in key leadership situations
Setting constituents against one another	
Identifying scapegoats	
Making themselves indispensable	
Ignoring or promoting incompetence, cronyism, and corruption	

# What is an Ethical Leader?

Those who can see beyond the immediate and focus on what is truly “good” and “just” ought to lead. As leaders, they should not chiefly seek their own happiness, but rather use their power to instruct and guide those they lead into goodness and justice. In other words, to craft the souls of citizens toward noble character. Plato in *The Republic*

Is this idea in your job description?

Should it be?



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# What is an Ethical Leader?

Integrity has no need of rules.

Albert Camus

Waste no time arguing what a good person should be. Be one.

Marcus Aurelius, Roman Emperor AD 161-180

Produce great persons, the rest follows

Walt Whitman



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Photo: @jordanmadrid



# What is an Ethical Leader?

Virtue is better than wealth.

Kenyan proverb

In the long run, the public interest depends on the private virtue.

James Q Wilson

Sow a thought, reap an action; sow an action, reap a habit' sow a habit, reap a character;  
sow a character, reap a destiny.

Traditional saying



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3



What is an ethical organization?



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# What is an Ethical Organization?

## Section Overview

1. What is an ethical organization?
2. What is an unethical organization?
3. Ingredients of an ethical organization.



# What is an ethical organization

## Discussion

Q. The single best way to make sure an organization stays of solid ethical ground is to have a strong code of ethics and made sure all employees are familiar with its guidelines.

A. Disagree. Having a strong code of ethics can be an important part of creating an ethical organization, but managers' actions are more powerful in determining whether people live up to a high ethical standards. If managers and top leaders are dishonest, unprincipled, or ruthless and create a culture that supports or ignores these behaviors in others, employees will put little stock in the formal ethics code.



# What is an ethical organization

## The Research

Sreedhari Desai, an assistant professor of organizational behavior at UNC's Kenan-Flagler Business School, ran a series of studies in which subjects believed they were part of a virtual team playing a game. The subjects were told that they'd earn more money if they got their teammates to unwittingly spread a lie.

Unbeknownst to the participants, the other players were all researchers. In the signatures of their e-mails to the subjects, some included a quote about integrity, some a neutral quote, and some no quote at all. The subjects were least likely to ask the people who put the virtuous saying in their messages to do their unethical bidding.



# What is an ethical organization

Organizational ethics are the principals and standards by which businesses operate. They are best demonstrated through acts of fairness, compassion, integrity, honor and responsibility.

Rick Suttle

Organizational ethics is how an organization responds to an internal or external stimulus. It is used to express the values of an organization to its employees and/or other entities irrespective of governmental and/or regulatory laws.

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# What is an Ethical Organization?

1

2

3



# What is an Ethical Organization?

## The Ingredients of an Ethical Organization

Rules to guide individual & group behavior

Prescribed  
organizational  
conduct

Expectations about personal goodness

Clear  
expectations  
about  
leadership  
character



An Ethical  
Organization



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# What is an Ethical Organization?

Organizational ethical guidelines from two main sources.



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# What is Unethical Ethics?

Common ethical issues that external/internal guidelines include cover things such as:

1. People issues (discrimination, harassment)
  2. Conflicts of interest
  3. Customer confidence
  4. Use of corporate resources
  5. Blowing the whistle.
- A. Overt bribes/kickbacks
  - B. Subtle bribes
  - C. Influence
  - D. Privileged information

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Can you think of other categories of ethical dilemmas?



# What is an Ethical Organization?

Any attempt to develop or change organizational ethics can benefit from an organizational approach that includes a system wide, long-term view. This typically requires a Theory Y approach to the development and monitoring of the proper ingredients.

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Photo: @jessedo81



# What is an Ethical Organization?

Theory X	Theory Y
<p data-bbox="495 388 1419 479"><b>The average human being has an inherent dislike of work and will avoid it if he can.</b></p> <ul data-bbox="495 597 1472 994" style="list-style-type: none"><li data-bbox="495 597 1472 786">• As a result, most people must be coerced, controlled, directed and threatened in order to get them to provide adequate effort to get their job done.</li><li data-bbox="495 800 1472 939">• The average person prefers to be directed, wishes to avoid responsibility, and has relatively little ambition.</li><li data-bbox="495 953 1472 994">• An individual wants security above all other things.</li></ul>	<p data-bbox="1503 388 2482 531"><b>Physical and mental effort (aka – work) is as natural as play or rest for an average person. Therefore, most people do not inherently dislike work.</b></p> <ul data-bbox="1503 597 2507 1300" style="list-style-type: none"><li data-bbox="1503 597 2507 838">• Control and the threat of punishment are not the only means to motivate people to achieve organizational goals. It is possible for a person to exercise self-direction and self-control in order to achieve organizational goals.</li><li data-bbox="1503 852 2507 991">• Rewards must be aligned with organizational goals in order to help people be motivated to accomplish them.</li><li data-bbox="1503 1005 2507 1046">• The average person accepts and seeks responsibility.</li><li data-bbox="1503 1060 2507 1199">• A large amount of your team members have the ability to imagine, innovate and create solutions to organizational problems.</li><li data-bbox="1503 1213 2507 1300">• Most organizations fail to fully engage the intellectual potential of team members.</li></ul>

Discussion – Which style should leaders use?

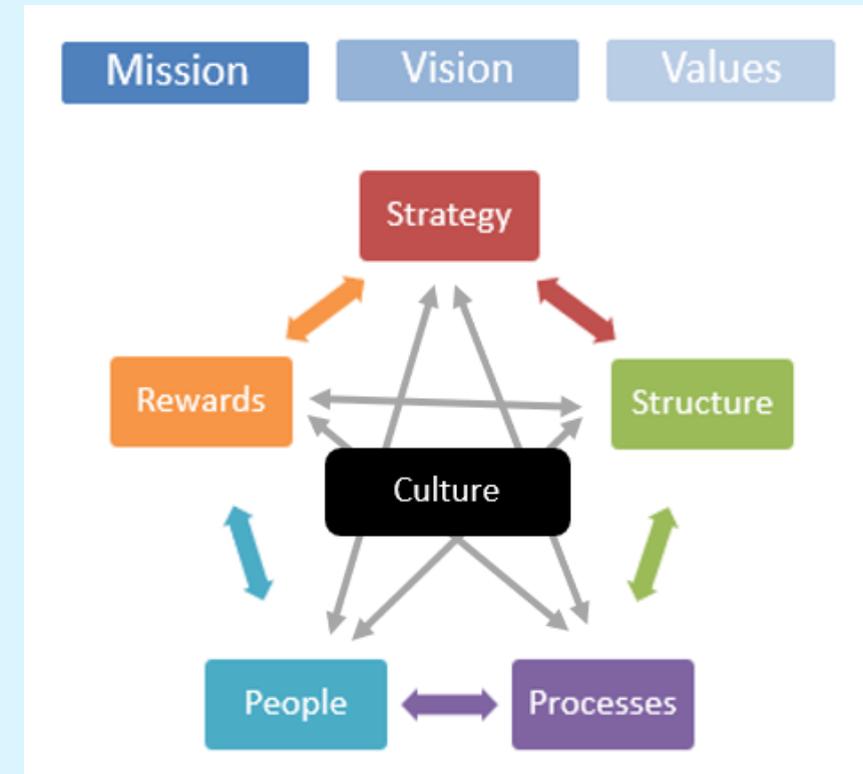


# What is an Ethical Organization?

Ways to foster an ethical organization.

1. Strong culture
2. Ethical culture – defined and widely shared
3. Ethical leadership
4. Rewards and discipline
5. Shared accountability and responsibility
6. Hiring/performance/discipline/termination
7. Role modelling

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# What is an **Un**ethical Organization?



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Photo: @Brock222

# What is an Unethical Organization?

## Characteristics of Toxic Organizations (part 1 of 2)

Double standards	Having different norms for different groups.
Concealing effects of harmful outcomes	Disregarding, ignoring, distorting, or minimizing injurious outcomes that others experience.
Reducing moral standards	Asserting that one's harmful behavior is proper while denying one's lesser concern for others.
Utilizing euphemisms	Making and sanitizing harmful behavior and outcomes.
Biased evaluation of groups	Making unflattering between-group comparisons that bolster one's own group at the expense of others.
Condescension and derogation	Regarding others with disdain.
Dehumanization	Denying others' rights, entitlements, humanity, and dignity.



# What is an Unethical Organization?

## Characteristics of Toxic Organizations (part 2 of 2)

Fear of contamination	Perceiving contract or alliances with other stakeholders as posing a threat to oneself.
Normalization and gratification of violence	Glorifying and normalize violence as an effective, legitimate, or even subline form of human behavior while denying the potential of violence to damage people, the environment, relationships, and constructive conflict resolution processes.
Victim blaming	Placing blame on those who are harmed.
Deindividuation	Believing one's contribution to social problems is undetectable.
Diffusing responsibility	Denying personal responsibility for harms by seeing them as the result of collective rather than individual decisions or actions.
Displacing responsibility	Identifying others, such as subordinates or supervisors as responsible for harms inflicted on victims.



# What is an Unethical Organization?

One reason ethical blunders occur is a result of ethical blind spots.

1. Overestimating our ethicality.
2. Forgiving our own unethical behavior (fundamental attribution error).
3. In-group favoritism.
4. Implicit prejudice.
5. Judging based on outcomes, not the process.

Johnson



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Photo: @rojekilian



# What is an Unethical Organization?

Fundamental attribution error is the human tendency to:

- A. Believe the best in ourselves (bad behavior is a result of circumstances).
- B. Believe the worst in others (bad behavior is a result of character)



# What is an Unethical Organization?

Another reason ethical blunders occur is a result of bias.

1. Groupthink.
2. Confirmation bias.
3. False agreement.
4. Escalation of commitment.

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# What is an Unethical Organization?

The following list provides indicators of organizational ethical collapse

1. Pressure to maintain numbers.
2. Fear and silence.
3. Young 'uns and a bigger-than-life CEO.
4. Weak board.
5. Conflicts of interest.
6. Innovation like no other.
7. Goodness in some areas atones for evil in others.

M. Jennings (2006)



# What is an ethical organization

Group Discussion

What is the difference between personal and organizational ethics?

Personal Assignment

Ethical Climate Questionnaire (Johnson)

[Handout Page 2]



# 4

## Developing your organizations ethical system



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# Your Organizations Ethical System

## Section Overview

1. What are the ingredients of an ethical system?
2. Why do we need to audit our system?
3. Developing your ingredients and audit process.



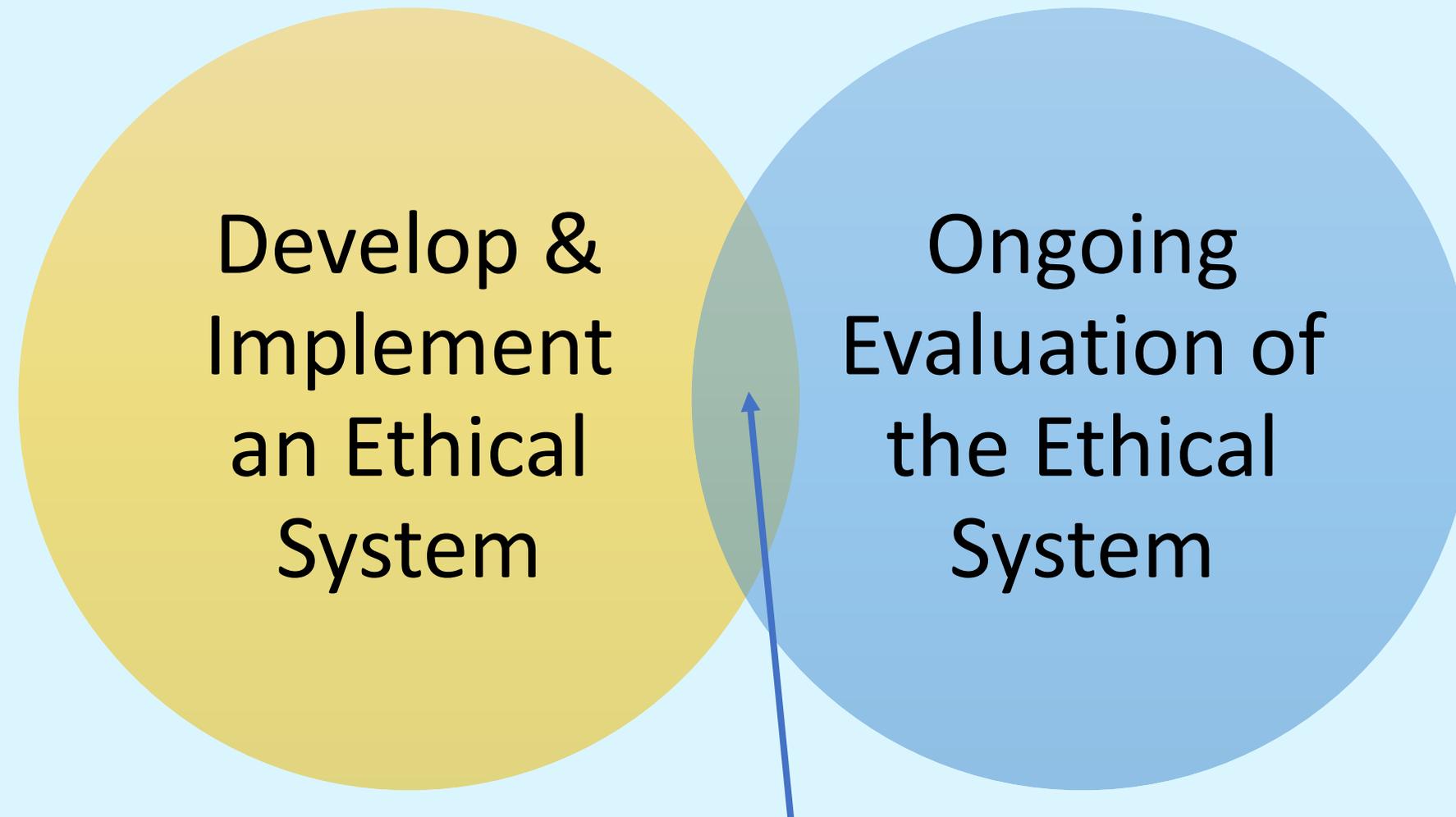
# Your Organization's Ethical System

From Volkswagen's emissions fiasco to Wells Fargo's deceptive sales practices to Uber's privacy intrusions, corporate scandals are a recurring reality in global business.

Compliance programs increasingly take a legalistic approach to ethics that focuses on individual accountability. Yet behavioral science suggests that people are ethically malleable, so creating an ethical culture means thinking about ethics not simply as a belief problem but also as a design problem. Epley & Kumar (2019), HBR



# Your Organization's Ethical System

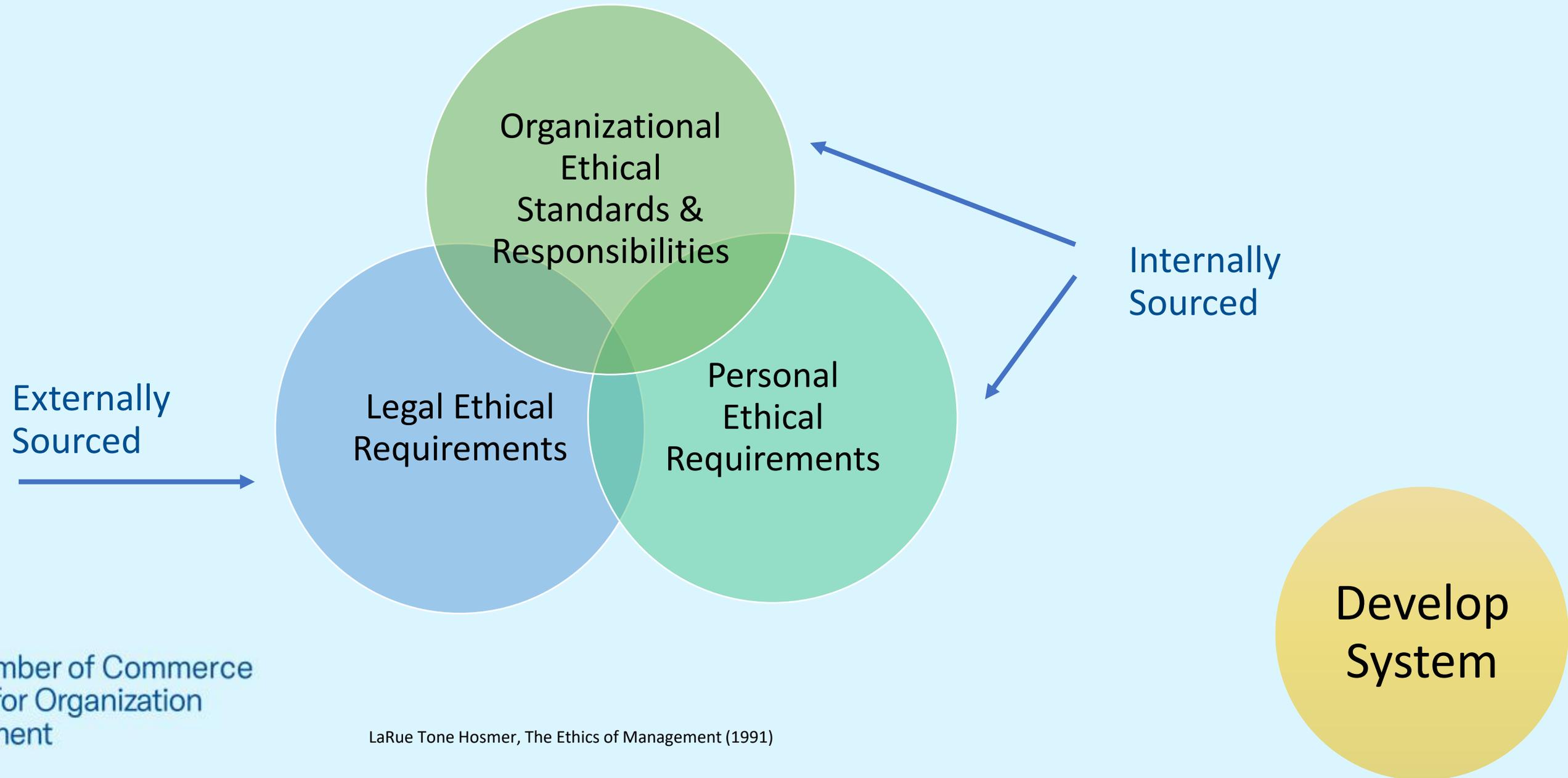


Ethical Culture



# Your Organization's Ethical System

Your ethical system typically covers three categories.



# Your Organization's Ethical System

An ethical system or a codes of ethics address several categories of organizational behaviors.

1. Conflicts of interest. Benefiting at the expense of another.
2. Record, funds, and assets.
3. Information (and confidentiality).
4. Outside relationships.
5. Employment practices.
6. Other practices: health and safety, technology, environment, political activities, business assets for personal benefits.

What would you add to this list?



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# Your Organization's Ethical System

Seven requirements for due diligence and effective compliance.

1. Establishing compliance standards reasonably capable of preventing criminal conduct.
2. Assigning specific high-level individuals with responsibility to oversee those compliance standards.
3. Exercising due care to ensure that discretionary authority is not delegated to individual with a propensity to engage in illegality.
4. Taking necessary steps to communicate compliance standards and procedures to all employees, with a special emphasis on training and the dissemination of manuals.
5. Taking reasonable steps to achieve compliance with written standards through monitoring, auditing, and other systems designed to detect criminal conduct, including a report system free from retribution to employees who report criminal conduct.
6. Consistent enforcing the organizations written standards through appropriate disciplinary mechanism, including, as appropriate, discipline of individuals responsible for failure to detect an offense.
7. After an offense is detected, taking all reasonable steps to respond and to prevent future similar conduct.

US Sentencing Guidelines of 1991 ([www.ussc.gov](http://www.ussc.gov))



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Legal Ethical  
Requirements

# Your Organization's Ethical System

## Personal Ethical Requirements (Informal)

Individual who display:

Integrity

Honesty

Trust

Love

Fairness

Demonstrated moral development

## Leadership Ethical Requirements (In/Formal)

Ethical Leadership

Norms and language

Rituals

Myths/stories

Role model

Upholding personal/org. values

Communicate ethics and values

Reward ethical behavior

Discipline unethical behavior



# Your Organization's Ethical System

## Organizational Ethical Standards & Responsibilities (Formal Systems)

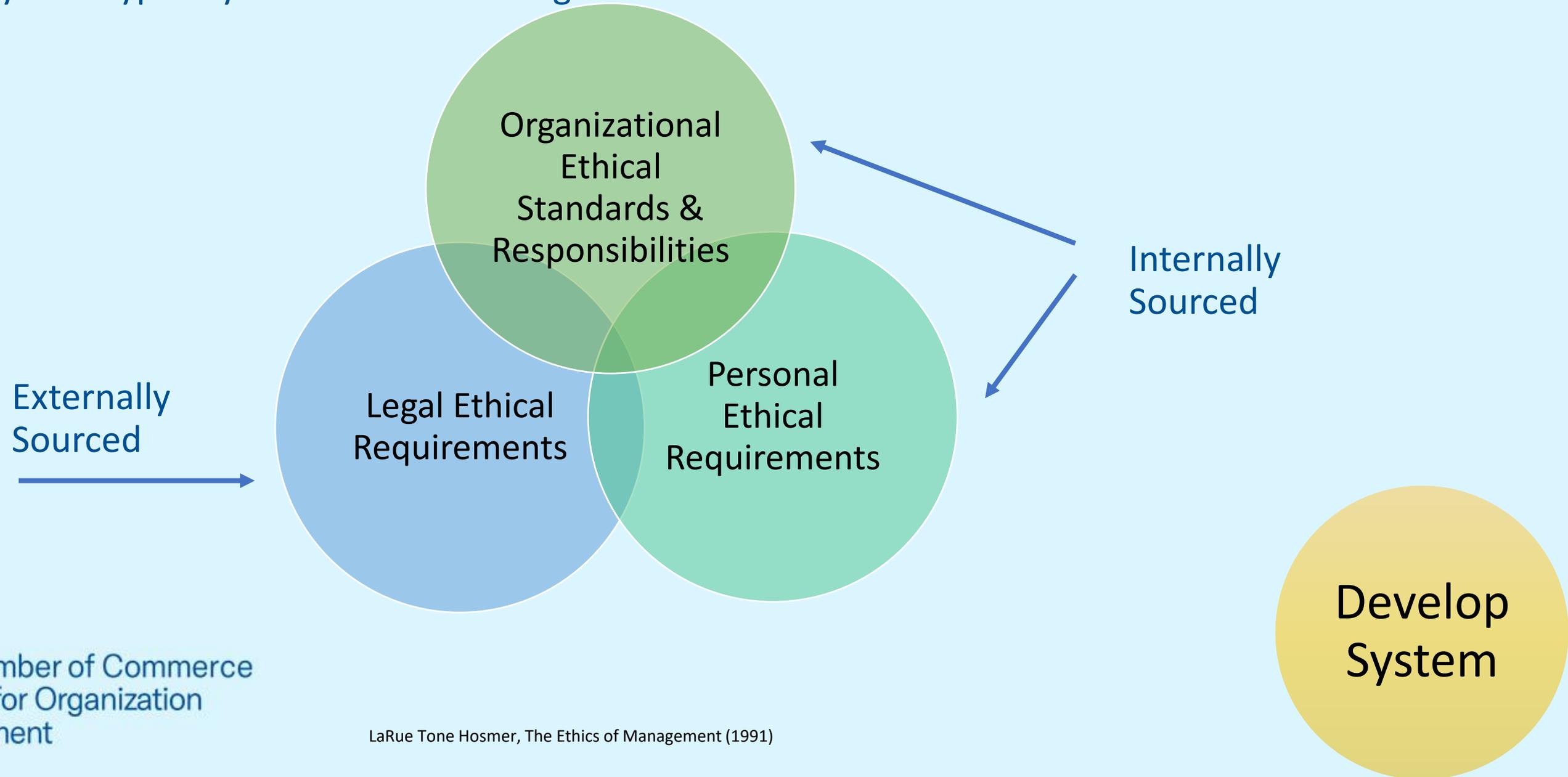
1. Mission & Values
2. Org. policy and codes of conduct
3. Org. structure/decision authority
4. Ethics training (new and existing)
5. Rewards
6. Performance management (incl. hiring)

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# Your Organization's Ethical System

Your system typically contains three categories.





Alignment

# Your Organization's Ethical System

Audit your ethical culture

Change in ethical culture must take the entire ethical cultural system into account. It must target multiple formal and information organizational systems about what is appropriate or not appropriates. If your subsystems are misaligned , confusion, and mixed messages will results.

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Ongoing  
Evaluation  
of the  
Ethical  
System

# Your Organization's Ethical System

Handout

Organizational Citizenship scale

Johnson

[Handout Page 4]



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Ongoing  
Evaluation  
of the  
Ethical  
System

# What is Ethics?

The ethics quick test is provided by The Ethics Center, an Australian-based non-profit organization. The Ethics Center suggests that we ask the following six questions before we make a decision:

1. Would I be happy for this decision to be headlining the news tomorrow?
2. Is there a universal rule that applies here?
3. Will the proposed course of action bring about a good result?
4. What would happen if everybody did this?
5. What will this proposed action do to my character or the character of my organization?
6. Is the proposed course of action consistent with my values and principles?



# A Diagnostic Approach



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# What is Ethics?

## Final Exercise

### Part 1

Review the Ethical Ingredients Options handout in small groups. What would you suggest be added to this list?

### Part 2

Individually go through your Ethical Ingredients Options handout. Place check marks beside the ingredients your organization needs. This creates your ethical system.

### Part 3

Fill out the final three spaces for each item in your ethical system. This becomes your to-do list and your annual ethical evaluation system.



# Conclusion



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# Workshop Overview



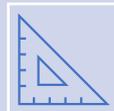
What is ethics?



What is an ethical leader?



What is an ethical organization?



How to develop & assess an ethical organization.



# Participant Outcomes



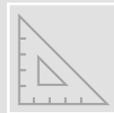
A personal ethics elevator speech.



Two ethical leadership self-assessments.



Organizational climate assessment.



Ethical systems checklist and to-do list.



# Conclusion

All boats leak but some boats leak more than others. And not all boats sink.

Philip Divine



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# Conclusion

As we practice resolving dilemmas,  
we find ethics to be less a goal than a pathway,  
less a destination than a trip,  
less an inoculation than a process.  
Rushworth Kidder (Ethicist)



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