



Integrating Ethics Theory Into Practice

The need for a game-changing shift in focus

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Societal macro trends impact expectations and standards for business

TREND	Generational values drive changes in societal expectations	Globalisation and pace of business increasing	Technological developments transform world into a fishbowl	Increasing regulation and enforcement	Economic growth shifts to emerging markets
IMPACT	Standard for what is acceptable changing	Decisions taken quicker and across the world	Decisions scrutinised and judged instantly	Responsible business no longer optional	Need to rethink responsibility

Take a minute to read about one company's commitment

THE CEO refers to the importance of business integrity in speeches and company-wide communications; **THE CODE OF CONDUCT** refers to company **VALUES**; a comprehensive **LIBRARY OF POLICIES** covers relevant risk areas; employees are **TRAINED** on the Code of Conduct and **CERTIFY** their ethical commitment annually; well-staffed **COMPLIANCE AND AUDIT FUNCTIONS** manage a **HOTLINE** and monitor violations; and employees who breach ethical standards are swiftly **SANCTIONED**.

It looks like a pretty good effort to encourage ethical conduct

- ✓ Strong tone from the top
- ✓ Clear expectations of behaviour
- ✓ Widespread awareness
- ✓ Comprehensive coverage of risk areas
- ✓ Monitoring and controls

***Perhaps it is similar to what you have in
place in your organisation?***

If so, you should be worried.....

The elements above have been implemented in the companies that experienced severe ethical breakdowns leading to reputational disasters, billion-dollar fines, jail sentences and outright collapses



An inside & outside perspective on Ethics & Compliance Programs


I have spent more than a decade in the field of business integrity; leading the topic in a large global company, chairing a European-wide association of professionals, working with leading business schools, as well as advising clients across various industries





Observations

Despite the significant and well-intended efforts, however, most programs have little impact on influencing employee conduct and business practices

So what is the problem?

- 1** *Research shows that employees mirror the behaviour of their leaders* 

But, most leaders do not know what 'leading by example, set the right tone, do the right thing' mean in practice – what are they expected to do?
- 2** *Practice shows that employees need and want guidance* 

But, employees don't read policies and cannot explain key principles of behaviour
- 3** *Research shows that employees do what is rewarded* 

But, integrity is not given real weight in performance appraisals or career development



How to make impact through responsible leadership

**Leaders need training to develop skills to act and lead with integrity,
as part of company leadership development programs**

Today's leaders have to:

1

Make ethical decisions...AND



2

Create the right context to enable others to act responsibly
(clarify expectations, invite challenge, reward desired behaviours)



How to make impact through decision-making **2**

**Employees need memorable guidance
and holistic decision-making skills**

Research shows ethical reminders when deciding, greatly impact behaviour

➤ Employees need simple, memorable and accessible guidance on key ethical principles



Standard for what is acceptable is no longer simply the law

➤ Employees need skills to view business through holistic lenses





How to make impact through performance management **3**

**Integrity needs to be given weight when hiring,
rewarding and promoting employees**

Moving from focus only
on getting returns...

Results




...to rewarding not only *what* is to be achieved, but also
how – with direct impact on bonus and career prospects

Results

Behaviour


*‘What made leaders successful in the past will not do
in a vastly changing society, which demands
responsible business and different leadership mindset
and skills’*