

STEWARDSHIP OF COMMUNITIES

ETHICAL LEADERSHIP, CULTURE + SPEAK UP

SOLGM19 ANNUAL SUMMIT

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INSTITUTE OF BUSINESS ETHICS

IBE'S HISTORY

“Rapid changes in the City and elsewhere raise ethical questions to which legislation alone cannot provide all the answers. There needs to be a rational examination of such issues.”

Launch Prospectus of the Institute of Business Ethics, November 1986

The IBE was established in 1986 and became an educational charity in 2000

Founded by business people for business people but relevant for all sectors

Focus on applied business ethics

IBE TODAY

The IBE's purpose is to promote **high standards of business behaviour** based on **ethical values**.

- Advice
- Forums
- Publications
- Research
- Training
- Education



TOPICS

- Ethical Leadership
- Ethics at Work
- Ethics and Compliance
- Effective Speak up

ICE BREAKERS

Government report: Bella Vista development in Tauranga a ...

<https://www.nzherald.co.nz> › business › news › article ▼

Mar 26, 2019 - The **city council** failed to follow its own building control processes for the **Bella Vista** Homes development in **Tauranga**, a damning Government ...

Two jailed, six leave jobs in country's largest bribery case - NZ ...

<https://www.nzherald.co.nz> › business › news › article ▼

Feb 23, 2017 - Former **Auckland** Transport senior manager Murray Noone and ... declarations for all **managers** and regular **fraud** and ethics training, he said.

Former employee alleges 'toxic' bullying culture at Wellington ...

<https://www.stuff.co.nz> › national › former-employee-alleges-toxic-bullying-...

May 20, 2019 - Former **Wellington City Council** employee with brain injury claims she ...
Concerns about **harassment** and **bullying** at **Wellington City Council**

DEFINITION: BUSINESS ETHICS

“the application of ethical values to business behaviour”

THOUGHT STARTERS

Inappropriate behaviour is not caused by the fact that people working there are less ethical than other people but by the fact that not enough attention is given to developing ethical behaviours, such as the willingness to speak up, that enable a strong ethics foundation or leadership to be clearly demonstrated.

THOUGHT STARTERS

We are all vulnerable to ‘going astray’ when facing undue pressure i.e. working in an environment based on irresponsibility and unrealistic targets. Alternatively once ethical values including codes are embedded even people of questionable reputations can become better or, at least, can be kept under control.

ETHICAL LEADERSHIP

Figure 3 Attributes of ethical leadership™



ETHICS AT WORK SURVEY

PURPOSE

- **UNDERSTAND** employees' attitudes to ethics at work
- **TRACK** developments over time
- **COMPARE** how business ethics is viewed in different countries

METHODOLOGY

- **TRIENNIAL** survey started in 2005 in Britain
- **ONLINE** survey conducted by ComRes on behalf of IBE
- **Change of methodology** for the UK in 2015 from face-to-face to online

RESPONDENTS

- Total of 2,268 respondents across Australia, NZ and UK
- Representative sample of about 750 working adults in each country

Employees' views of ethics at work in New Zealand

www.ibe.org.uk
#ethicsatwork

26% of New Zealand employees have been **aware of misconduct** at work and **10%** have **felt pressured to compromise** ethical standards

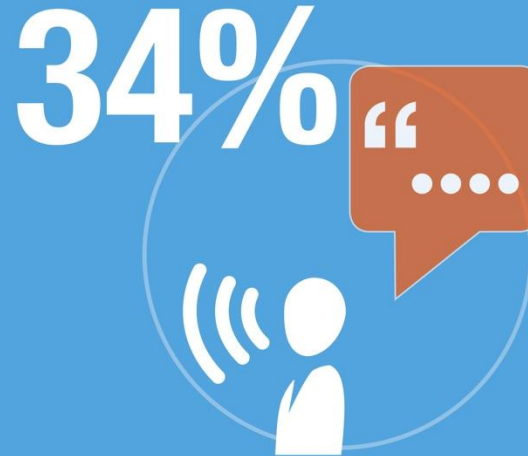


Source: *Ethics at Work: 2018 survey of employees – New Zealand*

Employees' views of ethics at work in New Zealand

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[#ethicsatwork](https://twitter.com/ethicsatwork)

34% of employees
in New Zealand who
have been aware of
misconduct at
work **decided not
to speak up**



Source: *Ethics at Work: 2018 survey of employees – New Zealand*

Speaking up

34% of employees in New Zealand who have been aware of misconduct at work decided not to speak up. The main reasons are...

1. I did not believe that corrective action would be taken **35%**
2. I felt I might jeopardise my job **33%**
3. I felt I might alienate myself from my colleagues **27%**

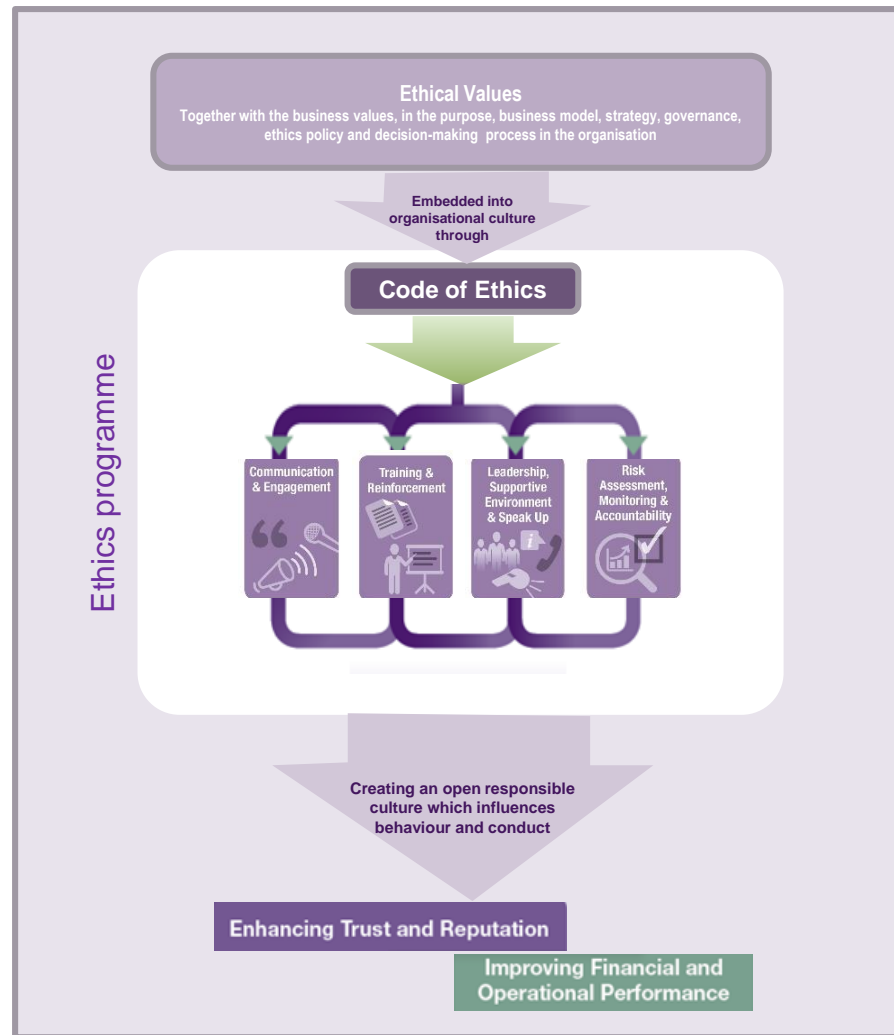


WHY EMBEDDING ETHICS MATTERS

In organisations **with a supportive ethics environment**, employees say that:

- **Honesty** is practised more frequently (94% vs 63%)
- They are less **aware of misconduct** (20% vs 52%)
- They are more willing to **speak up** if they become aware of misconduct (80% vs 53%) and more likely to be satisfied with the outcome (93% vs 23%)
- They felt less **pressures** to compromise their organisation's ethical standards (88% have not felt pressured vs 59%)

THE IBE BUSINESS ETHICS FRAMEWORK



CULTURE OF TRUST AND FAIRNESS

REPUTATION IS BASED ON TRUST

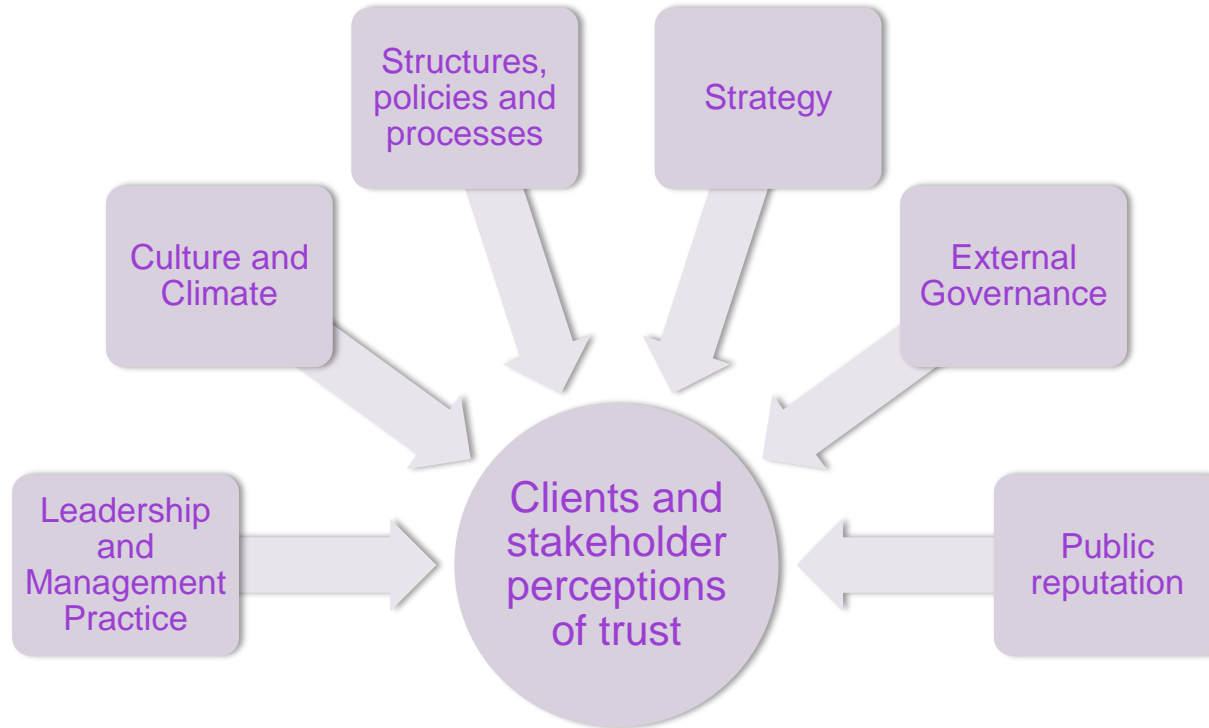
Trust is not a soft issue ...but a genuine and vital asset
..an economic driver, a performance enhancer

There is no silver bullet for building and sustaining trust, you cannot regulate your way to trust.

Instead, trust has to be earned through behaviour based on sound principles of honesty and integrity.

Richard Sexton,
Executive Board, PWC UK

SIX ELEMENTS CONTRIBUTE



TRUST IS NOT A PANACEA

We can trust others too much

- To the point of complacency
- Beyond the parameters of acceptable risk
- Beyond what is warranted given the evidence and the sources

TRUST IS NOT A PANACEA (CONT)

The nature of trust is that:

- Bonds of allegiance can develop and become misplaced
- Trust dynamics can involve coercion
- Strong bonds pose obstacles to change
- Trust and conflict can emerge and cause internal tensions

ETHICS AND COMPLIANCE

BETTER UNDERSTANDING COMPLIANCE

A focus on rules alone promotes a professional culture where people take less responsibility

The Question Becomes ...

- Does this fit with the rules?
and drops to
- Can we get away with it?
- If its in the rules, we just do it

UNDERSTANDING COMPLIANCE (CONT)

The Question Needs to be

- Is this the right thing to do?
- Does it fit with our values?
- What are the risks that we need to consider?

FINAL THOUGHTS

Compliance can have two meanings.

1. Adhering to regulations
2. Unthinking conformity to accepted behaviours

Compliance can become group think enabling unethical behaviour to be perpetuated.

EFFECTIVE SPEAK UP

IMPLEMENTING A SPEAK UP POLICY

1. Training – crucial to empower and support middle managers to support staff appropriately when they raise a concern.
2. Be aware of the impact of cultural diversity
3. Use every opportunity to promote speaking up
4. Consider raising awareness through communicating the outcomes of investigated cases, developing case histories that aim to reinforce that employees concerns are taken seriously and valued
5. Consider access for third parties, increasingly good practice
6. Empower employees to recognise ethical issues

Welcome to the Speak Up Toolkit

Click the links below to find out more...



About this toolkit



Using this toolkit



Get started



I have a concern

Common worries

Why should I speak up

How can I speak up?



Speaking to someone

Preparing to speak up

Who can I speak to?

What happens next?



Making a report

Preparing to report

Making a report

After I report



An investigation is under way

Steps of an investigation

My role in the investigation

People involved



After I have spoken up

Investigation outcome

My ongoing responsibilities

My organisation's responsibilities

ANY QUESTIONS?

WWW.IBE.ORG.UK

