

Organizational Ethics Education and Training: A Review of Best Practices and Their Application

Abstract

Ensuring that ethical action remains a vibrant aspect of an organization's climate and culture is an ongoing challenge for those responsible for training and development. To better understand what best practices are being utilized today, eight organizations in the Silicon Valley region of the United States were studied. Findings suggest that ethics training is particularly intensive when an employee is first hired, when rules, regulations, and corporate values are shared during the indoctrination period. Training continues, but is often limited to online activities. Face-to-face interaction, necessary for learning and development, is usually reserved for specialized functions and senior level managers. Most firms emphasize a compliance-based approach, with little attention directed toward developing moral competencies over time. In addition, assessment tools to measure ethical competencies are rarely used as performance criteria. Findings from this study reveal specific trends, which can inform, guide, and improve practitioners' efforts to further develop ethical decision making and action within their organizations.

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With ever-increasing global competition and the economic demands of our time, there is added pressure for employees to achieve ambitious performance goals while also addressing more complex ethical issues. As corporations in the United States try to face these concerns, leaders must understand and follow existing, new, and revised regulations. This means that those responsible for organizational ethics education and training must ensure that employees understand the rules and apply ethical practices in their everyday workplace routines. It is important not only that organizations develop and communicate their ethical standards, but that they also disseminate this information throughout the organizational structure and be certain that it is fully understood by employees at every level (Palmer & Zakhem, 2001).

We know that awareness of proper conduct can be achieved via ethics training (Chen et al., 1997; Izzo, 2000; Loe & Weeks, 2000). Moreover, ethics programs in organizations must go beyond the teaching of requirements and standards: they must also help employees learn how to effectively recognize and respond to common ethical problems experienced in the workplace. Training can actually shape company culture (LeClair & Ferrell, 2000), which can help employees have more positive perceptions of organizational ethics than do those working for firms without such training (Valentine & Fleischman, 2004).

To shape their efforts, organizations can base their programs on a variety of philosophical frameworks. As described by Bowan (2004), if an organization desires ethical behavior, its management will likely develop a program grounded in the moral philosophy of consequentialist or nonconsequentialist ethics (cf. Christians et al., 2001; DeGeorge, 1986; Donaldson & Werhane, 1999). The former, often referred to as utilitarianism, guides people to determine the

appropriate course of ethical action based on the perceived consequences. The latter, known as a deontological approach, determines the ethics of a situation by the principles or duties involved, rather than examining potential outcomes. These foundational perspectives can range widely, producing different program purposes and objectives, leading to multifaceted pedagogical approaches (LaFollette, 2007). For example, a focus on teaching compliance and a duty to perform one's job with ethical standards is likely to be grounded in a *deontological* approach. Here, the ethics program would help employees understand the rules, regulations, policies, and procedures deemed central to effective task accomplishment. Some describe how this may be the dominant and potentially exemplary approach for general ethics training (cf. Bowan, 2004); however, other programs may be grounded in *consequentialism*. In such cases the concern would be to have employees think about the long-term implications, outcomes, and ultimate consequences of workplace decisions and actions. Another approach might be to encourage people to think about how their actions can impact others, and helping them consider how to achieve outcomes that exceed personal and organizational goals to benefit the "greater good." This idea, and the notion that moral judgment and action require practice to become habituated into daily routines, would represent a virtue ethics approach. Clearly, ethics programs may draw upon multiple frameworks to achieve their training goals and objectives, but are likely to be grounded in a central core philosophy.

Given that an ethics program has a specific purpose derived from a moral foundation, what makes it successful? More than a decade ago, Knouse and Giacalone (1997) outlined what was needed. To achieve ethics training success, they suggested that the program must:

- Help people understand ethical judgment philosophies and decision-making heuristics;
- Address areas of ethical concern within their industry/profession;
- Teach the organization's ethical expectations and rules;

- Help people to understand their own ethical tendencies;
- Take a realistic view, while also elaborating on difficulties in ethical decision making; and
- Have people use the material in the workplace, then return to training for additional work to analyze their application.

Are these components featured in today's ethics training? How might these guidelines be manifest in organizations today? To ascertain current perceptions of what are considered effective practices for in-house ethics training, a study was undertaken to answer these questions:

1. What are the commonly reported best practices in organizational ethics education and training today?
2. Are these practices being utilized by organizations in the Silicon Valley region of the Western United States?
3. When comparing best practices with current efforts, what trends emerge that can inform and guide program improvements?

Before continuing with a description of the study, a word about best practices: What are they? A best practice is a technique, process, or methodology that, based on research and experience, reliably leads to a desired outcome. The reason for identifying best practices and applying them is to reduce error and dysfunction and to provide an effective means toward improvement. A criticism is that they are inherently historical; they have effectively contributed to the achievement of some *past* objective. Therefore, current conditions do not ensure repeated success, which is especially relevant in today's rapidly changing workplace environments. But it can also be argued that because a best practice has stood the test of time, it is steadfast and durable. While the adoption rate is not as high as might be expected (Ungan, 2004), an examination of best practices can add value by instilling awareness and promoting idea generation that may contribute to organizational learning.

The intention of this work was not to determine program effectiveness, nor to validate the usefulness of any particular practice. Rather, the goal was to identify practice trends in ethics education and training today. From there, the intention was to help those responsible for training

to garner insight for potential program improvement. As an action research investigation, the inquiry was designed to be a catalyst for dialogue—to serve as a platform for ethics program networking to influence collective organizational development among the participants.

The first phase identified sixty-five best practices in organizational ethics education and training as reported in academic and practitioner journals. The second phase was an inquiry conducted with ten companies in the Western United States, in the Silicon Valley region of California. Leaders within these companies expressed an interest in ethics program improvement. Interviews were conducted with an ethics official representing each organization with a goal to: a) understand the nature of their in-house program, b) determine which best practices are currently being used, assess their value and, given the findings, to c) consider the adoption of practices to improve their program. A review of each phase of the study is presented, beginning with the methods, followed by analyses, findings, and a discussion with suggestions for future directions.

Methods and Analyses

Phase One of the study examined the literature using ProQuest, ABI/Inform, ERIC, and the Business and Company Resource Center databases. Academic, educational, and practitioner journals were included, but the inquiry was restricted to articles published within the last five years. A variety of search strings and their derivations were used to identify the practices (e.g., “ethics training and organizations,” “organizational ethics,” “business ethics and training,” “management education,” and “ethics education best practices”). The author and five research assistants worked independently to procure articles and cull best practices in organizational ethics education and training, focusing on key areas including business management, education, human resources, organizational behavior, psychology, and training and development. A

technique, process, or method was considered a potential “best practice” if it was referenced in an academic, practitioner, or training journal as an effective ethics training practice or a useful process to support ethics training in an organizational setting.

Once the preliminary list of practices was identified (over four-hundred items), the author (lead researcher) used qualitative analysis techniques to combine similar items. The best practices were distilled and then clustered by themes (cf. thematic analysis; Boyatzis, 1998). Ultimately, groupings were formed around related practices and were then named as the final main themes (e.g., *Core Issues*, *Delivery Form*, and *Ongoing Communications*). The final thirteen themes were then sorted by central concept, which formed two main categories (labeled Content and Context). Content describes the type of material and delivery form utilized, and Context describes the application of content and to communicate, assess, and measure ethics in the organization. For example, under Content is the theme of *Situations and Scenarios*, which consisted of several best practice items such as: a) “Uses ethical challenges or cases actually faced in the organization as the focus of training” and b) “Solicits employees to submit areas of concern, key issues, stories, or ideas to use in training.” Under Context is the theme of *Ethical Risk Assessment*, which consisted of several best practice items such as a) “Conducts formal risk assessments to identify areas of ethical risk” and b) “Line managers have specific responsibility for managing areas of ethical risk.”

Phase Two began with the preparation of an interview script with open-ended questions to learn more about the participating organizations (e.g., type, structure, size) and their current ethics education and training programs. As an action research project, where participants take an active role in the development of the inquiry and its findings, the preliminary script and best practice list were examined by several participants, along with two ethics scholars and an

organizational development practitioner. The script and best practice list were pretested with two members of the sample population and three students. This effort simplified the script and added clarity to the questions and items, resulting in a final list containing forty Content and twenty-five Context best practice items. The thematic grouping of *Actions of the Board* was not a best practice culled from the literature, but it was deemed worthwhile based upon participant request (i.e., to include various items related to this topic). Therefore, in the spirit of action research, these items were included in the general inquiry.

Ten corporations were invited to participate in the study based on their membership in a regional ethics organization in the Western United States. Referred to as the “partnership,” the alliance brings together executives and scholars in a forum designed to increase participants’ knowledge about how to effectively manage ethics in their organizations. Breaking issues in business and organizational ethics are discussed, and members benefit from sharing experiences with leading companies and hearing from scholars who share the latest research. Members sustain involvement because they find that their engagement has helped them implement innovative ideas and to expand their social networks, which enables them to better address complex ethical issues that emerge within their global business operations. The group is based in the Silicon Valley area of California, a region known for its innovative products and services in the field of technology. Partnership members are responsible for the ethics education and training within their organizations and expressed an interest in learning more about current best practices in ethics programming.

Eight of the ten organizations currently enrolled in the partnership were engaged (one was not available for an interview and one was dropped because it was a different industry type from all the others). Participant roles varied, including VP of Human Resources, CEO, Director of

Ethics, General Counsel, and other ethics officials. The companies ranged in size from 900 to 150,000 employees, all engaged in international markets that focus on service and manufacturing in technology.

The author (also lead researcher) conducted all of the interviews. The participants were guided through the script and then discussed the 69 specific practices identified in Phase One and Two of the study (65 best practices and 4 requested items). Participants were asked to indicate the presence of each item (yes, no, or limited, coded as 1, 0, and .25, respectively) and, if the practice was employed, its degree of value, or perceived importance to the organization (using a 1–7 Likert scale, 1=not at all to 7=extremely). If the practice was not used, participants indicated if they would like to adopt it (1=yes, 0=no). The tape-recorded interviews lasted 60–90 minutes and were transcribed verbatim.

Quantitative analysis was used to prepare descriptive statistics and qualitative methods were used to analyze the transcripts to construct interview summaries. The first step was to identify the best practices utilized within each organization, providing a kind of ethical “check-up” for each of the participating organizations. The second step was to identify patterns in the overall dataset. Because no values were assigned to the best practice items by the researcher, no judgments were made as to the effectiveness of any program. Rather, the list served as an inventory to facilitate a comparison between recognized best practices and the various programs under study. This helped highlight areas of strength and challenges for potential future program development. The transcripts were summarized independently by two research assistants (blind to any identifiers) using open coding from ground theory technique (Strauss & Corbin, 1990). This information provided explanatory details about the nature of each organization and its training program.

Findings

Framework. The interview summaries provided an overview of each organization's program, including its intent and purpose. In describing the core message of their program, participants revealed that communicating specifics related to rules, policies, standards of conduct, and government regulations shape the central purpose of the ethics training. Consistent throughout the organizations studied was a primary motive to prevent unethical action by elevating awareness of what principled action is expected for employees. This deontological approach was underscored by a general belief that formal rules and principles are aligned with a personal and organizational duty to "do the right thing" in the workplace. A shared concern for establishing awareness of the organization's values could be viewed as a representation of virtue ethics within the programs, but only one organization actually articulated the importance of using training (and other means) to help employees develop and exercise their ethical strength. The potential benefits of utilitarianism, considering multiple long-term consequences for effective decision-making, were rarely mentioned. When this philosophy emerged, it was only in the context of specialized training sessions or retreats for senior level managers or executives.

The interview summaries also provided general information about the structure, culture, and ethical climate of each organization. For example, three organizations position their ethics group within their Legal Department. Here we see that a focus on regulation and compliance are especially pronounced, affirming a deontological approach. The other organizations positioned their programs either as an independent functional unit (three) or located it within their Human Resource Department (two). In the latter five organizations, participants not only described the importance of training for cultivating awareness of rules and attending to compliance-based requirements, but were also interested in the educational aspects of training. For example, in

these organizations there was a more explicit concern for helping employees learn the rules and values as well as how to apply them. In these cases, the organization seemed to adopt a broader-based ethical philosophy, one that attempts to address several frameworks.

Use of best practices. The mean scores for presence (actual use) and value (level of importance) were calculated for each best practice item, providing insights by category, theme, and item across the sample. Tables 1-2 describe this information in detail. As might be expected, the strength of presence is often associated with higher values. But this is not always the case. In describing the findings, the highs and lows (in terms of presence and value) will be highlighted, along with several examples where inconsistencies emerge. This includes times when a practice is low in presence but highly valued. Such an examination will provide areas for additional exploration, which will be addressed in the Discussion section.

If an item was not present in the organization, the participant did not place a value on its use, but rather stated whether or not they desired the adoption of the particular best practice. The final column reflects the number of companies that indicated a desire to adopt some or all of the best practices if they were not currently in use.

(Insert Table 1 here)

Content Category. Of the seven themes in the Content category, *Core Issues* is clearly dominant, with five of the six best practice items very high in presence. Mean scores for presence are $\leq .91$ (out of 1) and mean scores for value are ≤ 6.25 (out of 7). Within this theme the item “*Explains that whistleblowers are protected from retaliation*” is the strongest, present in all eight organizations (1.0) with very high value (6.75). The other items that comprise this theme have to do with specific areas covered in the training, such as compliance, rules, regulations, values, confidential reporting channels, and other salient ethics issues. The only item

not present in most organizations within this theme was “*Addresses how to achieve performance goals ethically*” (.19), yet it too is somewhat valued (5.33).

Moving in order of greatest strength of overall presence in the Content category, we next see that the theme of *Specific and Explicit Behaviors* follows. Here, three of the five best practice items have mean scores for presence $\leq .88$ with relatively high values (≤ 6.00). While the best practice “*Designed to promote values and positive ethical behavior*” is present in all eight organizations (1.00) and highly valued (6.63), several other items such as “*Describes exact level of accountability ascribed to each employee, explicitly identifying expected behaviors*” and “*Employees learn how to openly discuss the implications of their actions, practicing transparency and openness as part of workplace routines*” lack consistent inclusion in the organizations’ ethics programs (.47 and .28 respectively), yet their value remains fairly high (at 5.50 and 6.00 respectively).

Target Audience, *Focus on Learning Styles*, and *Situations and Scenarios* are themes that tend to have several best practice items with strong presence, but show much less inclusion overall. For example, *Target Audience* has four items that are fairly strong at $\leq .75$. It is clear that new employees are a primary focus (presence .91 and value 6.25), and that describing the ethical philosophy and how the rules apply to all employees is present in most of the organizations (.91) and very highly valued (6.88). Yet seven additional items within this theme vary from .50 to 0 in presence. For example, only half of the organizations apply the item “*Every employee participates in ethics E&T annually*” (.50), valuing it highly (6.50), but with adoption only desired by two of four organizations. As a theme, targeting the audience is a best practice that describes how training must be directed to specific roles, shaping the content based upon level (e.g., new employees, supervisors, managers, executives). We see that this does not typically

occur, except for in the training directed towards new employees. But this is not because it is not valued; in fact, “*Varies by level, function, and role: Special focus for Board of Directors*” is not performed in any of the organizations and is desired for adoption by half (four companies). Why this discrepancy may have occurred is addressed in the Discussion section.

For the *Focus on Learning Styles* theme, the item “*Demonstrates how to use the resources (helpline, websites, etc.) to report allegations*” has the highest mean presence (.88) and value (6.00). But again, we see in this theme that there are more items that are valued but not included as much as the organizations would like. An example is the item “*Uses a variety of tools to address various learning styles*” (presence .53 and value 5.80), with two organizations desiring its adoption. Another item, “*Makes use of videos or acted out situations which demonstrate appropriate ethical behavior,*” has a presence of .31 with a strong value (6.25). Interestingly, the presence for “*Uses games or other techniques designed to encourage employees to have fun*” did not have a robust presence (.38), yet it was highly valued (5.67) and four organizations wanted to see this adopted.

For the theme of *Situations and Scenarios*, only one of the three items had both a strong presence and value (.88 and 6.14 respectively), that being “*Uses ethical challenges or cases actually faced in the organization as the focus of the training.*” The other two items focus on having employees become actively engaged in the process, soliciting them for their personal cases (ethical challenges) or areas of concern. The inclusion of these two best practice items was limited (.38 and .28), and they are only somewhat valued (each at 5.00). Only two organizations wanted this type of employee participation included.

For the sixth theme in the Content category, *Ongoing Reflection, Practice, and Dialogue*, only one of the five items showed a strong presence, while others dip to as low as .03 usage. The

item “*Helps employees to use critical thinking or an ethical decision-making process to determine the moral action*” has the greatest inclusion (.78) and is deemed as being somewhat valued (5.43). The item with the next highest strength of presence (.41), “*Has employees practice ethical situations that involve choosing between two right paths,*” reflects a lower value, as compared to the first item (5.0). The best practice “*Has employees practice ethical decision-making, posing questions to help them resolve their ethical challenges*” is not regularly present (.25) nor highly valued (4.75), but those who do not have this practice desire its adoption (four organizations). While only one firm had the theme “*Uses role playing or other techniques to encourage emotional awareness*” (.03) and its value was quite low (3.00), five organizations desired its adoption. This reflects that most training asks employees to engage in bounded ethical decision making effort, deciding what action(s) to take between several choices. For the most part, the training is not a generative process where employees help to co-create the learning effort, can ask questions, and have the opportunity to engage in the practice of ethical decision-making through interaction. These observations are affirmed by the additional findings associated with the final theme, described next.

In the final Content theme of *Delivery Form*, we see that the organizations typically use online training to provide compliance, values, and ethics content (.75 presence), which is deemed high in value (6.83–7.00). Also valued highly (5.67-5.83), yet used substantially less (.38), is the face-to-face delivery form. In addition, having the training conducted by in-house line management or by the supervisor of each work group was a valued best practice (6.00-6.50), but rarely present (.16). Taken together, the best practice items for this theme were valued highly (5.67–7.00).

Overall, the findings for the Content category suggest that organizations are doing a good job

at including content to address rules, regulations, and compliance requirements, while simultaneously bringing forward a focus on values. Targeting specialized audiences within the organization is under-addressed, except when it comes to new employee training, which appears to be a consistent practice. Techniques proffered as effective that require a face-to-face interactive environment (e.g., role playing, posing questions, sharing ideas during a session) present mixed values by the few organizations that currently include them, but are typically desired for adoption if not currently in use. Opportunities for improvement appear to reside most abundantly within the themes that *Target Audience*, provide *Ongoing Reflection, Practice and Dialogue*, and extend the *Delivery Form*.

(Insert Table 2. here)

Context Category. Looking now to the Context category, these themes represent the framework and setting for the ethics training program within the organization. The first theme, *Raising Questions and Promoting Awareness*, shows a strong presence. Three of the nine items reflect a mean presence of .88 with values ≤ 5.71 . These best practices include sharing information in multiple languages, tracking ethics concerns reported, and maintaining an online employee website with ethics information. Three additional items included in this theme, “*Ethics information, including the code of conduct, provided in written form to all employees,*” “*Provides an anonymous telephone hotline where employees can ask questions, get advice, and report concerns,*” and “*Provides an ethics email service where employees can ask questions, get advice, and report concerns,*” are also present (.75–.78) with very high values (6.57–6.67). Not typically present (.34–.13) but valued (6.00) were three additional items: “*Appoints ethics officers within business units or in each location,*” “*Employees are solicited for suggested changes in the organization’s code of ethics and other ethics information,*” and “*Ethics information is posted*

where employees will encounter it daily.” This last item was considered by most of the participants as being “old-fashioned,” given the dissemination of ethics information via the company website (as per above).

Most of the organizations studied have some level of a *Commitment to the Code*, referring to their in-house document that describes the company standards of conduct and general ethical guidelines for employees. While the first item in this theme, “*Code is signed by all employees*” has a high presence (.78) and value (6.00) the other two best practices have a rather low presence (.31-.34) and are only somewhat valued (5.50-5.80). This reflects a limitation in organizational efforts to share ethics information to vendors, suppliers, and business partners. In addition, employers infrequently ask employees to re-commit to the company code after their initial signing (when first employed).

The remaining themes in the Context category show substantially less presence, as compared to those in Content, yet their value scores remain comparable. These themes, *Program Effectiveness*, *Ethical Risk Assessment*, *Link Ethics with Performance*, and *Ongoing Communications*, have no representation in three of the organizations studied (no presence of any of the best practice items). But despite their limited presence, there is a strong desire for their adoption. For example, in the theme of *Program Effectiveness*, only half (.50) of the organizations “*Conduct an annual employee survey to measure ethical attitudes and culture*,” yet this best practice is a valued item (6.25) and three organizations desire its adoption. Perhaps the most striking observation is that the presence score for “*Conducts exit interviews that include questions about ethical behavior observed*” is .13, yet its value is 7.00 and six of the eight organizations desired its adoption. Missing from most organizations are the best practice items for the theme of *Ethical Risk Assessment*, especially “*Line managers have specific responsibility*

for managing areas of ethical risk,” which has a very low mean presence (.06). Again, it is valued (6.00) despite limited use, with six organizations desiring its adoption. For the theme of *Link Ethics with Performance* we see a similar pattern: low presence for the three items (.25-31), with a reasonably high value (5.25-6.50), and desired adoption by those who do not currently use the practices (three or more organizations). The last theme of *Ongoing Communications* follows suit. All four best practice items show little presence (.03-.13), possess very high value (6.00-7.00), and adoption is generally desired by those who do not currently employ them. An example is *“Requires line managers to include ethical topics in staff meetings at least once quarterly,”* which has a very low presence (.06), high value (6.50), and is desired by four organizations.

Actions of the Board was not a best practice theme based upon those identified in Phase One of the study. It was added based upon participant request and provides additional insight. Only one of the four items in this theme is typically present, yet the items appear to merit inclusion, when comparing their values to other Context-related themes. Consistent with other findings related to performance, the item that explicitly links ethics and performance for the Board of Directors lacks presence (.03) but was highly valued (7.00). Conversely, the best practice item *“Board of Directors explicitly focus on issues of compliance”* was present in all of the organizations (1.00) with a value of (6.25).

Overall, the thirteen themes that address the content and context of ethics training reflect areas where improvements are needed. To understand where opportunities reside, we can look at when best practices are not being used and their adoption is desired. Moreover, the inconsistencies and patterns that emerged among several themes point to the need for closer examination. Reviewing the overall findings in concert with the qualitative interview data will provide greater insight toward the development of recommendations.

Discussion

The findings suggest that specific strengths as well as challenges exist in both content and context areas for ethics education and training. Overall, the eight organizations studied show more representation of the best practices for the Content category, as compared to the Context category. Figures 1 and 2 display percentages of best practices present in each organization by category. In Figure 1 we see that two of the organizations studied use more than 65% of the best practice items for Content, with another five organizations using nearly 50%, and one using 46%. The representation of best practices is not as favorable for the Context category, where only one organization uses 56% of the best practice items, followed by another at 48%, and the remaining six organizations range in utilization between 28 to 39%. To better understand these outcomes, the findings are examined, noting where improvements are needed. This will help build a general picture of the overall program efforts, which contributes to informed next steps.

(Insert Figures 1-2 here)

Looking to the Content category, the organizations included material that covers both compliance and values-based topics. The general focus is to make people aware of the organization's rules and its code of conduct, and to make it clear that each employee is held responsible for applying these regulations and standards in the workplace. There is not much effort to try and develop or educate most employees—that is, helping people learn and explore ethical frameworks, understand their use and application, and to expand their ethical competencies as they relate to more effective decision-making and behavior.

While new employees receive formal indoctrination that includes a focus on ethics, unless you are a senior executive, in direct sales, or have been targeted for special attention (based upon areas of vulnerability or in cases where unethical activities have occurred), it is unlikely that you

will be engaged in face-to-face training where reflection, practice, and ongoing dialogue are cultivated. In addition, organizations are not as inclusive as they could be, limiting employee involvement in the ethics program's development, content, and form. For example, employees are rarely solicited for their personal cases or concerns, and will likely not be in an interactive dialogue during the training itself. This relates to the form of delivery, which is typically one-way via online method.

A closer examination reveals that four of the seven Content themes currently being implemented in most organizations bring forward key issues related to salient ethical problems. Furthermore, we find that scenarios associated with the workplace are used to help employees understand these concerns and relate to them during the training. For example, participants describe how their online tutorial sessions link specific desired behaviors to ethical action. Employees are typically asked to navigate through a series of questions where they are directed to choose an appropriate response by applying corporate rules to correctly address a series of issues. But knowing the rules and applying them in an online session is not the same as learning how to recognize, work through, openly discuss, and resolve an ethical dilemma (where there may not be one right solution to an issue).

This points to an inconsistency in the findings around delivery form and the desire to educate and develop employees for ethical decision making and moral action. We know that face-to-face delivery is considered a critical element in training because it promotes interaction, shared reflection, and dialogue, which are needed for the practice of moral agency (cf. Piper et al., 1993; Sekerka, 2008). While organizations expect this capability for all employees and affirm that the rules and standards apply equally to all levels, they are not investing in ethical development at all levels. While participants value face-to-face training, it is limited and not

always desired by those who do not have it. And yet, by the same token, the findings show that those responsible for training want employees to be able to practice, reflect, and share ideas during the process. To unpack this incongruence, the interview summaries reflect how participants describe face-to-face delivery as prohibitive, based upon multiple costs (both in time and money from multiple venues). Several participants were quite frank, suggesting they agreed that this would be particularly effective, but is beyond their capacity, given the resources that they have been provided. The data show that half of the sample (four companies) would like to adopt best practices to cultivate *Ongoing Reflection, Practice, and Dialogue*. However, the participants were very clear that face-to-face sessions are typically reserved for special groups because of the expense, and consider this form beyond their means in terms of resources. They also added that it would take employees away from their regular duties, adding even more cost to such an initiative.

To address this challenge, perhaps merging some best practices can be considered, combining several so that they can be attended to in part (if not in totality). For example, face-to-face delivery could be used to teach first level supervisors how to create face-to-face discussions about ethics in their workgroups. This could potentially weave several under-addressed and highly valued best practice items together (e.g., having in-house line management conduct face-to-face training with their staff, where employees practice ethical decision-making and exercise dialogue and inquiry to help resolve ethical challenges). Unfortunately, there is a tendency to wait to employ these methods until problems have occurred. Participants candidly described how their organizations tend to promote more personalized ethics training when they are in a reactionary mode, working to rectify unethical behaviors. Only then does it become unilaterally employed throughout the employee base. Some organizations employ many of these best

practices and strengthen them, going beyond legal compliance requirements such as those set forth by the Sarbanes-Oxley Act of 2002 (e.g. Section 806, whistleblower protection). Leaders may wish to get more aggressive about instigating these best practices, acting in a proactive manner to prevent unethical action through more educational and developmental-focused initiatives.

In seeking an explanation for the disparity between the presence of Content and Context themes, participants described the difficulties companies face in linking ethics with performance—specifically with tracking, measurement, and assessment. While special awards are given ubiquitously for exemplary ethical behaviors, employers seem to be at a standstill when it comes to connecting performance objectives with identifying ethical risk, transparent practices, and overall ethical achievement. More than half of the companies want to adopt best practices that link ethics with performance, but they expressed concern about how they could actually implement these items. Because most companies do not have ethical components associated with task accomplishment (e.g., risk assessment), it makes tracking ethical actions highly subjective. For example, one participant described how when “ethics” has been included in the performance review processes, it was a general question about the person’s character. Typically, everyone was given high marks, unless they were blatantly unethical. Obviously this did not distinguish ethical performance. It appears that the lack of focus on the development of ethical competencies makes linking ethics to performance difficult. Therefore, to improve this area, a fruitful approach might be to address several best practices simultaneously. For example, by implementing metrics for items under *Specific and Explicit Behaviors* and *Ethical Risk Assessment* (e.g., “Conducts risk assessment to identify areas of ethical risk”), employees’ ethical competencies could be assessed and personal accountability could become part of their

performance objectives.

As with other best practices implemented, communication tends to be one-way. While employees can report ethical issues through formal reporting mechanisms, participants revealed that these are not necessarily the key sources for garnering important ethics information. Firms are required to have reporting processes, mandated via compliance regulations in the U.S. But truly cultivating an open and trusting ethical culture is how information becomes shared on a regular basis. This is when transparency, reflection, and dialogue can become normal features of everyday task operations. Participants shared how training must be complemented with a workplace environment that is guided by its organizational leaders. They described different circumstances reflecting how people watch and emulate the behavior and attitudes set by the “tone at the top.”

On this point, a number of participants expressed frustration about how to sustain ongoing ethics communications within their organizations. They seemed troubled by how to keep ethics on the agenda, making it fresh and interesting, and ensuring that leadership continually incorporates “ethics” into their regular communiqué. Again, participants mentioned that until there is a specific problem, those responsible for training find it difficult to make a case for bolstering ethics programming—beyond existing compliance requirements. The finding that ethics education and training at the Board of Director level is focused solely on compliance suggests that this is an area for improvement. One participant described how they tried to implement training at this level but it was considered problematic, so they did not wish to adopt the practice. Two of the participants affirmed that it would be a good idea to link ethics to performance at the highest levels, and three wanted to see performance aligned with ethics at every level. But by the same token, they were reserved about who would be responsible for

implementing this responsibility (which prohibited desired adoption).

Those responsible for ethics training believe that the organizational context must support the program content, but there is much room for development. Here, another trend was that several of the Context themes reflected low means for presence and high means for value. If employees are expected to comply with regulations and exercise corporate values in their daily task actions, processes that promote dialogue, identify ethical risks, and link ethics with performance are needed. In short, the best practices linked with these themes cannot be woven into the culture and climate of the organization without focused leadership support.

(Insert Table 3 here)

Looking at the themes in aggregate, we can see how strengths and challenges are observable in both the content and context categories (see Table 3). Given the recent market collapse, global competition, and added pressure to focus on sustainability, organizations will likely be required to attend to more regulatory requirements in the years to come. This reality, combined with potentially less funding for ethics education and training, may constrict rather than expand the use of these best practices. Those responsible for training will have to become efficient with their resources and work to develop creative solutions. For example, those responsible for training can help to ensure that line-managers know how to foster ethical awareness and behavior in the daily actions of those they supervise. Perhaps a viable strategy might be to invest in face-to-face training for those who assume these roles, with a specific focus on emphasizing ethical reflection and dialogue as a part of routine interactions. When discussing a project at a group or quarterly meeting, supervisors can then demonstrate transparency, bringing forward and addressing the ethical risks, outlining the implications of pending decisions, and encouraging open conversation and debate. A “train the trainer” process that is filtered throughout the organization from top-

down and bottom-up can help integrate and infuse ethics as a practice and foster shared ownership of the initiative.

While participants were adamant about the inclusion of core values in their programs, some participants looked to the ethical history of their organization to influence its current identity and employee behaviors. This is a potentially dangerous assumption, believing that employees can transfer values as content knowledge without the development of workplace routines and social norms that cultivate an active identity through their own daily actions. Again, this points to the importance of establishing an ongoing dialogue, one that instills individual and collective attention to achieve ethical performance in daily task actions. The overarching picture of ethics education and training in this study suggests that a shift in how we view ethical awareness and development in the workplace may be warranted. Rather than being contained as a one-way activity, perhaps ethics officials can foster a more open and interactive process—one where employees participate in discussing their ethical issues with others, helping to create a context where values can be applied to ethical decision-making with others and where ethical competencies can be practiced and honed.

Limitations and Conclusion

As stated at the onset, the intent of this research was not to validate best practices but to generate a better understanding of how ethics education and training is being conducted in several organizations. Readers should be reminded that presence and value were not precise measurements, but based upon input from in-house ethics program experts. Thus, if a participant said that a particular best practice was in use, or present in a limited way, the numerical scoring provides insight rather than measurement precision. A complete review and analyses of the organizations' processes, practices, and procedures was beyond the scope of this study. But

important understandings can be gleaned from such processes, which should be undertaken in future research.

A limitation of this work was a small sample of self-selected companies, drawn from one particular region of the U.S. Moreover, these firms are involved in the technology industry and have similar interests to actively pursue the cultivation of an ethical workplace as members of an ethics partnership group. This puts some constraints on the generalizability of the findings. Empirical work is needed to test the validity of the best practices in different types of organizations with a consideration of demographics, size, industry type, and culture. These limitations notwithstanding, the findings show how the programs studied compared to reported best practices. Results were shared with the participants, which contributed to collective dialogue regarding further development of their efforts and planned initiatives.

The implications of this work suggest that a focus on ethical content is essential. But the treatment of content alone is an incomplete approach. The assumption that merely providing information ensures ethical behavior is risky—at best. This presumes that describing what people should do enables them to proceed accordingly. While a deontological approach helps to ensure that rules are known and that it is the employee's duty to adhere to them, how to recognize and attend to ethical challenges presumes a great deal of personal awareness and the development of competencies that support effective ethical decision making. Therefore, people need environments that also support and encourage the practice of ethical reflection, dialogue, and action. Needed are additional activities that cultivate organizational process norms to develop ethical thinking in support of personal accountability and moral development. A greater focus on context implies that supervisors and managers need to bring forward ethical issues in staff meetings, become aware of and responsible for areas of ethical risk, and link ethical practice to

organizational goals and personal performance. Finally, an emphasis on ethical competency development will help employees exercise ethics as an active “practice” rather than seeing ethics as a form of forced compliance.

Some of the participants, those managing ethics programs and the accompanying training efforts, expressed that employees “should already know how to be ethical.” And, that “if people do not know how to be ethical it is not the company’s responsibility to teach them how to behave appropriately.” Some expanded upon this matter, explaining their belief that “you cannot teach ethics or morals to adults; people either learn ethical thinking as children—or they do not.” These same participants were quite emphatic that their company “only hires ethical people.” Given these beliefs and attitudes, it seems all the more important to be reminded that organizational contexts can inadvertently create and support social norms that unwittingly encourage unethical decision-making and wrongdoing.

Given the right context, we know that ordinary people can participate in uncharacteristic amoral behavioral shifts, transformations that enable them to engage in unethical decisions and acts (Zimbardo, 2007). We are all vulnerable to the conscious or unconscious demands of our social milieu. Zimbardo’s work, coupled with the latest evidence in the media reported on the nightly news, elevates the urgency for people to pay attention to the ethical considerations of their daily decisions. This includes the ability to conceptualize the potential consequences of their decisions and actions. In addition, learned habits of self-regulation can impact the long-term success—or failure—of people and their organizations. Given that personal awareness is key, perhaps leaders, managers, and trainers can begin to think about using the best practices outlined in this article as ways to help employees continue to integrate ethics into their workplace routines by encouraging the practice of reflection and dialogue in their everyday

activities. The best practice themes and the associated items that have been outlined in this work provide ideas for how to commence.

Finally, the message of ethics as a habit of choice, a capability that needs to be exercised to be sustained, must be constant. Communication from leadership and evaluation mechanisms must reinforce the critical nature of ethical performance. With a focus on both content and context, organizational ethics education and training can help employees at every level experience ethics as a core element of personal and organizational success. Ethics education and training will truly own its name when the goal is not only to disseminate information, but also to foster development at the individual and organizational levels.

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Table 1. Best Practices by Content and their Application (N=8)*

Best Practices by Content: <u>Themes and Items (40)</u>	Best Practice Presence <i>Mean</i> <u>(0-1)</u>	Best Practice Value <i>Mean</i> <u>(1-7)</u>	Companies that Desire Adoption <u>(0-8)</u>
1. Core Issues (6)			
Explains that whistleblowers are protected from retaliation.	1.00	6.75	0
Addresses values and ethics topics that go beyond compliance.	0.91	6.88	0
Covers confidential reporting channels (e.g., anonymous telephone line).	0.91	6.63	0
Addresses compliance issues such as rules, regulations, and laws that apply to employees and their jobs.	0.91	6.50	0
Covers key areas, selected because ethical problems often occur in these areas.	0.91	6.25	0
Addresses how to achieve performance goals ethically.	0.19	5.33	5
2. Specific and Explicit Behaviors (5)			
Designed to promote values and positive ethical behavior.	1.00	6.63	0
Designed to prevent unethical and illegal behavior.	0.88	6.57	0
Defines what it means to be ethical and how to apply ethics into everyday activities.	0.88	6.00	1
Describes exact level of accountability ascribed to each employee, explicitly identifying expected behaviors.	0.47	5.50	2
Employees learn how to openly discuss the implications of their actions, practicing transparency and openness as part of workplace routines.	0.28	6.00	4
3. Target Audience (11)			
All employees receive core E&T program that explains the company’s ethics philosophy and underscores how rules are consistent and equal among all levels.	0.91	6.88	0

**Best Practices by Content:
Themes and Items (continue)**

	Best Practice Presence <i>Mean</i> <u>(0-1)</u>	Best Practice Value <i>Mean</i> <u>(1-7)</u>	Companies that Desire Adoption <u>(0-8)</u>
Provides ethics training during the first week of new employee orientation.	0.91	6.25	0
Varies by level, function and role: Special focus for new employees.	0.88	6.43	1
Certain employees, in areas of ethical risk, receive more frequent ethics E&T.	0.75	6.50	0
Every employee participates in ethics E&T annually.	0.50	6.50	2
Mixes hourly and management personnel in sessions.	0.47	5.17	2
Varies by level, function and role: Special focus for first level supervisors.	0.31	6.00	1
Varies by level, function and role: Special focus for midlevel managers.	0.19	5.67	3
Has an ethics E&T for vendors, suppliers, and business partners.	0.19	5.33	2
Varies by level, function and role: Special focus for senior executives.	0.16	6.50	6
Varies by level, function and role: Special focus for BoDs.	0.00	NA	4
4. Focus on Learning Styles (4)			
Demonstrates how to use the resources (helpline, websites, etc.) to report allegations.	0.88	6.00	1
Uses a variety of tools to address various learning styles.	0.53	5.80	2
Uses games or other techniques designed to encourage employees to have fun.	0.38	5.67	4
Makes use of videos or acted out situations which demonstrate appropriate ethical behavior.	0.31	6.25	0
5. Situations and Scenarios (3)			
Uses ethical challenges or cases actually faced in the organization as the focus of the training.	0.88	6.14	1
Solicit employees to submit areas of concern, key issues, stories, or ideas to use in training.	0.38	5.00	2
Company solicits employees before or during the training to offer personal cases.	0.28	5.00	2

<u>Best Practices by Content: Themes and Items (continued)</u>	Best Practice Presence <i>Mean</i> <u>(0-1)</u>	Best Practice Value <i>Mean</i> <u>(1-7)</u>	Companies that Desire Adoption <u>(0-8)</u>
6. Ongoing Reflection, Practice, and Dialogue (5)			
Helps employees to use critical thinking or an ethical decision-making process to determine the moral action.	0.78	5.43	1
Has employees practice ethical situations that involve choosing between two right paths.	0.41	5.00	4
Includes periods of reflection and sharing ideas during session.	0.31	5.20	3
Has employees practice ethical decision-making, posing questions to help them resolve their ethical challenges.	0.25	4.75	4
Uses role playing or other techniques to encourage emotional awareness.	0.03	3.00	5
7. Delivery Form (6)			
Uses online training for values and ethics topics beyond compliance.	0.75	7.00	0
Uses online training for compliance topics.	0.75	6.83	1
Uses face to face training for values and ethics topics beyond compliance.	0.38	5.83	1
Uses face to face training for compliance topics.	0.38	5.67	1
Conducted by the supervisor of each work group for his or her employees.	0.16	6.50	3
Conducted in-house by line management.	0.16	6.00	3

*Presence is based upon 0=no, 1=yes, or .25=limited; Value (importance) is based upon a 1–7 Likert scale (1=not at all to 7=extremely); Desired Adoption represents the number of companies who do not have one or more of the best practice items within a given theme, but would like to adopt one or more of them.
NOTE: A “0” value indicates that this best practice is not being used.

Table 2. Best Practices for Context and their Application (N=8)*

Best Practices by Context: <u>Themes and Items (25)</u>	Best Practice Presence <i>Mean</i> <u>(0-1)</u>	Best Practice Value <i>Mean</i> <u>(1-7)</u>	Companies that Desire Adoption <u>(0-8)</u>
1. Raising questions and Promoting Awareness (9)			
Ethics information is available in multiple languages.	0.88	6.29	1
Tracks information provided by reporting mechanisms.	0.88	5.86	0
Maintains online website with frequently asked ethics Q&A.	0.88	5.71	1
Ethics information, including the code of conduct, is provided in written form to all employees.	0.78	6.57	0
Provides an anonymous telephone hotline where employees can ask questions, get advice, and report concerns.	0.75	6.67	0
Provides an ethics email service where employees can ask questions, get advice, and report concerns.	0.75	6.67	1
Appoints ethics officers within business units or in each location.	0.34	6.00	0
Employees are solicited for suggested changes in the organization’s code of ethics and other ethics information.	0.25	6.00	2
Ethics information is posted where employees will encounter it daily.	0.13	6.00	3
2. Commitment to the Code (3)			
Code is signed by all employees.	0.78	6.00	0
Distributes ethics codes to vendors, suppliers, and business partners.	0.34	5.80	1
Employees are asked to resign the code each year.	0.31	5.50	0
3. Program Effectiveness (4)			
Conducts an annual employee survey to measure ethical attitudes and culture.	0.50	6.25	3

<u>Best Practices by Context: Themes and Items (continued)</u>	Best Practice Presence <i>Mean</i> <u>(0-1)</u>	Best Practice Value <i>Mean</i> <u>(1-7)</u>	Companies that Desire Adoption <u>(0-8)</u>
Requires all E&T participants to complete program evaluations.	0.28	5.33	4
Poses questions before and after an E&T session to measure impact on ethical thinking.	0.28	4.00	4
Conducts exit interviews include questions about ethical behavior observed.	0.13	7.00	6
4. Ethical Risk Assessment (2)			
Conducts formal risk assessment to identify areas of ethical risk.	0.38	6.00	3
Line managers have specific responsibility for managing areas of ethical risk.	0.06	6.00	5
5. Link Ethics with Performance (3)			
Managers develop skill sets and competencies to attain successful ethical performance.	0.31	5.80	4
Ethical actions are explicitly included in employees' performance evaluations.	0.31	5.25	3
Recruiting practices evaluate the ethical character of candidates.	0.25	6.50	4
6. Ongoing Communications (4)			
Includes ethics content in internal publications to all employees at least once a month.	0.13	6.00	5
Requires line managers to include ethical topics in staff meetings at least once quarterly.	0.06	6.50	4
Requires event planners to include ethics content in companywide conferences and other events.	0.03	7.00	3
Sends special ethics communications to all employees at least once a month.	0.03	6.00	5
**Actions of the Board (4)			
BoDs explicitly focus on issues of compliance.	1.00	6.25	0

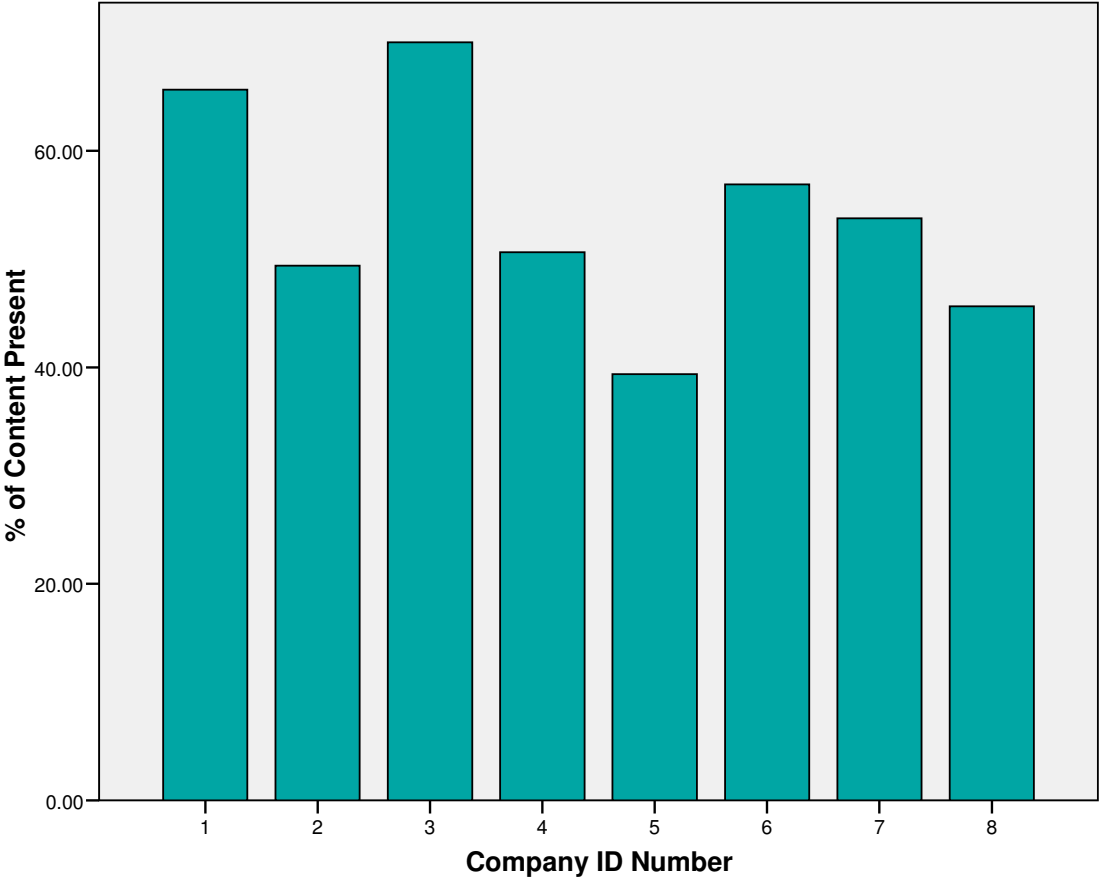
Best Practices by Context: <u>Themes and Items (25)</u>	Best Practice Presence <i>Mean</i> <u>(0-1)</u>	Best Practice Value <i>Mean</i> <u>(1-7)</u>	Companies that Desire Adoption <u>(0-8)</u>
BoDs explicitly focus on issues beyond compliance.	0.56	5.83	1
BoDs encourage transparency.	0.38	7.00	0
BoDs align senior leader performance with ethics.	0.03	7.00	3

*Presence is based upon 0=no, 1=yes, or .25=limited; Value (importance) is based upon a 1–7 Likert scale (1=not at all to 7=extremely); Desired Adoption represents the number of companies who do not have one or more of the best practice items within a given theme, but would like to adopt one or more of them. NOTE: A “0” value indicates that this best practice is not being used. **The theme of *Actions of the Board* (4) was not a best practice identified in Phase One, but was added to the Context category by participant request.

Table 3. Strengths and Challenges in Organizational Ethics Content and Context

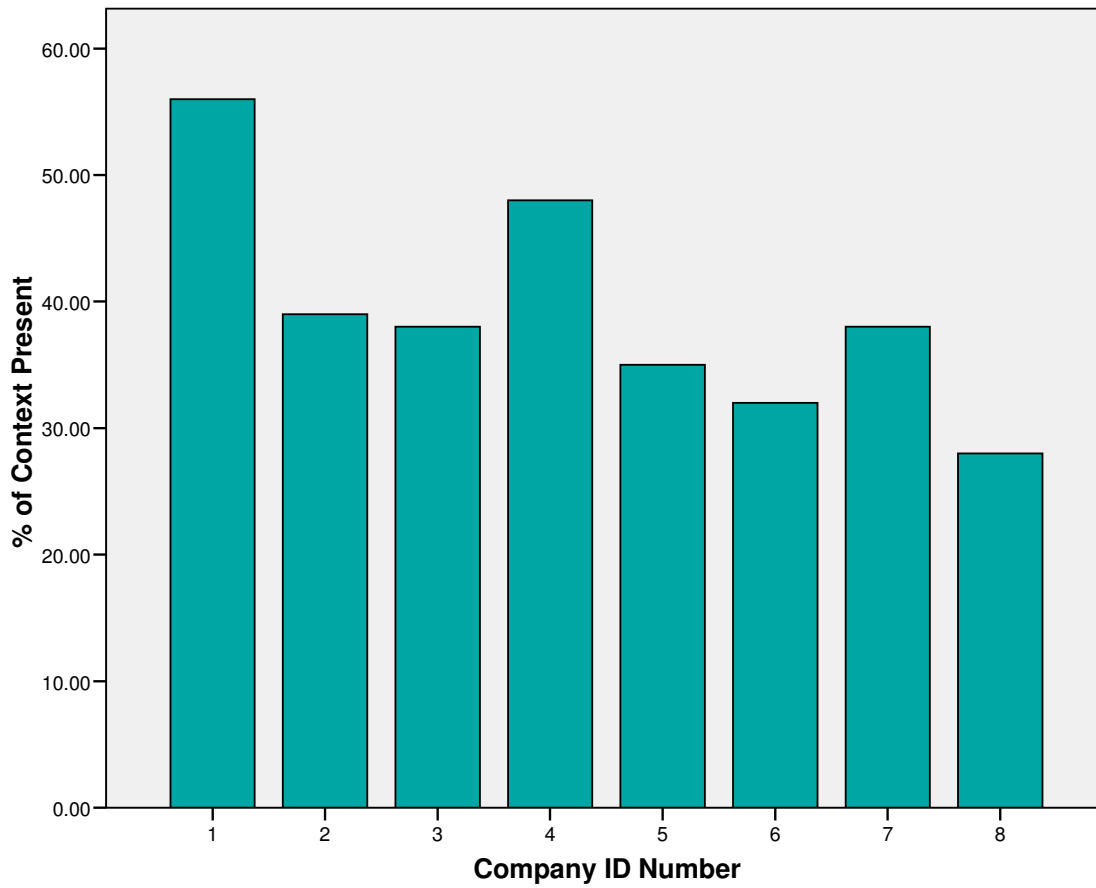
CONTENT	CONTEXT
STRENGTHS	
<ul style="list-style-type: none"> • Address key compliance requirements, such as reporting channels and whistleblower protection. • Focus on prevention of unethical behavior and promotion of values. • Describe and define ethics as applicable to daily tasks. • Use relevant issues that target problem areas. • Use of online delivery reaches all employees, typically upon hire and then biannually. 	<ul style="list-style-type: none"> • Reporting mechanisms are in place. • Code of Conduct ethics policy is easily accessible, typically through a website that also provides supplemental question/answer section. • Code of Conduct is available in multiple languages and typically signed by all employees.
CHALLENGES	
<ul style="list-style-type: none"> • Online delivery promotes awareness but does not encourage reflection, practice, and dialogue. While outcomes associated with face-to-face delivery are desired, time, interest, and resources restrict applications to special groups or when problems arise. • Training efforts can become siloed (e.g., in legal departments), detracting from ethics integration and a competency development approach. • Organizations assume employees will exercise values in resolving ethical challenges: “We only hire ethical people.” • No ethics training for vendors, suppliers, and partners. • Employees are not petitioned for their personal stories or for insights on cases or issues to be used in training. 	<ul style="list-style-type: none"> • Lack a sustained ethics message in corporate communications (e.g., publications, events, announcements, and leadership messages). • Employees are not included in the process of ethics program efforts, training, and Code of Conduct development. • Ethical risk assessment tools are rarely applied. • Managers do not explicitly assume responsibility for handling areas of ethical risk (a reaction orientation dominates: focused attention on problems after they emerge). • Ethical issues are not regularly addressed at staff meetings. • The link between ethics and performance goals is vague—if present. • Focus is on training rather than education; the goal is to disseminate information rather than to foster personal and organizational development.

Figure 1. Percent of Best Practices by Content* (N=8)



* Based upon best practice themes listed under Content (40).

Figure 2. Percent of Best Practices by Context* (N=8)



* Based upon best practice themes listed under Context (25), not including *Actions of the Board*.