



Closing the Gap between Ethics and D&I

**Forum on Workplace Inclusion
Conference**

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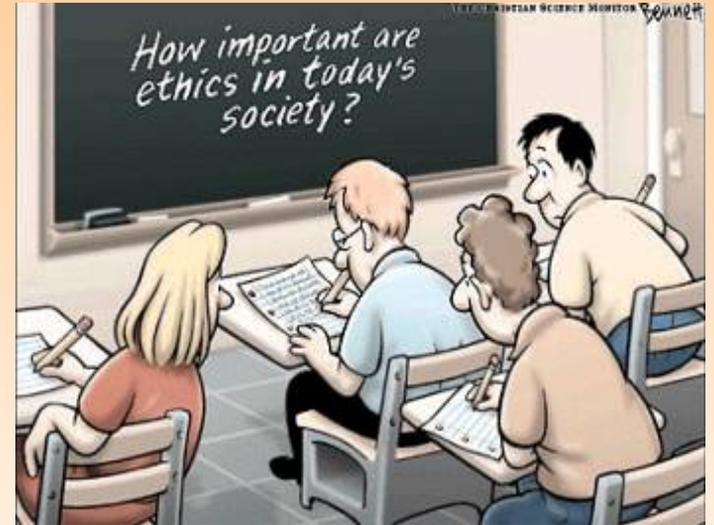
Workshop Agenda

- Introduction to International Ethics
- Aligning Ethics with D&I and Culture
- Case Studies and Real Dilemmas

Why Bother With Ethics?

It is:

- The right thing to **do**
- The basis for excellent management
- Essential for effective long-term management
- Cheaper than paying for lawyers after the fact
- It's the law



Evolution of Business Ethics

- **Ethics in religion and philosophy** goes back millennia...
- **Business Ethics as an academic field** is relatively new – mid-20th century – first texts in 1970s, already well established by 1990s, including International Business Ethics
- **Business Ethics as a movement** followed the establishment of the academic field – government and corporate ethics codes, ethics officers, ethics training, ombudsman, help lines, etc...
- The ILO developed the first International Code of Conduct 1937 (standards for advertising)
- UN Global Compact for Corporations (2000) built upon the UN's Universal Declaration of Human Rights (1948), etc...
- **Business Ethics organizations:** Gulf Center for Excellence in Ethics (GCEE), Ethics Institute (South Africa), European Business Ethics Network (EBEN), etc.

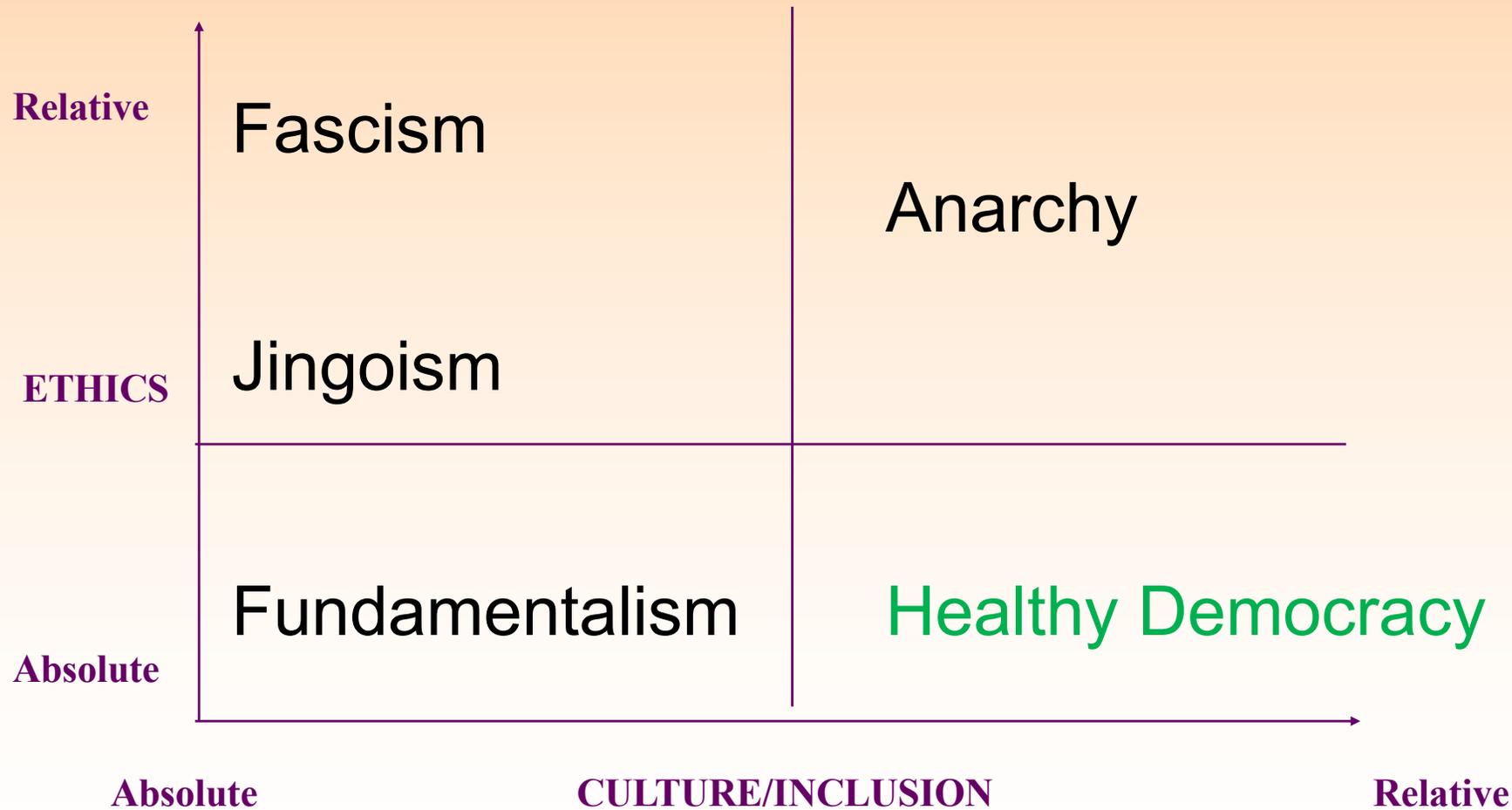
How Did the U.S. Get Here?

- Pre-1960's: Anti-trust, fair trade, etc.
- 1960's: Social changes - OSHA, EPA, EEOC, etc.
- 1973: Watergate
- 1977: Foreign Corrupt Practices Act (FCPA)
- 1991: Federal Sentencing Guidelines adopted
- 2002: Sarbanes-Oxley post-Enron
- 2010: Dodd-Frank, post financial crisis of 2008
- Growth and expansion of business ethics movement... ECOA, OGE, etc.

What is International or Global Ethics?

- Ethics across national borders (e.g., FCPA)
- Dealing with global values, especially when they clash
- Ethical absolutism in the midst of cultural relativity

Ethics & Culture/Inclusion Matrix



What is Cultural Relativity?

Some examples of cultural dimensions (Hofstede):

- Group Orientation: Individualism vs. Collectivism
- Hierarchical Orientation: power distance; low / high
- Indulgence Orientation: Indulgence vs. Restraint
- Uncertainty Avoidance Orientation; low / high
- Time Orientation: Short-term vs. Long-term
- Quality of Life Orientation: Masculine / Task (doing) vs. Feminine / Relationship (being)

Others:

Emotions: Neutral vs Expressive

Communication: Direct vs. Indirect; Low-context vs. High-context

Judgement: Universal vs. Particular

Key Global Ethics Issues

- Fairness -- e.g., gender equality (WEF Gender Gap Index; SDG #5)
- Integrity across huge economic differences -- e.g., reduce inequality (within and) among countries (SDG #10)
- Corruption -- e.g., gift-giving

SDGs – Sustainable Development Goals

THE GLOBAL GOALS For Sustainable Development



Corruption ...

Corruption is the abuse of entrusted power for private gain.

Source: Transparency International

Bribery and Kickbacks... any money, fee,... gift,...or compensation of any kind that is provided... for the purpose of improperly obtaining or rewarding favorable treatment.

Transparency International's Corruption Perceptions Index (CPI)

Which of the countries below do you think is perceived to be the:

- 1) Least corrupt?
- 2) Most corrupt?

- A. Denmark
- B. Japan
- C. Russia
- D. South Africa
- E. USA

Evidence...

- **Japan's ethical clampdown puts golf out of bounds...** Mahjong has been banned. So has golf... Evening parties are permitted -- but only if the guests cannot sit down... These are among the new ethical guidelines as Japan launches its latest drive to combat corruption... After years of scandals, the Japanese government has introduced its first code of ethics.
-- FT, May 19, 2000
- **In India, Fighting Corruption...with fake money:** ... Worthless currency is not necessarily useless... zero-rupee notes – an Indian anti-corruption gimmick has now attracted worldwide interest. They look like a 50-rupee note (with Gandhi's face) and people are encouraged to hand them to corrupt officials. Now other countries are interested...
-- Economist, December 7, 2013

How Different Are Ethical Standards in Different Cultures?

- Universal values that all human societies share
- Comparable values that are similar, but open to cultural interpretation (Behavior)
- Values in tension, and values that are or seem to be incompatible (Priority)

Edelman Trust Barometer – 2018 / 2019

- Online Survey in 27 Major Countries
- 2018 Edition – “The Battle for the Truth”; 2019 – “Trust at Work”
- Global TRUST average 2018/2019 = 49/52
- Global average for Gov’t 2018/2019 = 44/47;
US = 33/40 (down from 47 in 2017)
- Globally, NGOs and Business more trusted than Media and Government

Ethical Decision-making Model

- **E – Examine the facts**
- **T – Think about who is affected**
- **H – Hone in on the ethical issue(s)**
- **I -- Identify values, policies, obligations**
- **C – Consider options & consequences**
- **S – Satisfy your responsibility to the organization first, then to others and finally to yourself (act or get help)**

Types of Ethical Issues



Conflicts of interest

Breaches of confidentiality

Unfair treatment

Affronts to human dignity

Misuse of resources

Misuse of position or abuse of authority

Case #1

You are a senior leader. A female manager on your staff complains to you that a married manager, who also reports to you, constantly asks her out, complements her make-up and clothing, and on one occasion kissed her when no one was around. You:

- A) Tell her that she's attractive and will have to learn how to handle situations like this.
- B) Tell the accused manager that there have been complaints and that you won't tolerate this behavior.
- C) Begin a formal investigation to determine whether some sanction should be imposed on the accused manager.
- D) Do Nothing.

Case #2

You have a good working relationship with Bart who is one of your peers and with whom you work closely. However, there's something about Bart that disturbs you. He constantly finds fault with Vera, an industrious young woman who reports to him. You find Vera to be intelligent, efficient and creative. On a weekly basis, Bart speaks negatively about her at meetings with the boss that both of you and other direct reports attend. You are concerned that Bart is threatened by Vera's competence and that he is giving the boss a very inaccurate perception. What should you do?

- A) Do nothing.
- B) Make an effort to point out Vera's outstanding performance to the chief at every opportunity.
- C) Have a private conversation with Vera and suggest she consider transferring.
- D) Talk to Bart about your perceptions.

Case #3

You are the likely successor to the current CEO. Much to your shock, you've just learned that the CEO has brain cancer. The board is currently meeting to determine whether to extend the term of the CEO for five more years. You are convinced that this medical condition could have a very negative impact on the company's operations. You:

- A. Ask for a private meeting with the board and reveal the information you have.
- B. Confront the CEO and tell him that if he doesn't inform the board, you will.
- C. Do nothing.
- D. Reveal the information publicly.

Current Dilemma and DEI Futures Ethics Challenges

- Forum Dilemma
- DEI Futures Ethics Challenges

Global Leadership Research

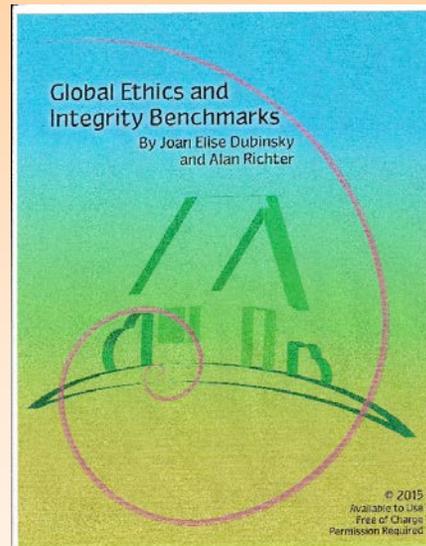
GLOBE Project:

- Charisma / Value based.. Vision and **Integrity**
- Team-oriented / Diplomat
- Humane / Modest

Global Leadership Styles

Transformation	IDEAS Creativity	Problem-Solving
VALUES Conscience	Advocacy	ACTION Courage
Altruism	Caring PEOPLE	Diplomacy

Global Ethics & Integrity Benchmarks



The *Global Ethics and Integrity Benchmarks* (by Dubinsky and Richter, 2015) is a tool to help organizations assess and measure their progress in making a formal and transparent commitment to ethics and integrity in the workplace.



The tool consists of 14 categories that make up the *Global Ethics and Integrity Benchmarks*, covering a wide range of topics arranged in three groupings, Foundation, Ethical Culture and Ethical Risk Management.

