Virtually every employee and manager has some insight into ethics, either into what ethics is, what being ethical is or looks like, or what being unethical entails. But it is still worth clarifying what ethics means and what constitutes its basic features. A clear, shared understanding of workplace ethics is essential for ethical behaviour.

**The Crucial Features**

In essence, ethics is concerned with what’s right or good. Ethics therefore involves moral choices between right and wrong, and good and bad.

Such choices are mostly determined by values, relevant laws, rules or regulations, the norms or culture of the group (such as, for example, those of an organisation or team) and, crucially, by the leadership. Understanding these factors is necessary in order to achieve ethical behaviour or an ethical outcome.

It is important to recognise that ethics does not apply only to oneself – it also applies to others. In the workplace those others are the individual employee as well as the stakeholders – not just the shareholders.

How ethics is recognised and judged can differ. Mostly, ethics is associated with a person’s or company’s words and actions – for instance, by their decisions or by their behaviour. Bribery and corruption are obvious examples of unethical behaviour, as is failure to adhere to laws and codes of conduct. Ethics is also evaluated in terms of differences between proclaimed and actual behaviour – specifically between what is said and what is done.

The conclusions drawn about an individual’s or an organisation’s ethics amount to a judgment of their ethical status.

**Workplace ethics = code of values + code of conduct**

Workplace ethics can generally be equated with a code of values and a code of conduct, which together can be viewed as a code of ethics.

Distinguishing between the code of values and code of conduct is helpful. While both can (and should) be used to shape behaviour, their nature and outcomes are different. A code of values sets out the values of the organisation,
whereas a code of conduct translates those values into workplace behaviours and actions, generally with supporting policies. A code of conduct generally follows a rules-based approach that strives for compliance: “You may not smoke in any part of the office or the parking garage.” A code of values, on the other hand, relies far more on achieving willing commitment: “We treat all our stakeholders with respect.”

This difference is pertinent to the question of whether organisations should focus on both values and rules. Organisations mostly devote more time and effort to formulating and enforcing rules than to articulating and inculcating values. Although rules may be easier to monitor or enforce, the underlying question is which of the two offers the more sustainable course of action? If the goal is just short-term compliance, rules should be sufficient. But if longer-term impact on behaviour is needed, then the focus will have to include both.

**Workplace values = moral values + business values**

In most organisations, moral values such as honesty, integrity, fairness, and respect are included in a code of values. Among their values, many businesses also acknowledge criteria such as innovation, valuing their people, and customer service. While such attributes are valid organisational goals or operational practices, they are business values rather than moral ones. Being the least innovative person in the company, for example, doesn’t make one unethical.

**Should workplace values change over time?**

This difference between moral and business values is particularly relevant from the perspective of change. Business values may change or need to be modified in response to an altered business environment. A business goal such as being innovative, for example, could over time become less of a priority than customer service.

Moral values, on the other hand, should only change if it entails an improvement. If change suggests that the value is no longer applicable, however, this suggests, by definition, that the value can be viewed as temporary. Yet, consider if any of the following values are changeable in the sense of being only temporarily applicable: Fairness? Honesty? Respect? Should an organisation, for example, practise honesty only on Mondays, Wednesdays, and Fridays? The question seems absurd, illustrating that moral values remain constantly applicable.

**Are values different for different people?**

Personal values can differ widely, as they are affected by a great variety of factors including upbringing and culture – and they can therefore also differ from the organisation’s values. It is, however, not only appropriate but essential that in the workplace the organisation espouses a set of values that reflects what is acceptable in that environment. Values in the workplace are not a means for accommodating the full spectrum of values – from impeccable to appalling – amongst employees and stakeholders, but serve, instead, to define the criteria and standards by which an organisation strives to operate.

A difference that should be accommodated is the way the values manifest themselves in practice. A good example is the value of respect. While respect would undoubtedly enjoy overwhelming support from most organisations and individuals, people differ in the way they express it, for example, is it respectful to look at one’s superior directly when being addressed or should one lower one’s eyes? The answer depends on factors that include the prevailing company culture. The key issue is to expose and explore the differences as a route to achieving agreement on what is appropriate within the context, goals, and environment of the organisation (which should be addressed in a code of values or conduct).

**From knowing and understanding to doing**

While knowing and understanding ethics is a valuable foundation, the difficult part of ethics doesn’t lie in knowing what it is or isn’t. The difficult part is living it and behaving accordingly. The business ethics article in the next issue will therefore look at the crucial questions which allow you to evaluate the status of your company’s ethical awareness and, crucially, to assess whether action needs to be taken to more effectively manage your ethics.

Cynthia Schoeman is managing director of Ethics Monitoring & Management Services which has developed The Ethics Monitor, a web-based survey that enables leaders to measure, monitor and proactively manage their organisation’s ethical status.

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