ETHICS AND BILLABLE HOURS

With the many on-going reports of ethical scandals from all around the world, it is no surprise that the goal of improving ethics is shared by most organisations.

Despite this, the overall management of ethics is often not given as much attention as is ideal. Ethics is frequently only addressed reactively, after a problem has occurred, or in an ad hoc way.

For those organisations who do actively take on the task of improving workplace ethics, taking action is a particularly important step in the overall process. This is optimally addressed by a dual approach which includes:

- actions to improve ethical behaviour
- actions to reduce unethical behaviour

There are some actions which overlap, where an action could serve to both increase ethical behaviour and reduce unethical behaviour. However, it is nonetheless useful to distinguish between these approaches - much as increasing revenue and reducing costs are viewed separately – as many of the primary factors which shape ethical and unethical behaviour differ.

One of the systems which an organisation can use is the use of organisational goals and measurement which can serve to monitor sensitive issues to reduce unethical behaviour. For example, in the mining industry, safety goals and measures are important indicators to drive a reduction in unsafe behaviour. However, organisational goals can also have the effect of encouraging unethical behaviour.

The focus on billable hours in many organisations – accounting, consulting and law firms – often includes financial targets. Delivering on those targets is clearly in the employees' best interests as it is likely to positively impact their rewards, whether a salary increase, promotion or a bonus. This can easily lead to expanding the scope of work unnecessarily or, worse, to inflating the billable hours. Although unethical, it can foster an 'ends justifies the means' view.

Leaders should therefore always consider what behaviours the goals and measures are likely to encourage, and avoid Ill-conceived goals in an effort to avoid unintended consequences. In the case of billable hours, this means that billable hours cannot be the only criterion for evaluating someone's performance or contribution to the practice.

Cynthia Schoeman
Ethics Monitoring & Management Services (Pty) Ltd.
cynthia@ethicsmonitor.co.za

WOULD YOU CHEAT IF THE BENEFITS WERE SHARED?

According to a series of experiments by Scott S. Wiltermuth of the University of Southern California, people's likelihood to cheat doubled, from 21% to 43%, if the benefits were split with another person. The experiments, in which hundreds of people participated in word games and other activities online, suggest that splitting the benefits makes cheating seem less unethical.

Source:Harvard Business Review