Bridging ethical gaps

Avoid ethical pitfalls by closing the gaps that exist.

By Cynthia Schoeman

Ethics in the workplace is becoming an increasingly important focus area. Despite this emphasis, it is questionable whether this is driven by a desire to avoid the costs of ethical failure or by a genuine commitment to do the right thing. This represents a fundamental difference, and is but one of many more ethical gaps.

Organisations that are committed to maintaining sound ethics need to consciously avoid the gaps which risk undermining their ethical status and eroding the effectiveness of their ethics initiatives.

Saying and doing gaps

The most common example of an ethical gap is the divide between what is said and done. This often takes the form of a gap between the company's values, code of conduct or policies relative to their culture and practices. This occurs, for example, when the value statement includes respect, but employees are demeaned in front of colleagues or clients. An approach of 'do as I say, not as I do' will rarely achieve the desired behavioural outcome. Rather, it is all the more harmful because actions serve as a very effective communication medium – especially when leaders are the guilty parties.

The most junior employee is easily able to recognise the lack of alignment – if not outright contradiction – between what is said and done. It has the effect of eroding their trust in what is said which leads to many more problems.

Gaps between senior management and employees

An ethical divide is also created when leaders and senior management are seen to be above the law or when their actions flaunt the values and rules of their organisations. The privileges of leadership do not include exemption from compliance when commitment is what is expected.

Similarly, if organisations discriminate between senior management and employees in how they handle incidents of misconduct, this too creates a problematic divide. Choosing to handle serious leadership misconduct internally and confidentially, rather than openly or by referring it to the appropriate authorities, is often defended on the grounds that publicising it can have a detrimental effect on the organisation. It can negatively impact its reputation, its customer relationships and, in severe cases, the share price for publically traded companies.

However, the risks are far greater if the misconduct is kept quiet and then exposed by another party, such as the press. In this event, the organisation will not only have to deal with the obvious gap in the treatment of its people, but also with its earlier secretive handling of the matter, which is likely to exacerbate the consequences.

Gaps between company and personal values

While it is ideal that personal and organisational values are aligned, in practice personal values can differ widely as they are affected by a great variety of factors including upbringing and culture. This can lead to serious ethical gaps between the two. An employee may have grown up in circumstances where it was acceptable or condoned to be dishonest, but such a background does not make that sort of behaviour acceptable at work.

Therefore, though different individual values may be held, it is not only appropriate, but essential that the organisation defines a set of values that reflects what is acceptable in the workplace. Workplace values are not a means for accommodating the full spectrum of values – from impeccable to appalling – among employees and stakeholders. They serve, instead, to define the criteria and standards by which an organisation strives to operate.

Triple bottom line gaps

Ethical gaps can also occur between the three bottom lines: economic, social, and environment. Most organisations place particular emphasis on their economic bottom line, which is understandable as sound financial results are important. But this does not necessitate that only token attention is paid to social and environmental initiatives. When this is done the gap is very evident.

The social dimension includes, among many other factors, sound stakeholder relationships, a goal supported by corporate governance guidelines and the Social and Ethics Committee (as mandated by the new Companies Act). However, the inclusiveness which this implies is not always practiced, for example, when the local communities' interests are not taken into account.

Claiming an environmental commitment needs supporting, visible actions which extend beyond paper recycling bins. Trying to avoid the costs of pollution by not treating waste or emissions properly refutes a triple bottom line approach. Again, stakeholders are easily able to recognise actions that amount to 'green washing'.

Business's role in society

Business's role in society can also create an ethical gap. This role should be shaped by the goal of balancing their very significant levels of power and influence with their conduct as good corporate citizens and their responsibilities to the societies in which they operate.

However, the Global Corporate Reputation Index 2012 found that major global brands have a gap between their performance in the marketplace and their corporate citizenship. The Index noted that organisations need to demonstrate and communicate their commitment to good corporate citizenship: Insufficient or insincere commitments only serve to highlight the gap.

Avoiding ethical gaps

The many potential ethical gaps in the workplace all pose risks and bring with them negative consequences. If organisations are aware of these pitfalls, they can mostly be avoided quite easily. However, this will probably not earn them any noteworthy recognition: while misconduct is punished, good behaviour is mostly taken for granted. But it will ensure that their path to an increasingly better ethical status, with all the associated rewards, continues to progress without unnecessary setbacks. ■

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