DOCUMENT TITLE GOES HERE

ETHICS AS CULTURE
***Presented by the
PR Council***

Introduction

*Now more than ever, our profession has an obligation not only
to offer our clients sound communications counsel, but to set an impeccable example of ethical and transparent business practice.*

**Ethics as Culture** is designed to help your organization think through aspects of a culture of ethical decision-making: what’s working, what’s missing, and how to instill the mindset and critical thinking that lead to ethical behavior. We recognize that many firms have already done exemplary work in this critical area.

**Ethics as Culture** outlines important elements of establishing and nurturing an attitude of ethical decision-making. It is critical to note that our focus here is not on developing a program, which is an important second step. Maintaining and promoting an ethical culture is the initial, fundamental goal.

This guide also offers practical steps to establish and evaluate ethics goals and establish a plan to
attain them. It includes:

› **Questions to help you think about your organization’s ethical position;**

› **A guide to help develop/review your organization’s efforts to maintain an ethical business environment;**

› **And Ethics as Culture training materials,** which are designed to familiarize employees with company codes of ethics and processes, and offer them critical thinking tools, references and resources.

BEFORE YOU BEGIN:
QUESTIONS FOR YOUR TEAM

Who is responsible for a strong ethics culture?

All employees are responsible for upholding and maintaining a strong ethics culture. But, it starts at the top. Senior management and key leaders must walk the talk if that culture is to permeate an organization.

This requires:

› Leading by example through ethical decision-making and enforcement of ethics-related laws and company policies.

› Leading ethics training for managers, employees and contractors.

› Consistently assessing, monitoring and communicating ethical risks and opportunities to reinforce your principles.

› Confirming that managers communicate with employees, clients and business partners on ethical expectations and that they critique performance as necessary.

› Reinforcing the ethical culture of the organization, for example, by writing and speaking about the importance of ethical thinking and decision-making.

Who should you involve in developing a process for
reinforcing your organization’s ethics culture?

The list will vary based on organizational size and structure. Key contributors typically include senior managers directly involved in client service, a compliance/ethics officer and representatives from human resources, legal, finance, and management information systems. In addition, a representation of employees at various levels and from a range of functional areas should be included to add perspective and guidance.

› If none exists, appoint an ethics manager to oversee the organization’s efforts and commitments.

› Consider creating an ethics panel to provide objective views and insights related to a variety of ethical challenges. This committee can also contribute to training content, policy review and other relevant communications.

› For international organizations, involve key contacts from each geographical region for location-specific feedback and to confirm that ethical guidelines comply with applicable laws and regulations.

› The CEO must accept ultimate responsibility for the design, implementation and oversight of an organization’s ethical values, decisions and actions, and the senior leadership team must be visible supporters who provide input and direction.

Should cultural issues be explored when creating and
enforcing ethics standards?

Yes, it is important to respect and accommodate local cultures and local laws when implementing standards and expectations for your organization. Your local leadership along with cultural experts, attorneys and industry associations can be helpful in navigating cultural issues.

How do you get started?

› Begin by reviewing A Guide to Strengthening a Culture of Ethical Integrity on the next page. This section offers suggestions for developing a strong ethical culture and creating supporting materials.

› Appoint an ethics manager and a multifunctional team, as outlined above, to lead and monitor the process.

› Develop a creative look and feel for communications materials.

› Include ethics communications in existing internal/external communications plans.

› Consult industry guides and references.

A GUIDE TO STRENGTHENING A CULTURE OF ETHICAL INTEGRITY

These steps provide a starting point for developing or strengthening an organization’s ethical position.

1. culture and communications

Define your organization’s ethics culture by writing a summary, purpose and topline communications and training plan. An example follows.

Summary: We are committed to reinforcing an attitude and a culture of ethical thinking and behavior in dealing with our employees, clients, vendors and all stakeholders. Our ethical standards, as well as our efforts to support and enforce them, apply to all employees at all locations. We will comply with all laws that apply to us, and we will make sure those laws
are reflected in our code of ethics. We are further committed to increasing employees’ understanding of our ethical standards and expectations by providing guidelines, tools and training, and resources and support that will help our people identify and resolve ethical issues.

Purpose: To create an environment in which every person thinks critically about ethical issues, makes ethical decisions, and communicates in a truly transparent manner. There are many types of ethical issues. At the base level, ethics is associated with compliance – the legal
and moral obligation to abide by laws and regulations (see Federal Sentencing Guidelines www.ussc.gov/guidelines). But ethics also relates to professional or business conduct – internally and externally. We want each of our employees to be ethical champions.

Communications and Training Plan: Our organization’s communication channels, including Internet/intranet sites and social media, let all employees and clients know that the way we think and behave reflects the highest ethical standards. Our organization’s ethical position outlines the standards of integrity, straightforwardness and honesty that are expected at every level of the agency.

2. KEY COMPONENTS

Senior Management Support

› An ethical culture starts at the top with leadership that operates ethically and demands the same of others.

Ethics Policy/Code of Ethics

› Define your organization’s ethical principles. Some are mandated by law, some may be recommended by industry organizations and others may be your expectations that go above and beyond, such as your approach to creating a respectful work environment or using fair performance measurement practices.

› Clarify that your company’s policies are based on the concepts of fairness, trust and transparency.

Human Resources

› Make clear to employees that the company has a significant commitment to ethics.

› Incorporate ethical principles into your recruiting, hiring, performance evaluation, and other human resource programs.

Compliance Training and Resources

› Annual Policy Review – Establish at least an annual refresher training in which employees review and certify that they understand the company’s business conduct policies and commit to complying with these policies.

› Client Billing Procedures – Periodically review internal processes so that clients receive excellent value, that contractual terms are met and that invoices are clear, honest and transparent.

› Training – Depending upon what activities the company is undertaking, many different laws, rules and regulations may apply. It is important to determine what laws pertain to your business, who in the company needs to know and understand which laws, and what training is required. Depending upon the nature, scope and reach of a firm’s business a wide variety of laws and regulations apply, such as FTC regulations and guidelines, the Foreign Corrupt Practices Act, SEC, IRS, FDA and other agencies’ rules and regulations. Contact your legal counsel for advice and training materials to help support your employees’ understanding of these and other applicable laws.

› A variety of existing associations provide guidelines for operating ethically, such as the Ethics and Compliance INTIATIVE (ECi), the PR Council, PRSA, WOMMA, etc.

Training Schedule

› For Employees

• New Hires – within the first 60 days.

• Existing Employees – Refresher courses or other methods of information sharing should be ongoing.

› For Supervisors – within 90 days of becoming a manager.

› For Ethics Training Facilitators – a clear understanding of course materials and content
prior to delivering the ethics training course. A post-training assessment, completed by participants, will provide feedback on the effectiveness and appropriateness of the sessions.

› For Senior Management – in addition to regular refresher courses, include ethical discussions as a routine part of the senior management meeting calendar.

Regular, Continuing Communications with Employees

› Clearly and enthusiastically communicate the company’s values and commitment to ethics.

› Make ethics information easily accessible to employees.

› Integrate ethics into all company publications.

› Reinforce your organization’s ethical values with creative communications and programs such as quarterly newsletters, intranet blogs, videos from the CEO and other ethics advisers, and frequent reminders via your communications channels.

Communications with External Audiences

› Consider becoming a member of a national, regional or international ethics association.

› Inform clients and other stakeholders of your commitment to ethics via your website and other channels.

› Inform suppliers about your company’s standards and your expectations of them.

3. Reporting Systems

Establish review and reporting systems to monitor and detect unethical conduct. Create a process that enables employees to access subject-matter specialists with general questions or concerns via a helpline (phone or email). Examples include:

› Ethics Hotline – a confidential and trusted reporting channel monitored by top management and accessible to all employees.

› Ethics Helpline – an opportunity for employees to ask advice from experts.

› Ethics and Compliance Steering Committee – a group of senior-level managers, including the CEO, CFO, CTO, general counsel, and other executives who oversee ethics and compliance.

› Spot checks through audits of contracts, client invoicing and related procedures.

4. Monitoring

Monitor and review your efforts to maintain clear communication, and uphold ethical standards.

› At least every two years, review and update activities and materials to keep efforts fresh and relevant. Add new examples and teaching aids to training courses. Consider refreshing other communications sources such as internal blogs, employee communications, employee engagement surveys and human resource programs.

› Update communications and materials if there are internal changes or regulatory changes that affect your organization.

› Evaluate the effectiveness of ethical decision-making and behavior in your organization. Be sure to include feedback from senior, junior and mid-level staff.

› Translate communications and training into local languages, as appropriate. Be careful to avoid U.S.-centric terms that may be misunderstood in other countries.

› Assess employee feedback on your ethics culture by conducting an annual survey. For maximum effectiveness, such a survey must be comprehensive, confidential and engaging, and include qualitative and narrative responses.

5. Third-Party Review

Consider partnering with an outside ethics professional to review your organization’s performance and provide expert feedback.

› Determine whether you want a provider that offers certification programs and processes,
or one that focuses on setting goals and objectives, or both.

› Select a partner that understands your business and has experience with your industry.

› Before selecting an outside adviser, meet face-to-face to confirm chemistry and mutual understanding of objectives, outcomes, process and fees.

› Work closely with your provider to receive confirmation and guidance as you proceed through the review, which should include review of your organization’s written policies and documents, as well as training materials.

› Seek external benchmarks and best practices to enhance your own company tools and practices.

#### The Ethics and Compliance Initiative (ECI) is an organization that offers individual and company memberships. ECI is the premier organization for all ethics and compliance practitioners, empowering organizations across the globe to create and sustain high quality ethics and compliance programs. The ECI provides members with assessment and benchmarking tools amongst other helpful tools.

Ethics as Culture
Course Material

These training materials are designed to familiarize your employees with company ethics, codes, processes, critical thinking tools, references and resources. They include discussion-based ethical scenarios to reinforce policies and ethical principles, as well as a process for evaluating and reacting to ethical situations. The training template also includes a PowerPoint presentation, a discussion leader workbook with detailed training instructions and a participants’ guide. These materials can be customized by you and used to complement your existing ethics resources.

We hope Ethics as Culture provides useful information to help establish or strengthen your existing ethical practices, policies and tool kit.

There is no “one size fits all” approach, and not every element will fit every organization.

Even the most ethical of organizations can’t be sure that someday, somewhere, someone won’t create an ethical problem – maybe a big one.

The key is to set high ethical standards, work to achieve them on a daily basis, take every possible step to avoid such a problem, and immediately act to correct and address problems or missteps that arise. The future of our industry depends on all of us making this commitment.

References

› The Ethics and Compliance Handbook: A Practical Guide from Leading Organizations.
[Waltham, Mass.]: ECOA, 2008. Print.

› Walker, Lindsay. Business Ethics Info graphic: 2011 National Business Ethics Survey. 2012.
i-SightWeb. 3 Aug 2012. <http://i-sight.com/ethics/business-ethics-infographic/>.

› “Blowing the Whistle on Workplace Misconduct.” Ethics Resource Center, n.d. Web. <http://www.ethics.org/files/u5/WhistleblowerWP.pdf>.

› “2011 National Business Ethics Survey.” Ethics Resource Center, n.d. Web.
<http://media-cache-ec2.pinterest.com/upload/22799541833694187\_5zGnnZ69.jpg>.

› 2011 Federal Sentencing Guidelines Manual. United States Sentencing Commission, n.d. Web.
14 Aug. 2012.<http://www.ussc.gov/Guidelines/2011\_guidelines/Manual\_HTML/Chapter\_8.htm>

© These publications are provided for informational purposes only, as a tool that can be used to manage more effectively in an ethical manner. As is the case with any business decision, you are responsible for making your own assessments of the content of these publications, the purpose for which you use them, and for the actions you may choose to take after reviewing them.