

# Compliance & Ethics Professional

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## Meet Vernita Haynes

SCCE and HCCA  
interview their 10,000th  
member: Vernita Haynes,  
Compliance & Privacy  
Analyst for the University  
of Virginia Health System

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An ethical  
corporate culture  
goes beyond  
the code

Dawn Lomer

by Dawn Lomer

# An ethical corporate culture goes beyond the code

- » Send the message that integrity is more important than money
- » Use clear language to define ethical behavior
- » Eliminate negative images from the company environment
- » Use environmental cues to prompt ethical thinking and behavior
- » Align all company messages to tell the same story of ethics

**A** robust code of ethics and strong tone from the top go a long way toward instilling a culture of ethics in an organization, but other elements work behind the scenes to set the stage for the type of thinking that defines a company's culture. The unofficial messages that a company sends to its employees are just as powerful—if not more powerful—than any messages carried in the code of conduct.

## Influencing employee behavior

The savvy leader knows how to harness the unofficial channels to drive the company culture and influence employee behavior across the board.

## Reward for integrity

One of the main sources of unethical behavior in the workplace is hubris, says Paul Fiorelli, Professor of Business Law and Co-director of the Cintas Institute for Business Ethics at Xavier University, so it makes sense to avoid bringing it into your organization in the first place, and to weed it out if it's already there. Hubris, a sense of arrogance and entitlement, gives high-profile, high-achieving people a sense that rules don't apply to them, he says in an interview with the author.

"If you reward them, if you wink at that—they're making the numbers even though

they're doing it in a way that's contrary to what your corporate culture is—that can be disastrous. That says the rules aren't important," says Fiorelli.

Keeping this hubris out of an organization can be tricky, because most people are looking to hire and keep high performers, and these are the people who generally have high self esteem. It's a matter of keeping employees who share a company's values over ones who just "make the numbers," says Fiorelli. A leader who rewards employees for integrity, rather than just rewarding performance, sends a powerful message without saying a word.



Lomer

## The three-second ethics rule

But don't discount the power of words to drive an ethical culture. Unofficial messages can also be carried in the language that leaders use when they talk about ethics, values, and codes of conduct, says speaker, author, trainer and psychologist Chris Bauer of Bauer Ethics Seminars. He says company leaders should talk less about ethics and more about the kinds of thinking and actions that the company believes best represent ethical behavior. And while Bauer feels that this stems from having a short, clear and effectively implemented values statement, it's the ethics message that's

communicated in the values statement that needs to be present in everyday conversation, so that it becomes part of the fabric of the organization. “If you have to think about it for more than three seconds to really know what it means, it fails the test,”

he says in an interview with the author.

“[Employees] should at any given moment be able to say: ‘Is the behavior in which I’m engaged, or planning to be engaged, consistent or not consistent with the values we say we have?’ And they ought to be able to judge the behavior of colleagues, coworkers, employees and supervisors....and be able to give it a thumbs up or thumbs down pretty much instantly,” says Bauer.

### Environmental cues

Some surprising methods for promoting an ethical corporate culture can be found in the research of Scott Reynolds, Associate Professor of Business Ethics at the Foster School of Business, University of Washington. His research shows that subtle environmental cues can prompt people, unconsciously, to think and act ethically. Although this sounds manipulative—and it is—it’s all for a good cause and it’s unlikely that anyone would object to being manipulated in this way. Those who would probably don’t belong in your organization anyway. (See [www.foster.washington.edu/centers/facultyresearch/Pages/automatic-ethics.aspx](http://www.foster.washington.edu/centers/facultyresearch/Pages/automatic-ethics.aspx))

Through research, Reynolds and other scientists have been able to show that the non-conscious part of the brain has a much bigger influence on day-to-day decisions than most might think. By harnessing these influences in the right way, subtle environmental cues

**“A leader who rewards employees for integrity, rather than just rewarding performance, sends a powerful message without saying a word.”**

can be used to prompt ethical behavior in an office environment. At the same time, having the wrong prompts can foster unethical behavior, so being aware of, and removing, the negative prompts can improve corporate culture.

Reynolds describes two experiments that showed how environmental cues prompt ethical or unethical behavior. In the first experiment, two groups of students did word jumbles, one group using words that suggest old age and the other using words that suggest youth. After the jumble, the students who worked with the words suggesting youth walked to the end of the hallway significantly faster than those who were assigned the words suggesting old age.

In another experiment, participants moved a mouse through one of two mazes, one with a picture of cheese at the exit and the other with a picture of an owl hovering over it. The participants who navigated the maze with the cheese were shown to be far more likely to act unethically after the activity than the participants who navigated the maze with the owl. This suggests, says Reynolds, that the prospect of a reward can prompt people to act less ethically and the idea of being watched can do the opposite. In fact, recent research has suggested that the presence of a pair of eyes somewhere in a room, suggesting a feeling of being watched, makes people less likely to engage in unethical behavior, says Reynolds.

### Control the images

Taken in the context of a work environment, these findings suggest that the symbols and subtle messages scattered around an office can

influence behavior. Posters that show goal-oriented pictures, sayings, or competitive sports, as well as symbols of combat, such as swords, may suggest that winning and competition are important to the company.

“One study has shown that when you put money in front of people, they are much more likely to engage in unethical behavior,” says Reynolds. And apparently it doesn’t have to be actual money; just the mention of the word (such as on a copy of *Money Magazine*) is enough to cause people to act less ethically.

On the other hand, a bottle of hand sanitizer in the office can prompt employees to make more ethical decisions. “Research suggests that by having people use Purell® before engaging in work, they have a better mindset about ethical and moral values,” says Reynolds. “Purity. That’s what’s on their minds and that’s what’s influencing their decision making.”

Pictures of children have also been shown to promote ethical behavior. Perhaps adults feel a responsibility to be a person of integrity when they see children. The Federation Internationale de Football Association (FIFA), in an attempt to cut down on hooliganism at soccer games, has each player come onto the field holding the hand of a child, says Reynolds. It seems to prompt better behavior.

Conclusions about the influence of environmental prompts on individual behavior can be drawn from some of the best known sports organizations in the U.S. After a raft of cheating came to light at the National

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Association for Stock Car Auto Racing (NASCAR), the company began putting in formal procedures and codes of conduct, says Reynolds. But the company’s main symbols, from the victory and confederate flags, suggesting both competition and rebellion, and

the ritual of winners going off the track to do “donuts” still suggest a culture of winning at all costs and being allowed to break the rules when you do win. Even NASCAR’s history, rooted in the era of prohibition and bootlegging, influences the corporate culture, says Reynolds.

### Align messages

“Change your policies, change your programs, change your committees, change your leaders, but when your symbols, your stories, your rituals and routines are all telling a very different story about your attitude about cheating, it’s going to be very difficult to get alignment on this issue,” says Reynolds.

So think about how much time you put into your formal elements, the codes of conduct, the ethics officer and what he/she is doing, and your training, suggests Reynolds. A proportionate amount of time should be spent examining the unofficial messages that your company is sending, and making sure that all these messages are aligned in a way that makes your ethical corporate culture crystal clear. \*

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