Mid-level management is your weakest ethics link

By Frank C. Bucaro

Frank C. Bucaro (frank@frankbucaro.com) is a speaker, trainer, author, business owner, and recognized ethics expert for Frank C. Bucaro & Associates, Inc. in Williams Bay, WI, USA.

A recent NAVEX Global Ethics and Compliance training benchmark found: "Managers are the day-to-day interface with employees and the carriers of the culture. Unless they are effectively and properly trained, organizations will struggle to meet their top training objective of building an ethical culture."[1]

Professor Linda Trevino at Pennsylvania State University takes it a step further in her research that indicates that middle managers may turn to unethical behavior to face unrealistic expectation.[2] Ashley Fulmer of the *Harvard Business Review* reports that employees who trust their managers are more likely to trust their CEOs.[3]

Jim Brennan, in an SCCE blog post, published an article on the importance of training middle management on ethics.[4] In addition, Corinne Purtill reports on a Gallop survey of the US workplace that almost 70% of US managers are scared to talk to their employees.[5]

Employees judge their workplace as ethical or not, based on what they think about their manager. So what type of ethics training does your mid-level management receive?

Blame is not the issue here, although it could be one's first response. The point here is the necessity to be increasingly more proactive in creating ongoing, quality ethics training that will empower that mid-level management tier of leadership. The purpose is then for mid-level managers to not only face proactively any ethics issues that may be reported, but also to be able to help resolve many of these issues on their own level, thus "freeing up" the next level of management from having to "step in" or pass the issue up the management ladder.

Here is a current assessment of what research points out are the key ethical issues facing businesses in 2019 and beyond[6] :

1. Self-interest sometimes morphs into greed and selfishness.

2. Stunted moral development hinders those who can't get beyond their own perceptions.

3. Moral behavior can be equated with legal behavior.

4. Professional duty can conflict with company demands.

5. Individual responsibility can wither under the demands of the organization.

6. The pursuit of profit at the expense of everything else, including reputation, is rewarded.

7. Behavior that is marked by a lack of integrity, fairly dealing, and acting in the best interest of the organization can be overlooked.

8. Not looking beyond the question of what is legal to what is ethical may be acceptable.

9. Inconsistent application of ethical behavior may be tolerated across the organization.

What is needed are exact ethical strategies, development of a correct mindset, and the skills to maintain the ethical culture of the business.

How do we make ethics training relevant and applicable?

The following steps are a good start:

- Do not equate ethics training with compliance training. Recognize and admit that they are not the same and need different types of training.

- Take on a proactive attitude with adequate financial investments for ethics training, as one does for compliance training.

- Understand that only a proactive approach to ethics training can diminish the odds of any future ethics issue. Why? Because being ethical is a personal choice. One must choose to be ethical. You don't have to "choose" to be compliant; you just obey.

- Recognize that ongoing ethics training must include not just knowledge, but relevant content, teachable techniques to use, and ways for practical implementation to build one's wisdom. Remember knowledge is the "stuff" and wisdom is what you do with it.

When the mid-level management tier participates in this type of strategic ethics training, it will send a huge message about the importance of ethics and ethical conduct throughout the organization. Why is this so important? Because your mid-level management team is your "first line of defense" to deal with ethical issues. Keep this in mind. If a manager can deal effectively with an ethics issue, chances are this training will stop it from becoming a legal issue. The question to ask then is, which is more cost effective—to resolve the issue on the level it has occurred, pass it up the "chain of command" for a possible resolution, or just let it go?

To help keep the focus on ethics training for this management tier, consider answering these questions and what would be the next course of action:

1. Do you provide ongoing training for all employees in ethical decision making? Is it effective? How would one know? What group or groups are not getting the ethics training they need and deserve, and why is that?

2. What form of strategic ethics training does your mid-level management team receive in addition to the rank and file ethics training? If none, they can't be held accountable for training they did not receive.

3. How does your company express its commitment to ethics to all employees? Beyond the mission statement and beyond the values that are espoused, what is the process?

4. Are your managers encouraged to take responsibility for their behavior? If so, how's it working? If not, what needs to be done to encourage this?

5. What support systems do your managers have, particularly in dealing with ethics issues? This goes beyond the "one-stop" ethics training option. This goes to the issue of where or to whom mid-level management go for guidance, insights, encouragement, and support.

6. Are employees encouraged to question their managers when asked to do something they consider wrong? If not, why not? If so, what vehicle is being used to get this information, and is it effective?

7. When was the last time your mission statement and values statement were revised? These should be revisited every 3 – 4 years, because issues, people, and business may change, and what you have may longer be relevant to your people.

8. Do you have a code of ethics as a separate entity from your code of conduct? They are not the same. A code of conduct, obviously, only deals with people's behavior. A code of ethics deals with "why" people should behave in a certain way, based on your corporate values.

The bottom line is this: Your mid-level management team is your first defense in dealing with ethics issues, period! If they are not sufficiently trained in the approaches, content, and techniques of targeted ethics training, completely separated from their compliance training, you leave yourself vulnerable to more than just a violation. It could cost you financially in fines, etc. in the long run. So, is this targeted ethics training an investment or an expense? The answer reveals what is valued.

1 NAVEX Global, 2018 Ethics & Compliance Training Benchmark Report. https://bit.ly/2SvJPKn

2 ScienceDaily, "Middle managers may turn to unethical behavior to face unrealistic expectations" October 5, 2017. https://bit.ly/2AZ9UdA

3 Ashlee Fulmer, "Employees Who Trust Their Managers Are More Likely to Trust Their CEOS" July 6, 2017. *Harvard Business Review*. https://bit.ly/2ttXiHg

4 Jim Brennan, "Training Middle Management on Ethics" *SCCE Compliance & Ethics Blog*, November 16, 2015. https://bit.ly/2REJncK

5 Corinne Purtill, "Almost 70% of US managers are scared to talk to their employees" *Quartz at Work*, January 5, 2018. https://bit.ly/2GfSjV1

6 Anne Federwisch, "Ethical issues in the Financial Services Industry" *Markkula Center for Applied Ethics*, October 6, 2015. https://bit.ly/2BnIpsQ