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Ethics and values-based business cultures: Are they still relevant?

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Corporate compliance and ethics programs are built on a relational foundation of leadership-employee trust and ongoing encouragement to "do the right thing." During the past several decades, enormous amounts of personal energy and organizational resources have been expended to examine corporate culture and realign incentives to enhance a regulatory compliant workplace with a positive culture that adheres to ethical and moral values. The goal of this article is to assess the strength of our business culture values and discuss methods to continue to build on our ethical bases to promote relevancy and mutual trust between clients, peer organizations, payer organizations, and society as a whole.

There is no doubt that business ethics has been the center of attention in both national and international affairs over the past several years, exposing contemptuous behaviors such as the Volkswagen emissions scandal and the Wells Fargo fictitious sales debacle. Leadership noncompliance with government policies surrounding ethic laws continues to be not uncommon in the current business climate. This can be a frustration to the populace whose trust in our institutions may continue to erode as these behaviors are normalized. As noted by Susan Rose Ackerman of Yale University, "...mutual trust can be fragile."[1] If big business can get away with these types of actions, what prevents others in the business community from thinking they have a right to cut corners on ethical decision-making? Even though this behavior change is occurring more and more in our society, the fallout may be more malignant as it spreads across the country and into the culture of our organizations.

There are a number of definitions of *business ethics*, including *Cambridge Dictionary*'s "rules, practices, or standards for deciding what is morally right or wrong when making a business decision."[2] The definition published by Kilcullen and Kooistra in 1999 clearly notes that business ethics is a "set of principles that guide business practices to reflect a concern for society as a whole while pursuing profits."[3]

The role of regulations

Providing a balance to the negative external forces that may impact ethical business cultures are the defined rules, regulations, and other standards that govern the provision of services or products that are directly or indirectly reimbursed with government funds. The number and complexity of laws and regulations may vary with each regulated industry (e.g., energy, healthcare, and manufacturing), but in all cases, the interconnectedness of regulatory compliance and business ethical culture remains intact.

Business ethics is also an important element in the establishment of internal controls. It can provide for more efficiencies, because it can be measured periodically, rather than daily, to determine compliance with applicable regulations. It deters conflicts of interest that may draw revenue away from the organization and into the coffers of competing organizations. And it provides a foundation for staff and leadership to maintain a two-way level of trust and respect for each other, especially in times of change or chaos.

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Responsibility and accountability

Understanding and accepting the ethical concepts of responsibility and accountability in the business culture is a necessity for all agents of an organization. Compliance and ethics programs provide periodic orientation and training to staff, management, senior leadership, and governing bodies on their morally-based obligations and duties to others, as well as larger ethical and moral codes. However, incorporating these concepts into daily operations is the key to enhancing an ethical culture or reestablishing an ethical culture that has been decimated by scandal, apathy, or poor leadership. The presence of these values across the organization must be assessed periodically to determine the need for further actions, such as education, incentives, and/or discipline.

An employee's responsibility can be viewed as a collection of obligations associated with a role (e.g., achieving an anticipated outcome, following a prescribed set of rules and/or regulations in performance of the job, and reporting of issues that may negatively impact the anticipated outcome). Accountability follows responsibility in that it can be defined as crediting someone for an action or outcome—normally associated with a recognized responsibility. Modeling behavior that shows acceptance of one's responsibilities and then becoming accountable for the outcomes, whether they are positive or negative, strengthens a culture of "doing the right thing."

Leadership

What are the qualities needed for an effective leader to guide an organization through ethically ambiguous times? Ethical leadership encompasses the following traits:

- Intelligence
- Respect for others
- Truthfulness
- Community-building
- Service and justice to others

Leaders need to be constantly aware of the ethical dangers that may occur in their organization and communicate their commitment to the organization's values to their senior management team and throughout the organization. There should be no contradictions in what is taught during ethics orientation and the practice that occurs on a daily basis (e.g., teaching adherence to required billing rules and then requiring staff to shortcut the process), and thereby sending mixed messages. A consistent message should be communicated across the organization about the business objectives they are driving for and the acceptable methods by which these results can be obtained. Current scenarios of wrongdoing, either identified internally or in local or national news, should be outlined at ethics trainings and translated to the workplace so that potential solutions may be discussed.

Successful leaders must model exemplary behaviors, such as being approachable, trustworthy, humble, a good listener, and an assertive decision-maker. Especially during these times, leaders should make themselves and the organization's values known throughout the organization through face-to-face encounters, videos, or other means of communication. Question-and-answer sessions can be beneficial as a method to stem any misconceptions of inappropriate behavior.

Conclusion

Positive ethical behavior can be normalized over time with repetition and continued focus, just as toxic or

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unethical behavior can. Leaders need to ignore the toxic drumbeat of those organizations that claim success through unethical means, and focus on their mission, which typically involves providing exemplary customer service, maximizing quality performance standards, and optimizing positive profit margins. Ethical business cultures are thriving and will continue to improve and enhance positive business results, thereby demonstrating their relevancy.

1 Susan Rose Ackerman, "Business Ethics in the Age of Trump" *The Hill*, January, 18, 2017. https://bit.ly/2UuxDy4
2 Definition of business ethics, *Cambridge Dictionary.* https://bit.ly/2yPXR21
3 Maureen Kilcullen and Judith Ohles Kooistra, " At least do no harm: Sources on the changing role of business ethics and corporate social responsibility" *Reference Services Review*, 27(2), 158-178. June 1999. https://bit.ly/2WDB0QN

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