

CEP Magazine – October 2020 Perfecting the recipe for your ethical culture assessment 'sauce'

By Suzan D. McGinnis, MLIS, JD, and Jinger A. Gustafson, EdD

Suzan D. McGinnis (suzan@rethinkcomplianceco.com) is a Senior Director, Advisory Service at Rethink Compliance in Minneapolis, Minnesota, and Jinger A. Gustafson (jinger.gustafson@mnsu.edu) is an Assistant Professor and Department Chair, Educational Leadership at Minnesota State University, Mankato, in Mankato, Minnesota, USA.

How many of you, when visiting a restaurant, order your favorite dish with an extra side of the special house sauce? Do people look at you wondering, “Are those potatoes with a side of sauce, or is that sauce with a side of potatoes?” You really don’t care, because it is so darn good and cannot be replicated, so you are getting your fill when you can. Likewise, compliance and ethics professionals spend countless hours over the course of their careers trying to perfect their “special sauce” or magic formula that can give a reliable indication of the health of their organization’s ethical culture from a compliance and ethics standpoint.

As ethics and compliance professionals, you like to measure. You like to know where you rank among your identified peer group. But what if you shifted your thinking to revolve around creating your own strategy instead of imitating someone else’s? That is, you can create your own special sauce unique to your organization. To help you do this, we’ll introduce you to some basic tools that you may already be aware of and how to effectively combine them with a tool you may not have heard of: the Knoster Model for Managing Complex Change.

Thinking beyond a basic compliance framework

Unlike culture, compliance is generally measurable—an organization is either compliant or noncompliant. Compliance can be viewed as the fulfilling of official requirements, so it is a structure built to measure and assess standards. So, the question to ask is, can ethical culture be evaluated through compliance? There is thinking that the health of an organization’s ethical culture may align more with an evaluation of their ethics. So, if we know that ethical culture eats structure for lunch, and we continue to use the structure of compliance as our cultural measuring stick, are we *really* assessing and measuring ethical culture? Our thinking is that compliance is transitory while ethics is perpetual. So, where do you start?

The elements of an effective compliance and ethics program from the Department of Justice (DOJ)—governmental measures against companies if there is an issue—would be a place to start for a compliance assessment.^[1] However, even if leaders were to produce a construct to map your programs and determine whether your culture is healthy, this is not the single answer. A few things, such as tight budgets, limited time, and lack of resources, are remaining at the same pre-pandemic levels, so you must be creative. Again, the quandary: What is the magic formula, and where do you start?

We believe organizations already know of the most effective answer: acceptance of change. Leaders will not be satisfied, no matter the formula developed to measure the ethical culture of their organization, and ethical culture yields to internal and external pressures (e.g., movement within teams, shifts in chains of command, and practices that have been in place for years—maybe decades). The best that leaders can do is accept that change—and the change to the ethical culture as a result—is inevitable. So if this is true, why not measure and assess

ethical culture against a model of change?

The compliance assessment can be effective enough if the government comes knocking on the door, because it always includes a question about what flaw exists in the ethical culture that has allowed misconduct to happen. We advocate, however, that there is not one magic formula that can accurately assess your program and culture (i.e., interpreting the data in a way that gives you a red/yellow/green rating on ethical culture).

So, what if your organization could move from good to great?^[2] Go beyond compliance and the DOJ's elements. Use the DOJ elements surrounding compliance *and* assess culture with a model of managing complex change: vision + skills + incentives + resources + action plan.

This document is only available to members. Please log in or become a member.

[Become a Member Login](#)