

What an ethics management programme can and cannot do

**Dr. Elmé Vivier, Rabbi Gideon Pogrund, Prof. Mollie Painter,
Ms Kerrin Myres**

Nottingham Business School & Gordon Institute of Business Science

18th Annual BEN-Africa conference

The ethics of African development and the development of African ethics

7 November 2019

Mombasa, Kenya

The problem

How to explain the results from the GIBS Ethics Barometer...

- Overall positive views of company commitment to society and engagement with external stakeholders
- Yet negative views of internal company dynamics: respect, fairness, trust, bullying, discrimination, etc.

Our hypothesis: The Barometer results give insight into possible limits of formal ethics management approaches in an African context

Traditional ethics management approaches

- Ethics as a risk to be managed via mechanisms of control
- Formal components: (1) a code of ethics; (2) an ethics officer; (3) ethics training; (4) ethics reporting lines; (5) policies on management and accountability; (6) investigation and corrective policies; (7) policies on incentives and rewards; (8) internal monitoring systems and ethics audits; (9) pre-employment screenings.
- Internationally standardized
- Internally focused
- Compliance and/or values-oriented approaches, but still high expectations for what formal elements should achieve

...Potentially neglects messy challenges of daily organisational life and workplace relationships in the broader context of developing countries

Three areas of critique

Critical literature that moves away from compliance-oriented approaches:

- 1) a critique of ethics programmes' instrumental orientation (Painter-Morland, 2008; 2015);
- 2) its inability to foster true moral responsiveness (Ibarra-Colado, Clegg, Rhodes, and Kornberger 2006); and
- 3) its overall disregard for macro issues and the larger political economy (Jones, Parker and ten Bos 2005).

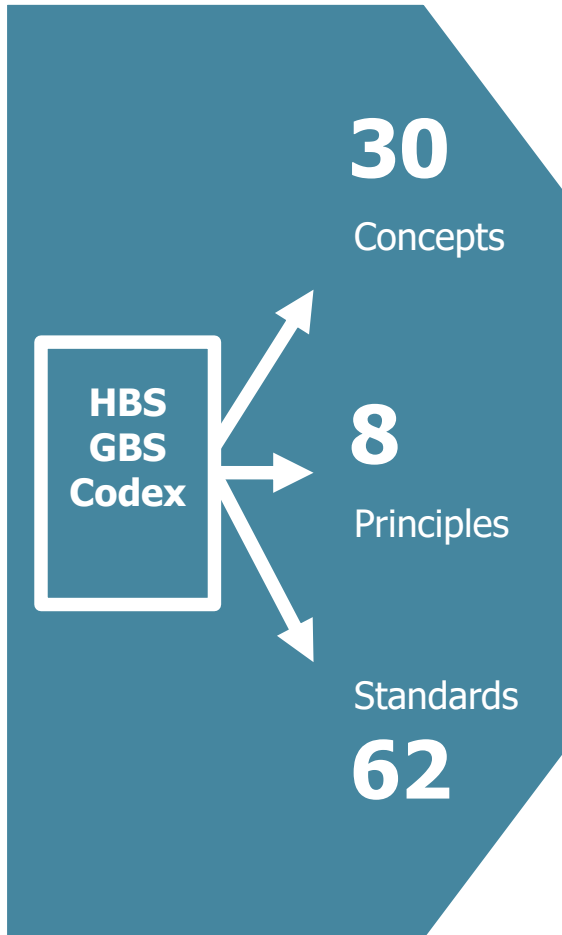
Research methods

The GIBS Ethics Barometer:

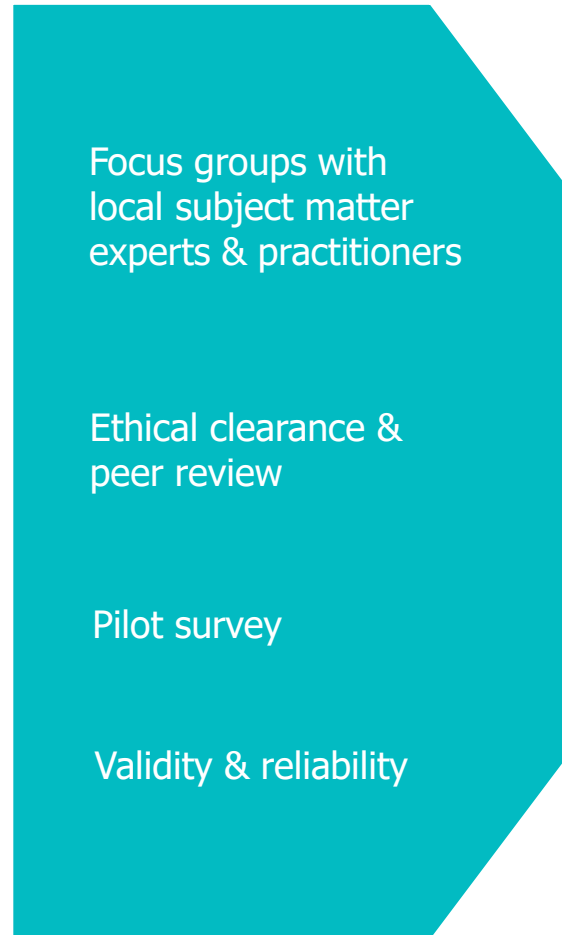
- Based on the Harvard Business School (HBS) Global Business Standards Codex
- Contextualised and localised to the South African context
- Quantitative, electronic survey with open-ended comments
- Sample: 15 Companies / > 8,000 respondents
- Statistical and inductive analysis

Instrument Development

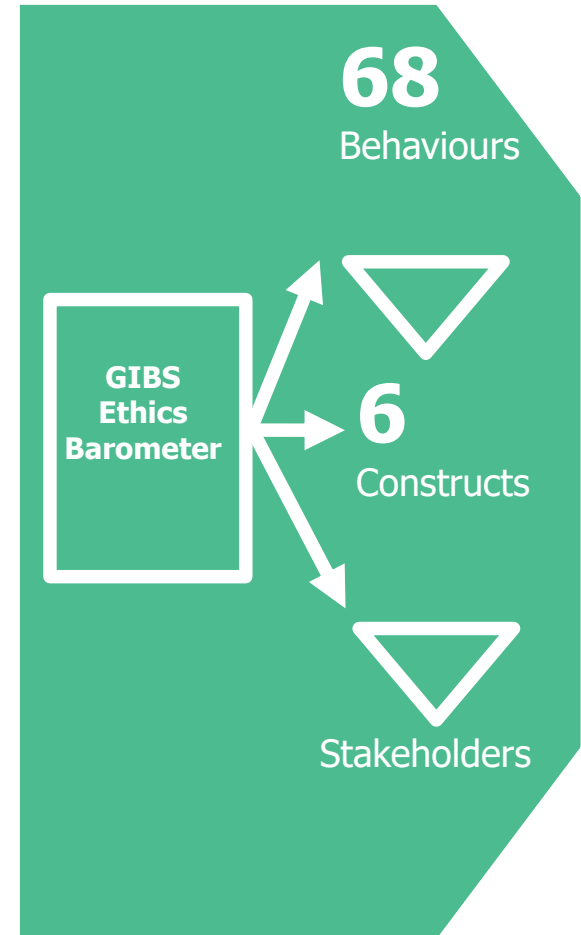
Analysis



Contextualisation & Localisation



Instrument Development



Global Business Standards Codex:

8 principles

- Fiduciary principle: diligence, loyalty
- Property principle: protection, theft
- Reliability principle: contracts, promises, commitments
- Transparency principle: truthfulness, deception, disclosure, candor, objectivity
- Dignity principle: respect, health and safety, privacy, use of force, association & expression, L&D, employment security
- Fairness principle: fairness in dealing, treatment, competition, process
- Citizenship principle: law & regulation, public goods, cooperation with authorities, political noninvolvement, civic contribution
- Responsiveness principle: addressing concerns, public involvement

6 constructs > 68 Behaviours Measured

Treatment of Customers

5



Treatment of Suppliers

3



Treatment of Employees

12



Organisational Culture & Practices

16



Engagement with Broader Society

12



Avoidance of Misconduct

20



Overview and Methodology

Companies' Results

Quantitative, electronic survey with open-ended comments

Sample: 15 Companies / > 8,000 respondents

Statistical and inductive analysis



Preliminary Findings & Emerging Themes

Qualitative, focus groups

Sample: 5 diverse societal stakeholder groups (NGO's, media, youth, churches & trade unions)

Content analysis



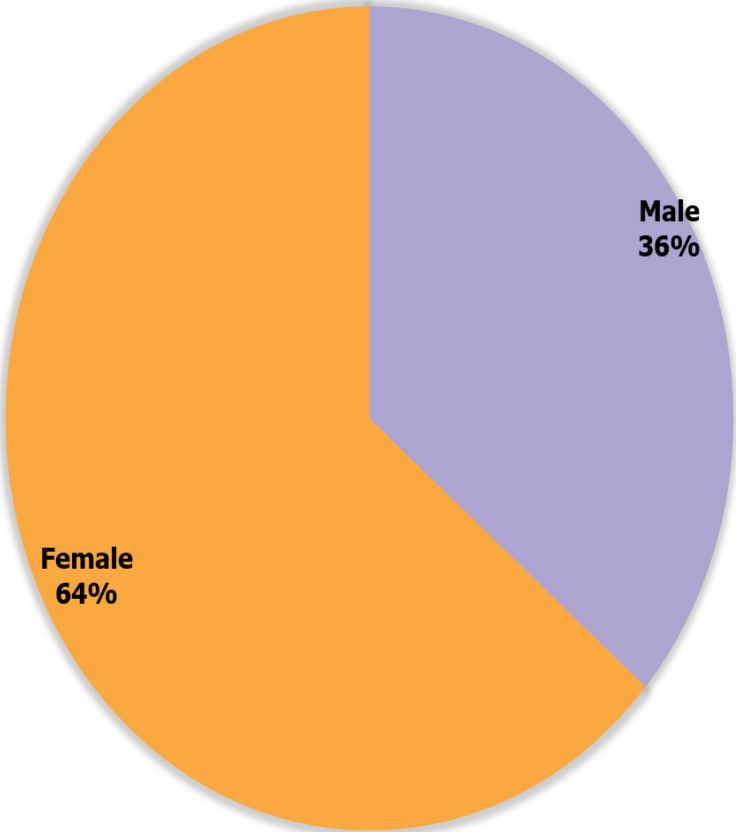
Ethics Barometer Report for SA



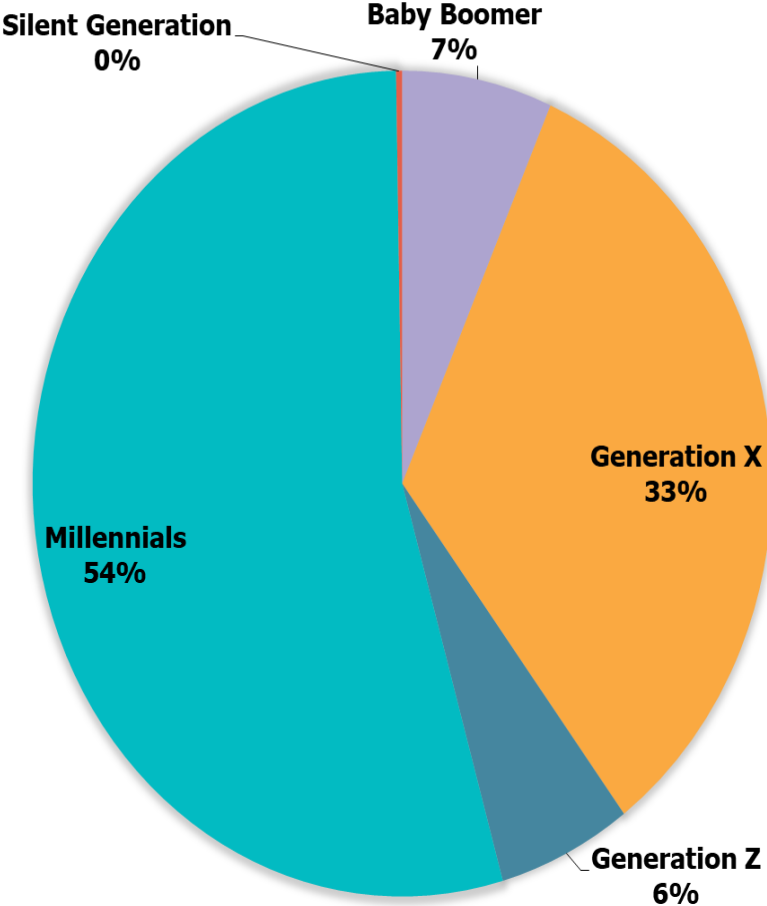
Societal Stakeholders' Results

Demographics Collected

Gender

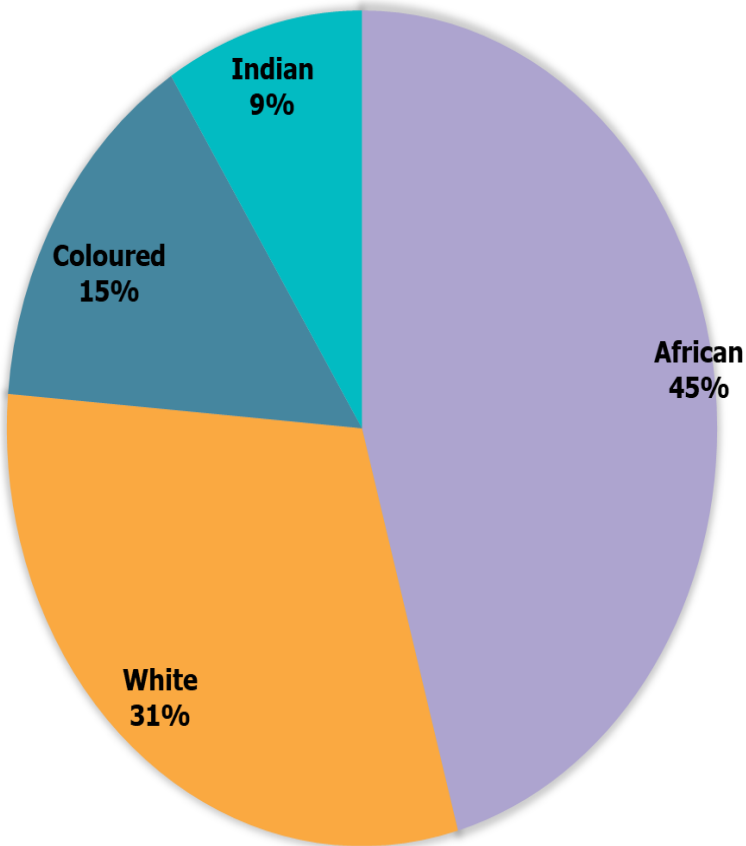


Generation

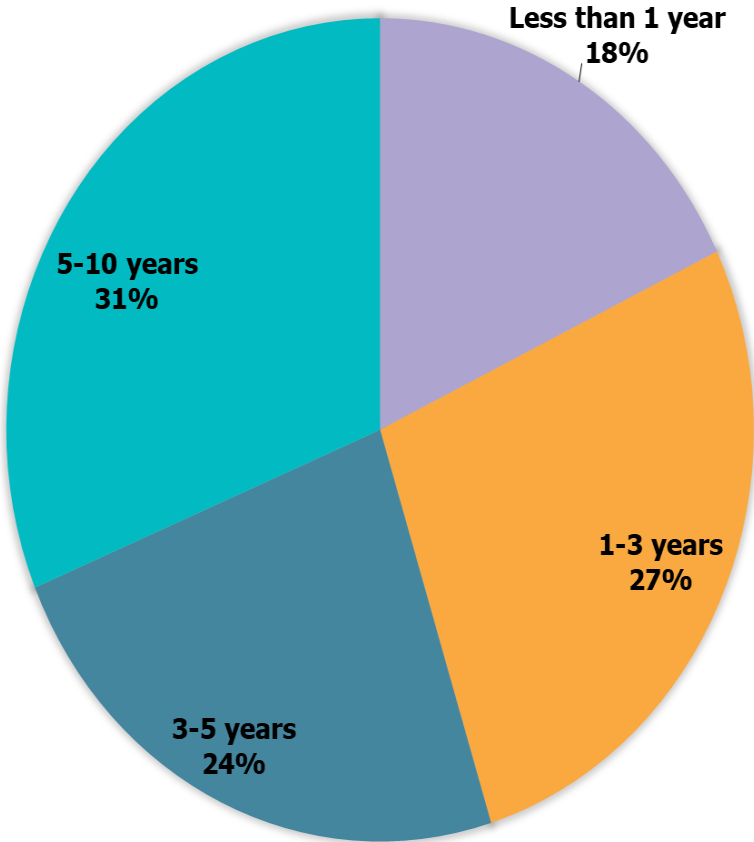


Demographics Collected

Population Group



Length of Service



The Ethics Barometer :

Constructs & analysis

- Avoidance of misconduct (20 items);
 - Engagement with broader society (12 items);
 - Organisational culture and practices (16 items);
 - Treatment of employees (12 items);
 - Treatment of suppliers (3 items); and
 - Treatment of customers (5 items).
- The preliminary sorting according to these constructs

Understanding the qualitative data

- Comments from respondents could be termed the '**vocal minority**' – the more strongly people feel, the more likely they will be to comment
- The 'vocal minority' are more likely to make '**negative**' comments than 'positive' comments
- The 'vocal minority' are most likely to comment on **internal** issues such as: how employees are treated; culture and values within their own organisations; unethical behaviour and how management behaves
- The 'vocal minority' are less likely to comment external issues such as: historical wrongs; community stakeholders; relationships with suppliers and transformation issues
- May represent an '**early warning**' of emerging ethical challenges

Three main results

- 1) Least positively perceived behaviours: poor treatment of employees: **absence of respect, fairness and trust** (most positively perceived = treatment of customers and engagement with broader society)
- 2) Most common types of misconduct = **bullying, intimidation, race/gender-based discrimination**
- 3) Positive views regarding overall commitment to **correcting historical wrongs**, but approached in limited ways (skills development) and significant differences between population groups, especially black Africans

Behaviours

Most Positive Perceptions

	BEHAVIOUR	CATEGORY	SCORE
1	takes the concerns or complaints of customers seriously and does its best to address them	Treatment of Customers	4.39
2	supports the aims of regulatory authorities	Engagement with Broader Society	4.32
3	pays its taxes responsibly	Engagement with Broader Society	4.32
4	keeps its promises to our customers	Treatment of Customers	4.26
5	treats customers fairly	Treatment of Customers	4.23
6	always seeks to comply with the law and regulations	Engagement with Broader Society	4.23
7	makes impactful contributions to needy causes	Engagement with Broader Society	4.22
8	is active in the development of South African society	Engagement with Broader Society	4.22
9	products or services have clear terms and conditions	Treatment of Customers	4.19
10	includes all relevant information in our financial reporting	Organisational Culture & Practices	4.19

Behaviours

Least Positive Perceptions

	BEHAVIOUR	CATEGORY	SCORE
1	people feel free to speak out against wrongdoing without fear of retaliation	Organisational Culture & Practices	3.10
2	the way people are promoted is fair	Treatment of Employees	3.15
3	there are no double standards for different groups of employees	Organisational Culture & Practices	3.19
4	pays people fairly	Treatment of Employees	3.25
5	managers tell the truth to employees	Organisational Culture & Practices	3.30
6	employees tell the truth to managers	Organisational Culture & Practices	3.38
7	people own up and take responsibility when they make a mistake	Organisational Culture & Practices	3.40
8	people give credit for their colleagues' ideas	Organisational Culture & Practices	3.47
9	leaders live up to the company's values and standards	Organisational Culture & Practices	3.49
10	everyone is treated with respect	Treatment of Employees	3.50

Summary of qualitative data

Major category	Quotations*	Percentage
Treatment of employees	859	25%
Culture and values	595	18%
Unethical behaviour	536	16%
Behaviour of management	416	12%
Relationships with customers	383	11%
Transformation	299	9%
Relationships with suppliers	201	6%
Stakeholder relationships	94	3%
Historical wrongs	16	0,5%
Total	3399	

Written comments on respect, fairness, trust

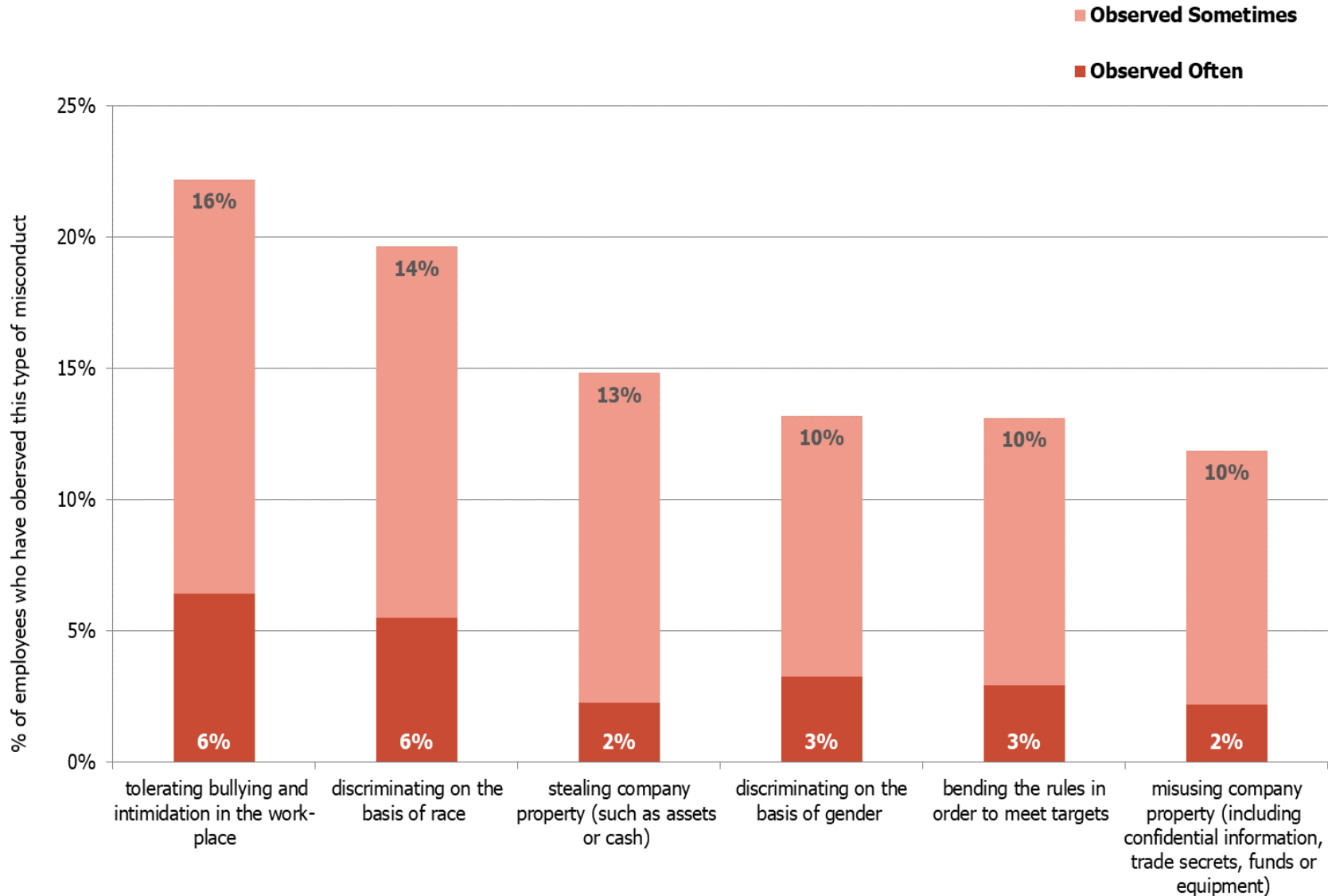
“I wish integrity was more than just a colourful poster hanging on the walls of the same place where integrity is a very far. The people that is supposed to push and drive staff to excellence on day to day basis, but instead its about wearing suits that covers up a multitude of "sins".

“The [company] will save cost on the broken backs of their Employees.”

“[The company] treats the employees as objects not human beings in this company we promised good working relationship but when you are inside you will see true colours of the management e.g. shouting in front of a customer, doing five jobs at a time threatening you with warning and so on and on.”

6 Most Observed Types of Misconduct

During the past 24 months



In a nutshell...

- A total of 45% of respondents said they had observed at least one of 18 types of misconduct over the past 24 months. Within the top six types of misconduct, three related to internal treatment, and three related to different forms of illegal behaviour (see Figure 4 below). The most widely observed type of misconduct was the toleration of bullying and intimidation.
- 20% of respondents said they had observed racial discrimination over the last 24 months. This included 6% who said that they had seen it occur often. It was, however, not clear to which population groups these respondents belonged. Some of them may well have been white respondents expressing a backlash against transformation.
- Respondents of colour, and in particular those who are African, had significantly less favourable views about how their companies treat employees compared to their white counterparts.

Written comments on bullying, intimidation

“Victimization is rife at [the company], especially if you stand up for what you believe in. Management will go to extreme lengths to get rid of that person.”

“The company should do more to protect workers against bullying. As long as the bully is important enough and brings in enough money, he/she is protected and untouchable.”

“We are not happy the way our management treat us or speaks with us. sometimes they have to be reminded that we are here at [company name] to work, not to be bullied. We are also human beings as staff, we also have our own problems at home, but we don't bring it at work. We as the staff ,we are asking for a respects from management as we also respect them too.”

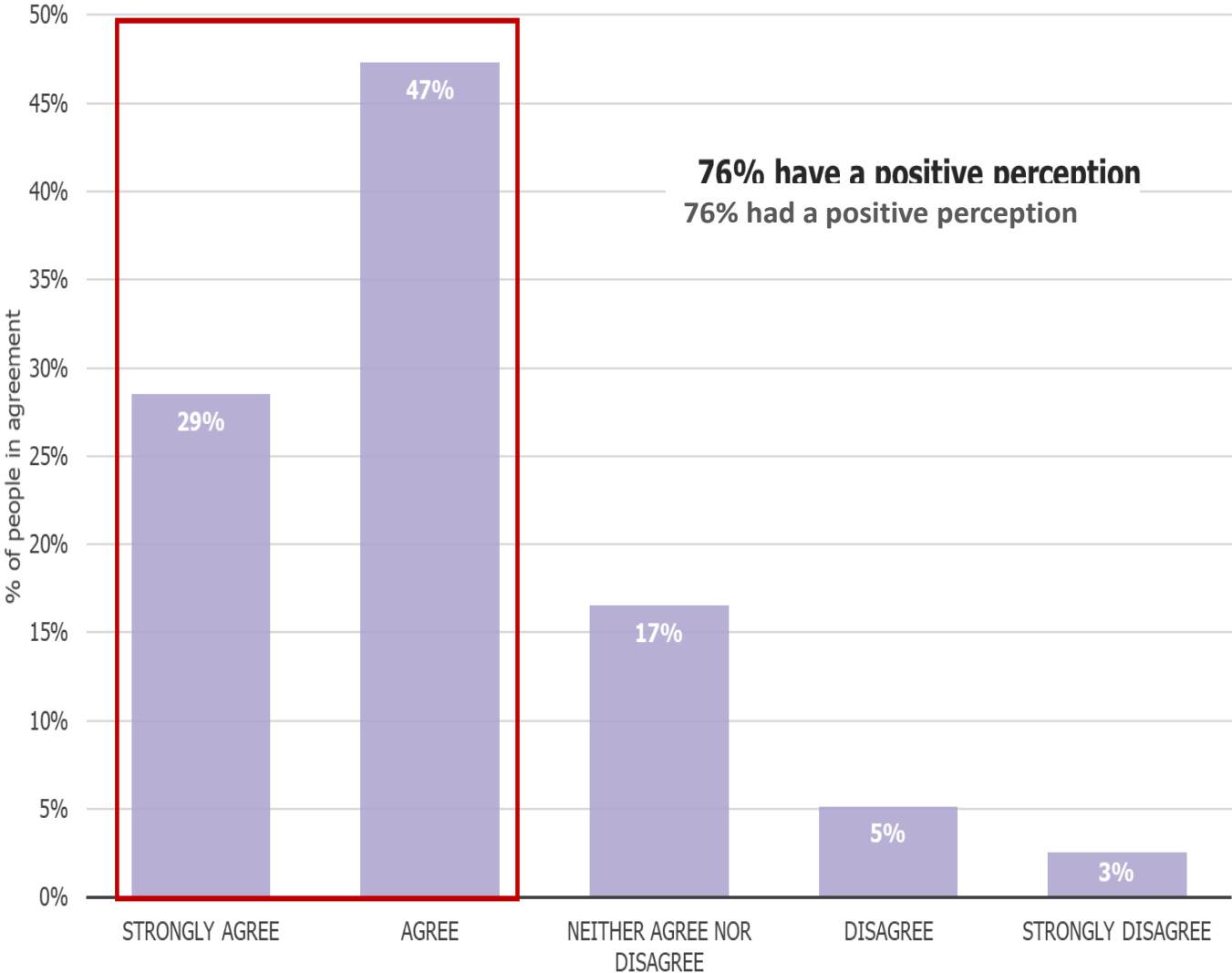
Written comments on race/gender discrimination

“The issue of discrimination due race is still the big problem to be addressed. I have once seen a situation where work was presented by black person with no support then later presented by a white person (even worse the same work) then was taken/supported.”

“Male employees are called on their first names in meetings, females are all called "madam". Males are given time to give their opinion in meetings; the chairman interrupts, change the subject, inappropriately comment or talks over female contributors - unless it is to agree with what he says. Males conveying a point passionately are called "passionate and committed"; women are called "having an emotional outburst" and they need to "calm down". Males loosing their temper (justifiably) are called "taking no nonsense" - women are called "unstable and hormonal". Underhanded comments about "having her period" is shared as joke between some men.”

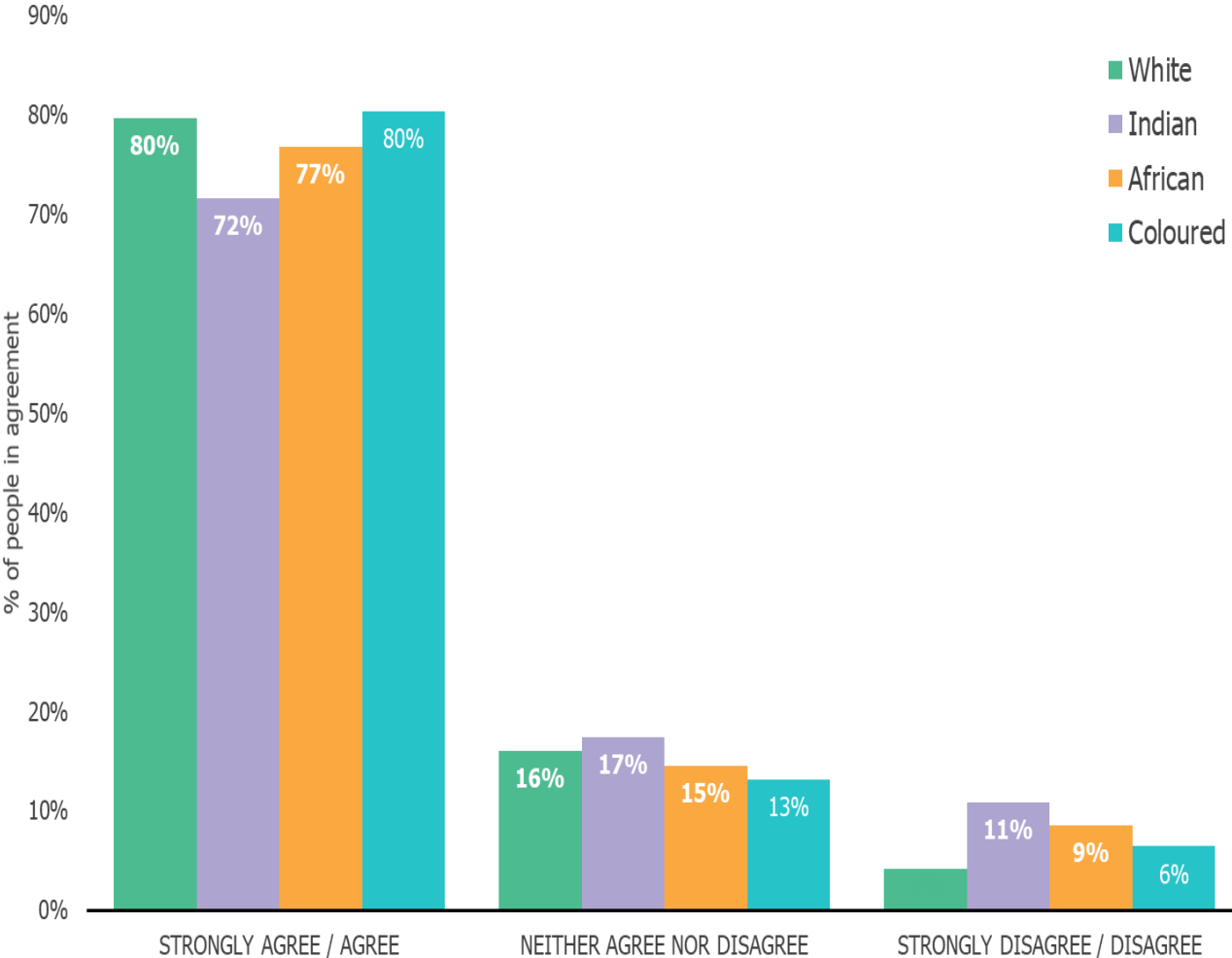
Commitment to Transformation

Are the organisations correcting historical wrongs because they are genuinely committed to transformation, and understand the need for it?



Commitment to Transformation

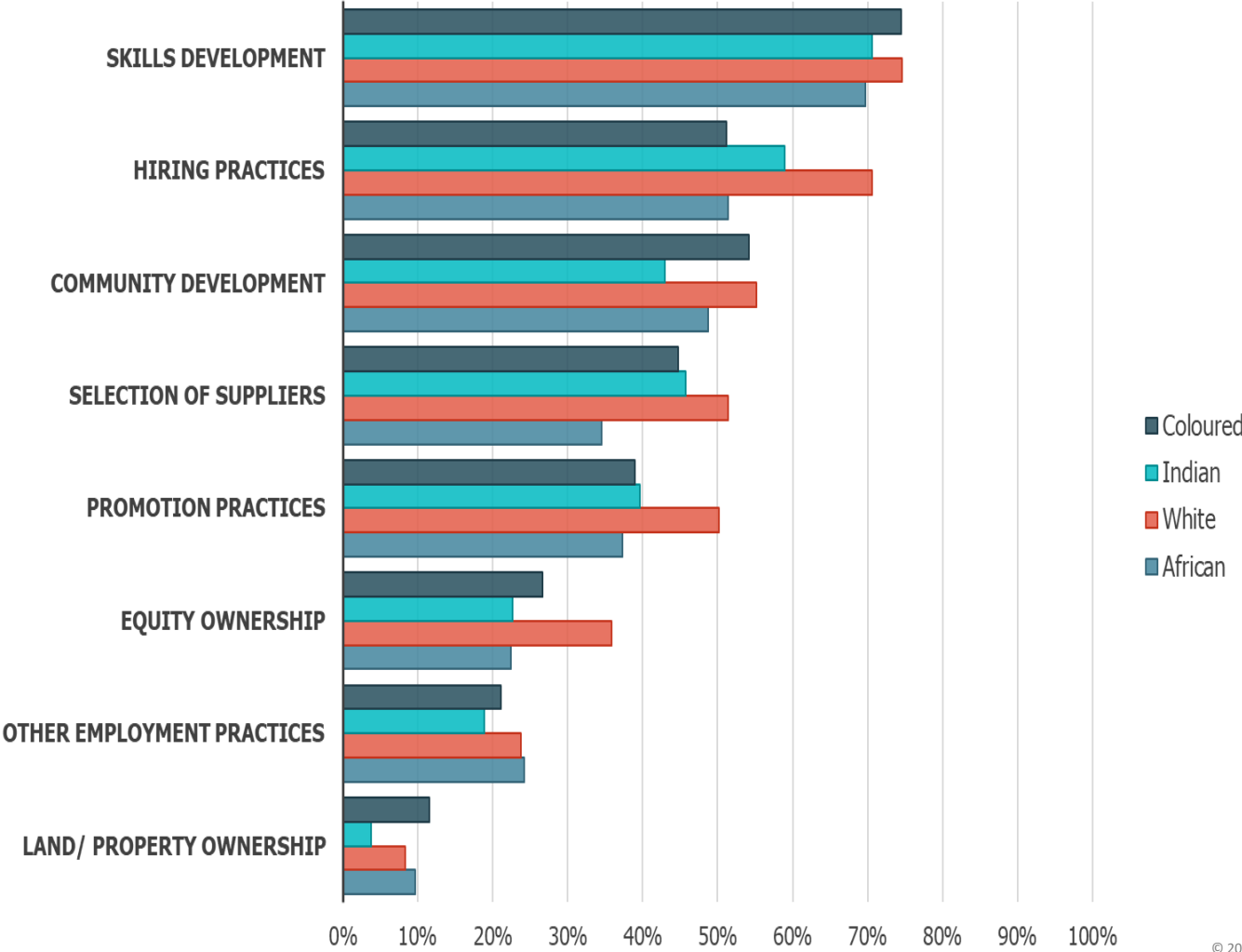
Are the organisations correcting historical wrongs because they are genuinely committed to transformation, and understand the need for it?



Correcting Historical Wrongs

By Population Group

How are ALL ORGANISATIONS correcting historical wrongs?



Written comments on transformation

“I will be open, honest and hope my comment will not be complex to comprehend. Africans are not included in the decision making positions, "Inclusion" is a myth to me, because it merely means he/she is a CEO without the power of making solid decisions.”

“BEE is important however competent people are left behind because of their skin colour. [the company] must be careful not to create new wrongs while trying to fix historical ones. Be wary of putting people into positions to fill a quota rather than to have a skilful individual who can help achieve the companies goals”

Discussion

At the root of experiences of bullying, discrimination and disrespect, etc. are tacit beliefs and practices that constitute organisational 'culture' > tacit beliefs with deeper and broader roots...

A strong outward ethical orientation does not seem to influence perceptions of internal culture and relations.

Formal ethics management would be unable to address these without...

- Going beyond instrumental approaches and motivations
- Encouraging/enabling moral responsiveness (e.g. by drawing on local notions of relatedness, such as *ubuntu*)
- Engaging explicitly with the broader political economy in order to address the deeper roots of inequality, mistrust and disrespect

Further exploration needed...

What lies at the heart of issues around a lack of respect, bullying & equality? Could it be...

- Gender intersectionality: interface between race, class, culture, information poverty...
- Race – class : socio-political histories...
- Bullying: why? Precarity of work, competitiveness, prejudice, stereotyping... still profit-motive that dominates?

Tentative conclusions and further questions

How can the 3 challenges of ethics programmes be addressed ?

- Instrumentalism: Different 'purposes' > societal alignment > address most pressing societal issues in the workplace
- Responsiveness: Different words and habits > call out bad behaviour
- Political economy: Should we not educate managers better > integrate political economy insights in MBA, in the training of Ethics Officers?