

Doing what's right at work: How to help managers engage employees in ethics

By John Guenther and
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Ask an employee to define the word "ethics," and you'll likely receive an accurate answer: "A set of principles or rules that govern conduct."

Then ask that same employee to define your company's code of conduct or rules regarding ethics, and he or she will probably do a good job of articulating the key tenets, even if the words aren't exactly right.

But ask that employee to describe how to apply those ethics in certain workplace scenarios, and he or she may hesitate, even if the employee has received training. Without periodic reinforcement, ethics can become a set of abstract concepts, and employees can lose sight of how to best manage real-life situations.

Although this is a serious issue in any company, it's especially critical in the financial services industry. The global financial crisis, coupled with a series of recent scandals, has put the industry under intense scrutiny. As a result, an ethical lapse is one of the most dangerous threats to a financial institution's reputation.

How can you ensure that employees understand ethics on a practical, day-to-day level so that they'll take appropriate action?

The Bank of New York Mellon, a global financial services company focused on helping clients manage and service their financial assets, started a comprehensive program called "Doing What's Right." This includes training

and ongoing communication, such as messages from senior leaders. But in early 2009, we realized that we were missing a key element: managers.

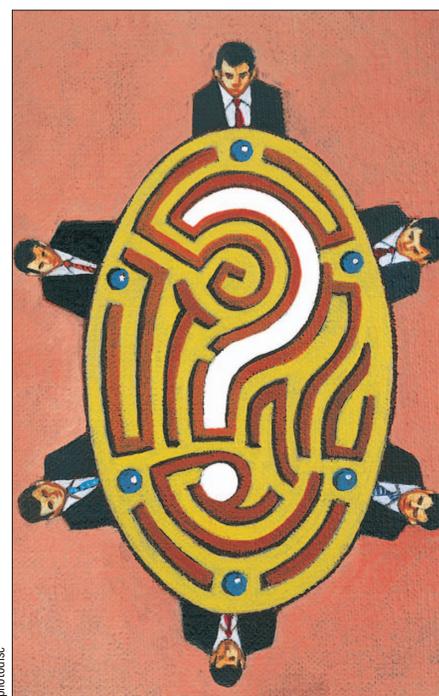
Managers are the essential link in the chain. If they aren't talking to their employees about an issue, their employees will likely believe that issue is not important. When it comes to ethics and compliance, that assumption can be dangerous.

Managers also play a critical role in interpreting corporate information so that employees understand what it means to them, and what they need to do differently. Quite simply, managers make information tangible.

To leverage the importance of managers, we created the Communicating Managers program in 2008, designed to help managers with the information, tools and techniques that they need to engage employees. The program includes a Web site, Web-based learning sessions and monthly talking points about key issues.

Given the business climate at the time, ethics was an ideal topic for Communicating Managers. So this past March, we developed a Web-based session called "Talking to Employees About Compliance & Ethics." The objective was to prepare managers to have dialogue with their teams about ethics, so that they could explore situations unique to each workgroup.

While attendance was optional, it was encouraging when more than 1,000 managers — nearly 25 percent of all managers — signed up for the workshop.



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The session not only provided advice, but it also set an expectation that managers would communicate with their teams within 30 days. And after the session, managers received a guide to reinforce what they learned and give them easy-to-use meeting tools.

The feedback was positive, according to follow-up surveys. After the sessions, 94 percent of managers agreed that they felt prepared to communicate about ethics. "This workshop provided the tools I need to effectively communicate," said one manager. Another responded, "The session was relevant to our institution and our success. The material was presented in a way I could easily relate to with examples and follow-up material to cascade to our team."

Our next Employee Engagement Survey, scheduled for this fall, will provide additional data on the effectiveness of the "Talking about Ethics" session. Here's what we have learned so far:

- **Build something useful, and they will come.** Because managers are so pressed for time, you might think that they won't pull themselves away from work long enough to attend a learning session. But when the topic is important to them — and when it's something that employees ask them about — then managers will participate. The key is to select issues that matter both to the company and to the managers.

- **Focus on the personal benefit.** In this case, we helped managers recognize that a lack of communication with their staffs on the topic sent the wrong

message that ethics is not a priority in their area. And if their employees feel that way, then it could set the stage for ethical lapses, which would reflect poorly on the manager's leadership. This gained managers' attention, and won their commitment to carry the message forward.

- **Create communication tools to fit managers' styles and schedules.**

Before creating the Communicating Managers program, we conducted focus groups with managers throughout the company. They told us that they have limited time to present information to their teams. For "Talking About Compliance & Ethics," we designed a 15-minute agenda that included a quick review of the ethics process and a choice of several case studies that managers would use to facilitate a discussion with their team. Feedback indicated that this agenda fit managers' needs. As one manager wrote: "I currently have weekly team meetings and save the last 15 minutes for [ethics]. Today's information will help me structure that time better as well as serve as a checklist that I cover everything."

- **Set clear expectations for what managers should do.** Managers don't have time to guess — they appreciate knowing exactly what's expected. Our program provided specific guidelines ("Hold a 15-minute meeting within the next 30 days") while also allowing managers to adapt the content according to their needs.

- **Accept the fact that not all managers will utilize the full program.** Some managers may not believe that they need the extra support. Focus your energy on helping those who want to improve, while working through senior leadership to emphasize the importance of employee communications as a key competency for managers. **T**

New generation of graduating M.B.A.s vow ethical responsibility

As a new crop of future business leaders graduates from Harvard and other top business schools, there has been an explosion of interest in ethics courses and student activities — clubs, lectures, conferences — about personal and corporate responsibility, *The New York Times* reported in June. Business school professors say that many students now view business as part of a large social community, not just as a money-making enterprise.

Nearly 20 percent of this year's graduating class at Harvard Business School have signed "The M.B.A. Oath," a voluntary, student-led pledge stating that the goal of a business manager is to "serve the greater good," the *Times* reported. The oath reportedly promises that Harvard M.B.A.s will act responsibly and ethically, and refrain from advancing their "own narrow ambitions" at the expense of others.

At Columbia Business School, all students reportedly must pledge adherence to "the principles of truth, integrity and respect. I will not lie, cheat, steal or tolerate those who do."

In the post-Enron, post-Madoff era, ethics and corporate social responsibility have taken on greater urgency among students. "Realistically, we have tremendous potential to affect society for better or worse," said Max Anderson, an organizer of the Harvard pledge. "Let's humbly step up." **T**



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