

How ethics & leadership come together



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CHALLENGING MINDSETS

FOCUS TODAY

ORGANISATIONAL CULTURE
DESIGN - A MATTER OF CHOICE?

BEHAVIOUR SCIENCE INSIGHTS

MAKING IT EASY FOR EMPLOYEES
TO BE ETHICAL

WHAT GOOD LOOKS LIKE



CHOOSING TO BUILD ETHICAL CULTURE

Reactive



Individual

Reacting to ethical/legal dilemmas

Organisation

**Short termism
Unplanned culture
Compliance
Inward focus**



Proactive

Building ethical awareness & skills to anticipate and respond to known risks

**Purpose
Enabling culture design
Measurement
Ethical leadership**

“On show” world = Power Shift



PRE-DIGITAL

- INSTITUTIONAL
- OPAQUE
- CLOSED
- CENTRALISED
- LICENSED
- TOP DOWN

DIGITAL WORLD

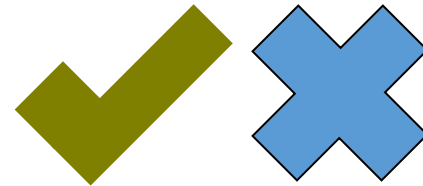
- DISTRIBUTED
- TRANSPARENT
- INCLUSIVE
- DECENTRALISED
- ACCOUNTABLE
- BOTTOM UP

Where are you starting from?

- Unethical behaviour is rarely a conscious decision
- We can predict where and when people will misbehave
- Context is more important than character in workplace decisions
- Amoral rather than unethical behaviour shapes culture
- Going along to get along, is a leadership challenge?



Agree Disagree



BEHAVIOUR SCIENCE



We are
emotional
social
beings, not
always
rational...

None of us are as ethical as we think!

- Humans are driven by emotions; we change our thinking to justify our behaviour
- The context is a greater influence on behaviour than character
- A leaders role is to alter environments in ways that make it easy for people to be values-driven
- Culture *either* drives or drains members' energy and motivation

We Change Our Thinking To Justify Our Behaviour

Contextual Enablers

- Change churn
- Contextual pressures
- Poor design/overwork
- References from past
- Hierarchy
- One way communications
- Amoral managers
- Compliance Focus
- Inward focus
- Absence of consequences

Personal Predispositions

- Rationalisations
- Disengagement
- Low Skills
- Diffused responsibility
- Payback



Everyone else is: fMRI scans show the part of our brain which makes moral judgements is less active when we're in a group

It's not fair: when we feel wronged, we're more likely to lie, cheat and steal

We're tired or emotional: decisions taken in the heat of the moment tend to be less ethical

It's a slippery slope: when we deceive even slightly, we make it easier to do so again

Loyalty wins: we condone unethical behavior in people who've done us a favour

The consequences are severe: when the penalty for missing a target seems unbearable, we're much more likely to break the rules to achieve it

**We also
know why
good
people
behave
unethically**

How we rationalise unethical behaviour

Denial of responsibility- “I know this is wrong, but I am only following orders”

Denial of injury - “I know this is wrong, but no one is hurt”

Denial of victim – “I know this is wrong, but s/he will never know”

Social weighting - “I know this is wrong, but others do even worse things.”

Appeal to higher loyalties- “I know this is wrong, but X is depending on me to get things done.”

The metaphor of the ledger- “I know this is wrong, but I am underpaid and deserve this extra



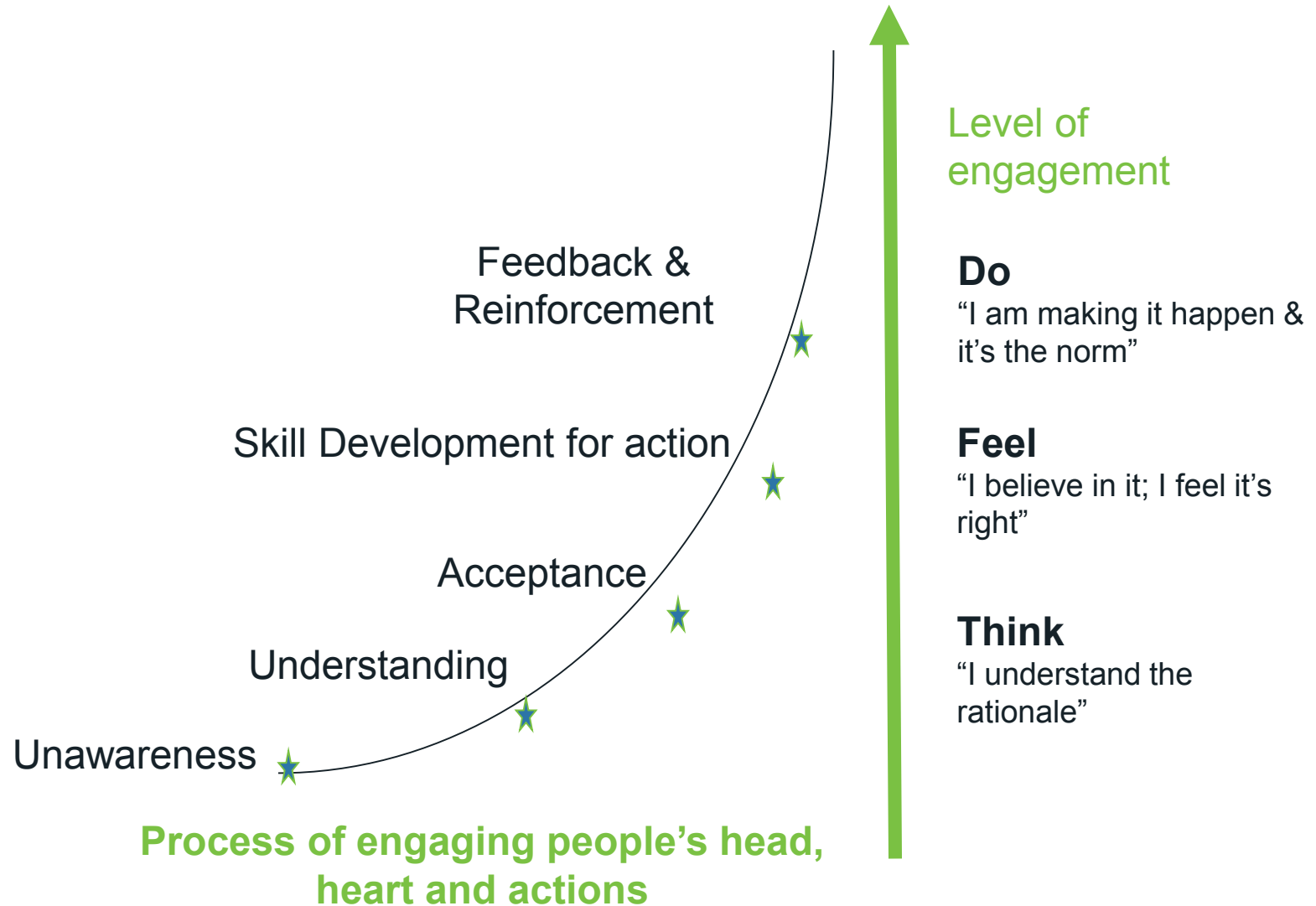
Designing cultures of choice

Recognise the context creates bounded ethicality

- Training to forewarn and forearm
- Use choice architecture
- Nudges remind or warn people about behaviour choices
- Priming - increase choice timely information
- Frames need to be challenged to avoid ethical blind spots



The pathway to behaviour change



How do ethics & leadership come together?



Higher Purpose - What is right & worthwhile
Tone at the top & direction

Conscious Leadership – “How” & “why” -
Fair and just management

Conscious Culture – Context designed
“Listening culture” facilitating ethical behaviour

Role Modelling – How leaders get others to
behave ethically

Measurement & Accountability behaviour
standards