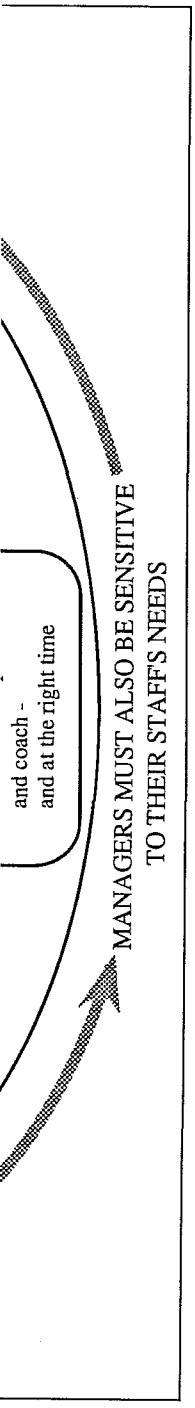

Building an ethical government organization: a micro approach for middle managers

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We have passed the high-water mark of a flood of interest in government ethics, but what do we have to show for it?

- A lot of scary media stories about conflict of interest, whistle-blowing, invasion of privacy, politicization of the public service, and other assaults on public sector morality.

- Pious speeches by politicians and senior public servants on the necessity to restore the integrity of government and boost the confidence of the citizenry that even if government is not doing the right thing, it is doing it honestly and according to the book.

- Warehouses full of new codes of conduct brochures issued by governments, individual agencies and professional associations. A small number of these have emerged from consultations with public officials who are supposed to subscribe to them, but most of them have materialized like the Ten Commandments from the mountain tops of deputy ministers and cabinet committees. They are usually accompanied by enforcement mechanisms and sanctions that are rarely used.

- The formation of an ethics industry made up of centres, interest groups, research programs, new books and courses in public administration, and all the conferences and workshops on ethics you could ever want to attend.

Ethics is trendy. As I am pleased to demonstrate by my presence here today, no gathering of managers is without its ritual curtsy to the importance of ethics. No management course ends without a soul-searching session on the good, the bad and the ugly behaviour of public servants.

But even as a participant in and a beneficiary of this ethics movement, I have to admit that much of it is catharsis. Public relations, to a degree, has replaced reform. Ethics is being talked about, and many symbols that ethical conduct is being taken seriously are in place, but business goes on as usual. I see little evidence, either at the political or bureaucratic levels of most government organizations, that there has been any real change in the way in which public officials deal with the ethical dilemmas they face every day. The top down, "here are the rules, follow them or you will be punished" approach to building ethical organizations hasn't made much impression at all.

What would a more ethical organization look like? What do I expect to see that I do not?

First, less fear. After eight years in the "ethics business" I would like to get fewer calls from ex-students who tell me horror stories about the behaviour of colleagues or a superior and then say they are calling me because they are afraid to discuss the problem in their office. In an ethical organization, no one should feel frightened to discuss openly what their conscience is telling them. More to the point, in an ethical organization, discussion of whether a certain action is right or wrong should be a natural phenomenon.

Second, beyond fright, there should be more protection for the ethical employee. In the U.S., legal protection for legitimate whistle blowers, and systems which allow for anonymous dissent from an organization's actions, have been introduced by several governments, but parallel initiatives in Canada have met with little success. Even if such formal protective devices were in place, the real issue here is the degree to which the individual believes that the organization will support – rather than close ranks against – ethical behaviour. My sense is that this belief is not a feature of many government organizations in Canada.

Third, less ignorance about ethics. Many public servants and politicians still don't recognize the ethical dimension of many of the problems they confront. It's not that they're puzzled about what actions represent the right choice, it's that they don't recognize the important value choice with which they are faced when they, for instance, decide whether a particular piece of information should be withheld from an interested group. They lack ethical sensitivity. Good and bad behaviour is not a subject of

conversation – formal or informal – in their workplace. I am doing some research on this issue with a colleague at the University of Victoria. We think the results will be very provocative.

Fourth, we need more evidence of attitudinal consensus within organizations that some behaviour is appropriate, but other behaviour is not. Even when the codes of conduct are in place, I see fundamental differences of opinion on rather straightforward issues such as the appropriate use by employees of government property. At a broader level, many government employees in the same organization show no signs of a common understanding of what a conflict of interest is.

Fifth, we need more signals that the consensus which is developing is broadly in line with the expectations and the moral standards of the wider community in which our public organizations operate. For example, there is a growing consensus within government organizations that restrictions on the post-public service employment of public servants and politicians are wrong; that the departing public official ought to be able to exploit his or her employment experiences basically without constraint. Thus, much scorn is heaped on Ottawa for the government's post-employment guidelines for elected and appointed officials, and every effort is made by departing officials to get around these regulations. The public, by contrast, takes an extremely dim view of the "revolving door" phenomenon and wants strict controls placed on the capacity of departing public officials to sell their insider knowledge and access to the highest bidder. Why are the views of public officials – except those concerned about re-election – so out of touch with those of the public?

Sixth, we need a more widespread appreciation of the fact that an ethical organization can also be a successful and a competitive organization. Mark Pastin, in his provocative book, *The Hard Problems of Management: Gaining the Ethic's Edge*, argues that an ethical organization has a competitive advantage.[1] Be that as it may, we don't seem to have moved far beyond the notion that being ethical is likely to get in the way of the more important goals of the organization. Too many public servants still think that ethics is for wimps.

So, what is the problem here? Why have we made so little progress in developing ethical organizations? I think it's because we have been using the wrong tools and the wrong people, and focusing on the wrong things.

The first thing we need to do is place our attempt to improve the ethical tone of government organizations in a wider context. Concern with ethics in government is usually provoked by particular acts of wrongdoing. This distracts us from the important fact that the real problem is not specific examples of bad behaviour, but the underlying

1. Mark Pastin, *The Hard Problems of Management: Gaining the Ethic's Edge*, Jossey-Bass, New York, 1986.

organizational culture which supports that behaviour. We need to stop focusing on bad behaviour and the creation of rules and sanctions to control it, and start thinking about repairing the culture from which the inappropriate behaviour emerges. This would connect our concern about ethics to the concerns expressed by Zussman and Jabes in *The Vertical Solitude* about the wider organizational culture in the federal public service.[2] The culture and the ethics of the organization are inextricably intertwined. Integrity, neutrality, public interest, confidentiality, and accountability are what ethics is all about. They are key values within the wider culture of a government organization.

Second, we have to accept the fact that we can't do much to fix the ethical culture of an organization from the top down. As Gareth Morgan has argued so eloquently in *Images of Organization*, the North American approach to organizational culture has been (naturally enough) to try to manage it.[3] If the belief, symbols and attitudes of the organization aren't a good match for what the organization has to do, then it becomes the task for the leader of the organization to change them. The business magazines and bookshelves are filled with advice from corporate culture gurus proposing strategies for creating new forms of corporate consciousness. Organizational culture is chopped up into components (beliefs, attitudes, stories, ethical norms, rituals, symbols) to be manipulated by the clever leader bent on creating a "better" culture. Consider the following scenarios:

- If the leader wants to create the belief in the organization that "employees matter", then he or she makes that phrase a slogan and markets it inside and outside the organization. The next step might be to create symbolic special events, like CP's new "star employee of the year" gala evening at the Royal York at which a few employees can be rewarded for embodying another key belief of the new corporate culture: "the customer is everything".

- The process is no different if the leader wants to change the ethical culture. A code of conduct is unveiled, filled with ethical slogans about political neutrality, serving the public interest, accountability, etc. A few speeches are made to sell it to employees, these are published in the appropriate management magazines, some media attention is attracted, and then the deputy minister or the CEO moves on to another issue, hoping that the ethical culture has been indelibly changed.

Of course, the culture of the organization does not change. This top down, "fix-it" approach to organizational culture in general, and organizational ethics in particular, does not work.

The most horrible examples of attempted culture manipulation are indistinguishable from ideological thought control. Leaders brandishing Newspeak in a simple minded way that probably would have shocked or at least amused George Orwell, are greeted

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2. D. Zussman and J. Jabes, *The Vertical Solitude: Managing in the Public Sector,* The Institute for Research on Public Policy, Halifax, N.S., 1989.

3. Gareth Morgan, *Images of Organization* , Sage Publishing Inc., 1986.

with cynicism by employees. Far from being treated as a folk hero, the slogan wielding senior executive is seen as a fool who knows nothing about the reality of the organization's operations.

Even signs of change can be misleading. There are documented cases of the phenomenon of passive resistance to attempts to manage the organization's culture. Employees mouth the new slogans, accept the rewards, and go along with the rituals and trappings of the imposed culture, but on the job they act much more in line with the "real" culture; they follow the rules and mores they pick up from their colleagues – the rules that are written on the washroom rather than the boardroom walls. Therefore, while the new code talks eloquently about a gender-neutral workplace, the reality is an atmosphere in which sexual harassment is tolerated. In an organization in which "the privacy of privileged information about clients is our highest priority", according to the slogans, such information is regularly used for purposes for which it was not intended. Where openness is preached, restricted access to information is practiced. Where fairness is touted, favouritism is commonplace.

Third, we have to accept that even if we avoid the "top-down" trap, there are limits to what can be accomplished by way of ethical culture change in any particular organization.

Ethical norms emerge from the mixture, over time, of the values of large numbers of individuals – some long retired. Like supertankers, they are hard to turn around. When a large number of foreign service officers have been cheating on their travel claims for a considerable period of time in direct contravention of the rules, there must be a powerful reinforcing ethic at work rationalizing such behaviour. It will often be hidden and hard to root out. Further, while formal power in an organization is often not enough to force a positive change in the ethical culture, the misuse of power at the top of an organization can often drastically reduce its capacity for ethical reform. An organization polluted by the notion that all relationships are zero-sum games in which there are winners and losers, and dominated by individuals who corrupt the exercise of power by subscribing to ideas such as "win through intimidation", or "starve your enemy of information", is likely to be filled with people who keep their head down and avoid ethical risk-taking.

Despite such caveats, I do not believe that large government organizations are helpless in the face of unsatisfactory ethical cultures. The ethical sensitivity and standards of government organizations can be enhanced, but we need to approach the problem in a different way. I think that we should experiment with vesting the responsibility and authority for such change at the middle management level. Directors and program officers closely connected to the bulk of government employees are the key culture carriers in the struggle for more ethical government organizations. Why not concentrate on micro, working level efforts to changing key values and attitudes?

How would we go about this? What strategies can a middle manager adopt to change the ethical culture of his or her part of a government organization?

First, be prepared to lay low during "ethics storms". There is no way that I know to stop cabinets, ministers, or deputy ministers from pontificating about ethics when they are confronted by a highly publicized crisis. In the worst situations, new rules of behaviour will be issued. You can't ignore such things, but beyond providing you with insight into the ideal behaviour that your employees should exhibit, new rules won't help you alter peoples' attitudes and beliefs. Your approach should be more modest, but persistent and ongoing. Building an ethical organization is not a cyclical process.

Second, find out what is written on the washroom walls. Put less poetically, the most important building block of change is a clear understanding of what your employees presently believe to be acceptable behaviour. What are their real ethical standards. There are a number or ways of accomplishing the "detective" phase of this strategy:

- Don't bother asking people what they believe to be good behaviour. They usually can't or won't tell you.

- Suspend value judgements. You are trying to learn, not correct, at this stage.

- Study the physical setting of the workplace. Is there a place for clients to sit down? Are the office supplies all locked up? Are cartoons featuring ruthless people pinned to the walls? Is the Charter of Rights and Freedoms prominently displayed in offices?

- Listen to what employees say and observe what they do. Do they regularly take home government property? Do they refer to this as "liberating" objects, rather than "stealing" them? Do they approvingly tell stories or repeat gossip about colleagues sleeping with secretaries, arriving in the morning too hung over to work, or cheating on their expense accounts? Do they make and accept jokes about Pakistanis, native Indians or women? Do they give cynical advice to new employees about how business is "really done" in the organization? Do they play favourites with clients?

From actions, stories, symbols and even body language, you try to build a comprehensive picture of the real beliefs and attitudes which underlie the behaviour of your employees. It's a tough job, but without an accurate portrait of the existing ethical culture, you can't hope to effect change. If there is a subtle, but real, streak of prejudice toward women or minorities, then there is no point in pretending that the organization can be transformed by the mere statement of lofty employment equity norms. If the organization is highly politicized and accustomed to doing extra "favours" for the minister, then merely restating principles of political neutrality won't make any difference.

Third, try to isolate the deviants. Knowledge of the real ethical culture – however imperfect – often points out that one or two people are "attitude leaders" among the

employees. Discussions of specific ethical issues with employees can often make this fact clear, liberating many employees from what they thought was a widely held belief or attitude. This isolation effect can be further enhanced by expanding the discussion circle to bring in clients, for instance. Watching one or two individuals trying to defend their belief that taking certain kinds of gifts from contractors is perfectly appropriate is often all it takes to make most employees realize that the practice is indefensible. Remember, you don't lead the isolation effort or force it; you merely provide the forum within which it happens.

Fourth, be prepared to rebuild the ethical culture incrementally, brick by brick. The long-term strategy is to build consensus around small positive changes in attitudes and beliefs, letting them emerge from your organization.

- You can't create a "service" culture in one fell swoop, but you might be able to help your part of the organization recognize the need to treat one particularly badly served client group more fairly.

- It's impossible to beat back conflict of interest across the board, but you might be able to pick away at the attitudes which support a particular practice such as inappropriate moonlighting.

You can only help the emerging consensus process by acting as a mediator. This strategy won't work if you act like a judge. On the other hand, one of the attractive features of this approach is that for its success you don't have to be a saint or a hero.

The micro approach to ethical change does force the organization to accept a different pace of change in each individual sub-culture. However, I think the advantages of achieving genuine improvements in the ethical culture of parts of the organization vastly outweigh the disadvantages associated with a loss of uniformity, especially when the push for uniform change rarely shows any positive results anyway.

This micro strategy is much more likely than the "top-down" macro approach to reduce fear and ignorance of ethical dilemmas among employees, and to lead to the establishment of an ethical consensus at the operational level that can be translated into action. Moreover, it might over time provide the middle management group with some new value statements to bring upstairs to senior management. Only this time, the values will actually be grounded in the majority culture of the organization. The final argument for this approach is a motivational one: it's just a lot more fun to be an ethical detective and animator than it is to be the enforcer of some distant leader's unrealistic set of rules.
