

Shaping Your Culture for Ethics

Using Behavioral Science to Enhance your Ethics Program

The Problem

Is an ethical scandal swirling just beneath the seemingly placid surface of your organization? How can you know whether financial pressures facing your executives and employees are making them more susceptible to ethical lapses? Are the stated values in your Code of Conduct reflected in the behaviors demonstrated by your company?

Business is increasingly the target of scrutiny for criminal conduct and ethical failures. Despite strengthening internal efforts to comply with legal and regulatory requirements, mounting financial sanctions and compliance costs continue to damage hard-earned reputations. While compliance departments have grown, the headlines and the penalties don't reflect these investments.

The "wrong" culture is increasingly viewed as the breeding ground that allows unethical behavior and the resulting compliance failures to take root. Regulators require companies and Boards to actively manage their culture to improve behavior. But many find that measuring culture and finding effective interventions to improve behavior difficult.

Our Approach

Companies need access to high quality, unbiased research on what interventions actually work and in which situations to improve ethical outcomes. Unfortunately, most don't have easy access to evidence-based strategies, tools and scientific experts to help them make progress towards a more ethical culture. They rely instead on common "best" practices, benchmarks and anecdotal advice.

Following the herd is not working, but Ethical Systems will change this.

Our University-based researchers can help you design systems that use behavioral science, data, and rigorously generated evidence to advance your goals. Through targeted experimentation tailored to your company's needs, we can create interventions and measure their impact on your organization's goals -- testing what works and what doesn't, with evidence.

Throughout this process, you benefit by collecting data and learning more about what works to advance your programs, and together we advance the social science of organizational ethics.

The Research

The big insight from the social science of ethics is that our behavior is largely driven by *where* we are, not so much by *who* we are.

For senior executives and managers, this means that they need to not only demonstrate ethical leadership through their own behavior and communications, but also to create and nurture learning systems so others can meaningfully contribute to advancing company interests in a sustainable (i.e., ethical) manner.

Research suggests that the key systems to target to promote ethical behavior include incentive compensation, performance management, leadership, communications, and training, as well as recruiting, hiring and onboarding of new talent.

Who We Are

At Ethical Systems, we believe that good ethics makes compliance easy.

We are the only collaboration of the leading social and behavioral scientists who are among the top experts in the world on designing ethical organizations. We are housed at the NYU Stern Business and Society Program.

Some of our collaborators include Jonathan Haidt, Dan Ariely, Francesca Gino, Ann Tenbrunsel, and Linda Trevino, among 18 others. We work closely with an Advisory Board of practitioners who help us bring our research ideas into practice.

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