ethics

Ethical, social and environmental responsibility of the organisation

There is increasing recognition that an organisation's ethics affect employee outcomes, including behaviours directed towards external stakeholders. Employees often feel better about themselves when associated with an ethical organisation, and may also feel that such an organisation is likely to treat them better.

suggested actions

- **management support** Obtain support from management as soon as possible. Management plays an important role in setting standards for ethical behaviour. It is important to lead from the top.

- **clear expectations** Consider developing an ethical code of conduct, providing your employees with guidelines around what is considered acceptable ethical behaviour. Also outline the manner in which the organisation deals with external stakeholders. For example, describe how suppliers should be treated, how the organisation interacts with local government and community organisations and how decisions affecting the community should be made (e.g., waste management). Ensure this code of conduct is implemented and followed.

- **intuitive and coherent actions** It is important that socially, environmentally and ethically responsible actions align with strategic goals. These actions need to be relevant to the specific nature of the organisation, industry and region in which you operate. For example, organisations in the finance industry might consider running community education programs on the topic of money management. Organisations with operations in a number of sectors or regions may implement different actions across these areas, rather than taking a 'one-size-fits-all' approach.

- **consultation** Employees differ in their responses to ethical actions and different issues are important to them. When you are implementing ethically based actions it is important to consult your employees. Find out what actions employees expect, what they think the impact will be, and how they are likely to respond to ethical actions.

- **meet the minimums** Employees are more likely to pay attention to the areas in which ethical performance is poor, than the areas in which ethical performance is high. It is critical that you prevent or address unethical actions, rather than simply add on socially or environmentally responsible 'programs'. Ethical actions should not be perceived as attempts to compensate for poor performance in other areas. For example, employees should not believe that you are donating money to local sporting clubs to divert people's attention away from negative media coverage.

- **measure success** Think about what you want to achieve from implementing ethically based practices and define clear objectives. Choose ethical, socially responsible or environmentally responsible actions that can help you achieve these objectives. Use clear guidelines to determine if you are meeting these objectives.

case study

Blackmores is an Australian organisation delivering natural healthcare solutions. It is committed to measuring internal organisational climate, and uses Voice surveys to prioritise action areas. One priority area for Blackmores, and a core value, is social responsibility. "It is important to practise what you preach" notes Philip Daffy, Sustainability Manager, "if you are in the natural health industry, you have to be naturally healthy".

Blackmores advocates seven steps to sustainability: (1) Establish your sustainability priorities, (2) Walk the talk, (3) Minimise your footprint across all aspects and locations, (4) Establish trust with your consumer, (5) Recognise employee rights, (6) Take control of and responsibility for your supply chain and (7) Report and promote honestly. Staff are encouraged to nominate colleagues who demonstrate behaviour consistent with social responsibility, or other Blackmores' values, for quarterly awards.

One way in which Blackmores has demonstrated their commitment to social responsibility is their impressive new workplace campus, designed to be both environmentally sustainable and to create a healthy work environment for staff. The Blackmores campus incorporates a number of environmentally sustainable elements, such as light/motion sensitive lighting, as well as being designed with employee health in mind (e.g., low Volatile Organic Compounds (VOC) emitting furnishings, internal gardens).

Blackmores has faced a number of challenges in their commitment to social responsibility. For example, the new campus condensed a number of existing sites into one, resulting in the need to find a suitable sized site, which still allowed Blackmores to meet their commitments to the environment and employee health. Another challenge is that while Blackmores sees benefits from socially responsible actions (e.g., staff retention, staff health), many corporate practices can contribute to these benefits, meaning stakeholders do not always recognise the return from socially responsible actions.

So, where to now for Blackmores? Philip believes the next big challenge for Blackmores, and indeed a challenge for any business, is gaining complete knowledge and control of the supply and distribution chain, in order to ensure that products are ethical and sustainable from the 'cradle to the grave'.

useful resources

- White, A and Business for Social Responsibility. (2006). **Business Brief: Intangibles and CSR.** Retrieved 11 April, 2010, from http://www.bsr.org/reports/BSR_AW_Intangibles-CSR.pdf

- http://www.ethics.org.au **St James Ethics Centre**

- http://thehub.ethics.org.au **The HUB of Responsible Business Practices**

- http://www.accsr.com.au/index.html **ACCSR: Australian Centre for Corporate Social Responsibility**

- Ethics Resource Center. (2010). **Ethics Toolkit.** Retrieved 11 April, 2010, from http://www.ethics.org/page/ethics-toolkit.

- McNamara, C and Authenticity Consulting: Free Management Library. (2010). **Complete Guide to Ethics Management: An Ethics Toolkit for Managers.** Retrieved 11 April, 2010, from http://www.managementhelp.org/ethics/ethxgde.htm#anchor39675