CREATING AND MAINTAINING ETHICAL WORK CLIMATES: ANOMIE IN THE WORKPLACE AND IMPLICATIONS FOR MANAGING CHANGE

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Abstract: This paper examines how unethical behavior in the workplace occurs when management places inordinately strong emphasis on goal attainment without a corresponding emphasis on following legitimate procedures. Robert Merton's theory of *social structure and anomie* provides a foundation to discuss this argument. Key factors affecting ethical climates in work organizations are also addressed. Based on this analysis, the paper proposes strategies for developing and changing aspects of organizational culture to reduce anomie, thereby creating work climates which discourage unethical practices and provide employees with mechanisms to resolve ethical conflicts in a constructive way.

Introduction

As ethical problems in the professions attract growing public scrutiny, it is increasingly important to understand the factors leading to unethical and criminal practices in the workplace. While individual moral character is commonly cited as a principal determinant of moral conduct, the work environment itself is an equally critical influence on behavior.

Organizations vary markedly in the degree to which they encourage ethical practices and attend to ethical concerns. Organizational norms and values dictating how ethical problems should be addressed create an *ethical climate* which exerts a powerful impact on employee motivation and capacity to "do the right thing" (Victor and Cullen, 1988). Thus, to encourage ethical conduct in the workplace, it is necessary to explore how ethical climates evolve and to examine what steps may be taken to develop work environments conducive to ethical behavior among employees.

In this paper, Robert Merton's theory of *social structure and anomie* provides a foundation to discuss some key factors affecting ethical climates in work organizations. Based on this analysis, the paper proposes strategies for developing and changing aspects of organizational culture to reduce organizational anomie, creating work climates which discourage unethical practices and provide employees with mechanisms to resolve ethical conflicts in a constructive way.

Definitions

In this discussion, as in ordinary discourse, the terms *ethical* and *moral* are used interchangeably and can have either normative or descriptive implications, as indicated by the context in which the words appear. *Ethical conduct*, in the normative sense, is defined as intentionally responsible action, honoring implicit

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or wxplicit social contracts, which seeks to prevent, avoid or rectify harm to organizational constituents. *Unethical conduct* is conversely defined as intentional action which evades responsibility, violates social contracts and, in most situations, results in harm (Beauchamp and Bowie, 1979; Donaldson and Dunfee, 1991; Goodpaster, 1986).

Values may be defined as a generally agreed upon set of beliefs about preferable modes of conduct or desirable objectives to attain (Rokeach, 1973). *Organizational Culture* is defined here as a shared pattern of values, customs, and expectations dominating normative behavior in the organizational system (Burke, 1982).

Ethical climate is defined as the pervasive moral atmosphere of a social system, characterized by shared perceptions of right and wrong, as well as common assumptions about how moral concerns should be addressed. Ethical climate in organizations, as a product of organizational culture, refers to the way in which an institution typically handles issues such as responsibility, accountability, communication, regulation, equity, trust, and the welfare of constituents (Victor and Cullen, 1988).

The Influence of Anomie

Theoretical Foundations

In 1938, Robert Merton wrote the first of several papers outlining his theory of social structure and anomie. In the decades that followed, Merton's model became one of the most influential conceptual frameworks for explaining criminal conduct in various sectors of society.

Merton proposed that high rates of unethical, illegal and antisocial behavior occur in social systems where inordinately strong emphasis is placed on attaining specific goals without a corresponding emphasis on following legitimate procedures to reach these goals. In such social systems, standards for appropriate ethical or legal conduct are frequently rejected if they fail to produce valued outcomes. According to Merton, a social system which exhibits such a discrepancy between means and ends produces *anomie*, defined as *a condition of normlessness and social disequilibrium where "the rules once governing conduct have lost their savor and force"* (1964, p. 226).

Anomie in the social system may, in turn, foster a sense of futility, alienation, mistrust and powerlessness at the individual level. These psychological responses are, in certain situations, also hypothesized to lead to unethical and criminal acts. The process may be described in the following way: When moral standards and legal norms lose their effectiveness in governing social conduct, system cohesion erodes. Individuals may then begin to feel estranged from the system, experiencing a pervasive sense of discouragement and interpersonal alienation. As they feel increasingly detached from the social system, they lose motivation to behave morally in the context of that system. This psychological sense of social malintegration has been labeled *anomia* or *anomy* (MacIver, 1950; Srole, 1956).

Applications of the Theory. For over half a century, anomie theory has been extensively applied to the study of lower class crime and other forms of social deviance. In recent years, Merton's sociological framework and the related psychological extensions of his theory have also featured prominently in several analyses of unethical and criminal conduct in the higher social strata, particularly in business firms (Box, 1983; Cohen, 1991, 1992a; Passas, 1990; Vaughan, 1983, Zahra, 1989).

For example, several authors propose that it may be virtually impossible to avoid anomie in some types of business organizations. As one criminologist suggests, the goal-seeking nature of corporations make them inherently criminogenic. A corporation "necessarily operates in an uncertain and unpredictable environment such that its purely legitimate opportunities for goal achievement are sometimes limited and constrained" (Box, 1983, p. 35).

Another criminologist describes how the profit focus of business firms creates a climate conducive to unethical activity at both the institutional and individual level. Here the employee's value to the organization is measured solely in terms of profit goals reached. In such cases, constant pressure to attain these goals heightens the probability that employees will feel compelled to engage in unethical or illegal practices in order to accomplish organizational objectives (Passas, 1990).

Merton's theory has also been applied to explaining unlawful behavior in nonprofit organizations. While these institutions lack explicit profit goals, their survival is, none-the-less, economically based. Thus, similar pressures to achieve institutional objectives may exist, and here too, individuals may be expected to respond to such pressure with unethical and illegal actions (Vaughan, 1983).

As stated earlier, anomie in the organizational system may trigger feelings of futility, alienation, powerlessness and mistrust of the institution among certain individuals. In empirical studies with business managers, these individual reactions to anomie have been linked to various types of unethical behavior (Cohen, 1992a; Zahra, 1989). It is suggested that unethical conduct follows such psychological experiences for several reasons. First, when individuals perceive that others in the system disregard standards of legitimate practice, they may find it futile to observe these standards themselves and thus become more likely to engage in unethical actions (Passas, 1990). Second, the interpersonal alienation potentially occurring in anomic systems may lead to unethical conduct by fostering a lack of concern for the welfare of others, as well as for the potentially negative impact on others of one's decisions (Lickona, 1976). Third, powerlessness among organizational employees may result in unethical behavior when individuals feel unable to resist demands from authority figures to engage in unethical practices or when they perceive that the only route to greater influence is through committing illegitimate acts (Kelman and Hamilton, 1989). Finally, actual "moral regression" may occur when individuals lose confidence in the reliability, equity and responsiveness of the institution. As Simpson (1976) suggests: "He who does evil is one who has been convinced by experience that evil has been done to him...that the world is an unsafe, rejecting place over which he has little or no control."

Organizational Culture and Ethical Climate

We now turn to an elaboration of the process by which organizational anomie produces work climates discouraging ethical conduct among employees. In many organizations, particularly in certain business firms, various manifestations of the institution's *culture* communicate a strong message to employees that the ends justify the means. These conditions create a situation of "normlessness" which is the essence of anomie. Both the formal and informal cultures of such organizations foster a work climate that not only minimizes the importance of ethical concerns but may actually encourage unethical practices. *Formal* culture includes the dimensions of leadership, structure, policies, reward systems, socialization mechanisms and decision-making processes. Aspects of *informal* culture include implicit behavioral norms, role models, rituals, historical anecdotes and language (Trevino, 1990). As illustrated below, the cultures of institutions demonstrating a high degree of anomie typically exhibit certain characteristics.

Leadership. Organizational leaders communicate their values and standards most directly through their actions, and subsequently, through how they direct their attention, respond to problems and formulate organizational strategies (Trevino, 1990). In organizations where top managers set an example, in their own behavior, of ignoring rules and regulations in order to achieve desired outcomes anomie can become pervasive throughout the instituition. In these situations, leaders direct attention only to whether employees meet organizational objectives, disregarding potential illegitimacy of the means used to achieve these objectives. Furthermore, they react only to organizational problems which negatively affect goal attainment. In these institutions, leaders integrate a goal-driven perspective into their strategic plans for the organization's future, emphasizing the importance of meeting competitive goals without considering the consequences if these goals are attained through unethical means. Typically such strategies focus on short term gain rather than building long term relationships with constituents.

Organizational Structure. Authority structures and accountability procedures also contribute to the degree of anomie present in an institution. In organizations with a high degree of anomie, authority structures are frequently so rigid that the goals set by authorities cannot be easily challenged by subordinates, even if the available means to reach these goals conflict with subordinates' personal views of ethically appropriate action. Employees respond to direction from authorities in terms of their role obligations rather than being guided by their own sense of right and wrong (Kelman and Hamilton, 1989). In such organizations, power is distributed unilaterally rather than shared participatively. Here, if employees challenge goals set by authorities or question the means authorities prescribe for reaching these goals, it is perceived as a sign of disloyalty to the institution.

Another aspect of organizational structure affecting ethical conduct pertains to how individuals are held responsible for the consequences of their decisions or actions (Trevino, 1986). In organizations emphasizing goal attainment above legitimate procedure, accountability mechanisms are designed to facilitate "passing the buck," such that objectives can be met without individuals taking personal responsibility for the outcomes of their decisions. These institutions are commonly characterized by a strict compartmentalization of employee activity. In such compartmentalized structures, employees are encouraged to do only what they are told, to be concerned only with localized outcomes of their work, and to take responsibility only for the most limited consequences of their actions (Kanter, 1983). In these organizations, responsibility is so restricted and accountability so effectively diffused that when damaging consequences occur, it is nearly impossible to identify concrete failure on the part of any one employee to meet individual obligations (Boisjoly et al, 1989).

Policies. Although most business organizations have some type of conduct code outlining expected behavior, anomie is predicted to occur in institutions where codes are worded so broadly or vaguely that employees have great latitude to accomplish organizational objectives through *illegitimate* means without directly violating behavioral guidelines. In such institutions, furthermore, codes are often poorly distributed and inadequately enforced, communicating to employees that management is not genuinely serious about their implications (Trevino, 1990).

Where a code defines what is acceptable and expected in the institution, reporting mechanisms communicate what type of conduct is unacceptable. In organizations exhibiting a substantial degree of anomie, there are typically few formal mechanisms for reporting unethical or illegal practices. This communicates a message to employees not only that is it unnecessary to express concerns about ethical problems but that to do so may result in personally damaging consequences.

Incentive Systems. Anomie in an organization is often directly related to the criteria used for administering punishment and reward. In organizations which operate exclusively on performance/outcome based incentive systems, rewards in the form of compensation, power and status are administered in direct proportion to goals achieved. When performance goals are excessively demanding, the message conveyed to employees is that any means available may be used to achieve these goals, regardless of the legitimacy of those means, and anomie ensues.

Control and punishment systems can also influence the level of anomie in an organization. A high level of anomie can occur when employees are punished for failing to meet objectives but are rarely disciplined for using unethical or unlawful procedures to achieve these objectives.

Socialization. Explicit mission and value statements circulated throughout an organization communicate the issues top management considers of greatest importance (Burke, 1982). The content of these statements and how they are viewed by members of the organizations are central to the organizational socialization process. A high degree of anomie may be expected in organizations where mission statements emphasize competition, performance and market standing but lack an emphasis on such values as customer service, community responsibility or respect for employee rights. Similarly, if these latter issues *are* addressed in a mission statement but are not put into practice by managers, an equally strong anomic situation may be created.

Formal organizational socialization begins with orientation and is later reinforced by training and career development programs which communicate organizational values, norms and standards of conduct (Trevino, 1990). Organizations exhibiting a high level of anomie will typically direct these programs, particularly in the area of management development, toward maximizing performance output or developing competitive skills. Such organizations will conversely, show a marked absence of programs that familiarize employees with industry regulations, legal compliance, or the requirements of organizational conduct codes. Nor will programs be available to instruct employees how to resolve the ethical conflicts arising in routine workplace activities.

Decision-making. The way organizational decision-making processes are handled, as well as the emphasis placed on addressing potential ethical ramifications of a decision also contributes to the level of anomie in an institution. As indicated earlier, a unilateral, rather than participative approach to decision-making implies that organizational goals and the procedures used to meet these goals are not to be disputed by subordinates. While this situation does not automatically produce the type of means-ends discord we have been exploring, it does imply that subordinates have no formal recourse to question the means used to implement a decision, even if they believe those means to be illegitimate.

Anomie can also occur when management fails to direct attention toward the ethical and legal ramifications of organizational decisions. It is quite possible to integrate the consideration of ethical concerns into the routine process of organizational decision-making (Trevino, 1990). However, when such concerns are not addressed, it becomes evident, once again, that goals have taken precedence over means.

Informal Systems. Anomie generated by formal aspects of organizational culture is reinforced by the informal dimensions of the culture as well—implicit behavioral norms, role models, rituals, historical anecdotes, and organizational language. For example, when conduct codes are inexact or poorly distributed, implicit behavioral norms among employees typically include direct violation of the content of a code or active search for its loopholes. Role models in anomic organizations may be individuals who creatively develop clever ways to "beat the system." Rituals may involve management and peers giving these individuals special attention or overlooking their misdemeanors. Historical anecdotes, expressing the organization's values, may, in the same way, emphasize stories about cutting corners in production quotas, or sliding new products past federal inspection. Organizational anomie is also expressed in the informal language used by members of the organization, specifically with regard to ethical issues. In highly anomic organizations, ethics will be viewed as a Sunday school topic, and words such as integrity, honesty, equity and character will not be commonplace language in institutional communication.

Ethical Climate. It is clear from the preceding discussion that a highly anomic organizational culture would not produce a work climate conducive to ethical conduct among employees. Moreover, in such cultures, blatantly unethical practices may be explicitly as well as implicitly condoned. The type of work climate emerging in these organizations corresponds to the *instrumental ethical climate* described by Victor and Cullen (1988). The instrumental climate is characterized by a focus on self-interest and individualism, an absence of concern for ethical standards or moral values, a minimal sense of interpersonal responsibility, an emphasis on cost control and efficiency, a lack of consideration for employee welfare, an outcome-driven incentive system and finally, an expectation that, regardless of the consequences, employees should do whatever is necessary to advance the organization's goals. Of the five ethical climate types investigated in their research, Victor and Cullen suggest that the instrumental climate produces the highest incidence of unethical and criminal behavior. Employees in instrumental climates may also be prone to the type of psychological responses to anomie identified earlier in this paper. As previously described, these psychological responses can lead to unethical behavior among certain individuals. This is particularly likely when the organizational environment presents attractive opportunities to engage in unethical practice.

Creating and Maintaining Ethical Work Climates: Strategies for Managing Change

Reducing Organizational Anomie

Based on the foregoing analysis, it is proposed here that more ethical work climates can be created when management takes specific steps to reduce anomie by attempting to transform various dimensions of the organization's culture. Leaders can convey the importance of ethical behavior through their own example and by actively modifying institutional structure, policies, incentive systems, socialization strategies and decision-making processes to reflect the necessity of following legitimate procedures to reach organizational goals.

Leadership. To illustrate how anomie can be reduced through changing and developing aspects of organizational culture, we begin by first examining leadership style itself. Scholars and practitioners agree that top management values and practices are critical in setting the ethical tone of an organization (Clinard, 1983). Therefore, decreasing organizational anomie must start with leaders directing attention to *how* objectives are met and responding immediately to any problems surfacing in the area of procedure. The strategic plans executives devise should reflect non-economic as well as economic goals, taking a long term view toward the relationships the organization must build and maintain (Abratt and Sacks, 1988; Andrews, 1989; Touche Ross, 1988). Most importantly, senior managers themselves must demonstrate that their own actions are guided by the same policies and procedures recommended for other members of the organization. Inconsistency and unreliability of institutional leadership are key factors in producing anomie and personal alienation (Srole, 1956). Moreover, when employees experience inconsistency between formal declarations of executive values and actual executive behavior, the latter communicate a far more powerful message as to what constitutes acceptable conduct in the organization (Bird and Waters, 1987; Jensen and Wygant, 1990; McClelland, 1987). Once senior managers have made a commitment to monitoring their own actions, other steps may be taken to reduce anomie along by addressing the other dimensions of organizational culture outlined above.

Structure. To decrease anomie by altering aspects of organizational structure, authority should be distributed equitably, at various levels of the hierarchy, so that employees have greater control in determining the means by which organizational goals can be met (Cohen, 1991). Accountability for the consequences of organizational decisions should likewise move away from a compartmentalized structure so that employees are required to assume more extensive responsibility for the outcomes of their decisions (Kanter, 1983).

Policies. Since institutional policy has a strong impact on the level of organizational anomie, policies regarding ethical and law-abiding conduct must be implemented with the same rigor as those addressing other areas of organizational operations (Andrews, 1989). Conduct codes must be made highly specific in terms of expected procedures and practices. Furthermore, they must be thoroughly understood, effectively distributed, and firmly enforced (Trevino, 1990). Formal functions such as an ombudsman or ethics committee which facilitate the safe disclosure of unethical and illegal activities are equally important factors in communicating to employees that management places value on adhering to legitimate means in meeting organizational goals (Gellerman, 1989).

Incentive Systems. Eliminating an exclusive focus on goal-attainment in organizational incentive systems is particularly critical in reducing anomie and hence creating more ethical work climates. Management can take concrete steps to modify a goal-driven reward system, reduce performance pressure on employees, and strictly punish violations of expected ethical conduct, even if such actions do result in achieving desirable economic objectives.

It may be extremely difficult to formally measure and consequently reward how well employees follow appropriate standards of conduct, since typically, appropriate behavior reflects the *absence* of illegitimate practices (Trevino, 1990). However, some organizations have successfully linked performance appraisal to observance of company conduct codes, while others "reward" ethical conduct by publicly recognizing employees who detect ethical problems in the organization or those who have made exceptional contributions to the community (Business Roundtable, 1988).

Socialization. Redesigning organizational socialization processes is also extremely important in reducing organizational anomie, along with the counterproductive psychological responses it may generate. When reinforced in practice, mission statements focusing on issues such as commitment to employee health and safety, responsiveness to customer needs, responsibility to local community and conscientiousness about environmental resources can transmit a strong message to employees that the organization has other priorities beyond economic goals. Orientation and training programs can be useful vehicles to communicate these values. Such programs can also provide settings for in-depth discussion of conduct codes, employees' ethical concerns, methods for resolving ethical dilemmas, and ways to incorporate a focus on ethical consequences into routine organizational decisions (Stead et al., 1990; Trevino, 1990). Programs of this type require a substantial commitment of financial and professional resources. Thus, by implementing such programs and following them with careful evaluations, management can convey the value the organization places on following legitimate procedures.

Decision-making. Finally, reducing anomie also requires attention to organizational decision-making processes. Considering the ethical ramifications of organizational decisions and providing opportunities for employees at all levels to participate in decision-making can increase the likelihood that ethically suspect means of reaching institutional goals will be questioned before they result in damaging consequences.

Informal Systems. Although modifications to the formal dimensions of organizational culture can be made with relative efficiency, informal organizational systems are more resistant to change (Burke, 1982). In a relatively short period, policies can be rewritten, training programs can be designed, new control mechanisms put into place, and ethics committees formed. However, transformations in the informal aspects of institutional culture can only be realized over the long term. As Trevino (1990) suggests, the established culture of an organization serves certain adaptive purposes absorbed by employees through time. Informal culture cannot, therefore, be *consciously* corrected. Rather, changes in the informal culture *evolve* in response to modifications in the formal areas of the organization. Internalizing new values may be difficult for employees when management's intentions are mistrusted or when the potential benefits of change are not readily apparent. Substantial resistance may arise when employee are required to adopt a different perspective of the organization's mission, to learn unfamiliar procedures, or to develop new behavioral norms. Furthermore, role models, rituals, anecdotes and organizational language emerge over time. Thus new examples along these dimensions are extremely slow to materialize.

Managers often become discouraged when improvements in an organization's ethical climate do not immediately follow modifications to areas of the formal organizational culture (Cohen, 1992b). However, as outlined in the subsequent discussion, several strategies for managing cultural change in organizations hold particular promise for creating and maintaining more ethical work environments.

Strategies for Managing Change

Organizational Ethics Programs. An effective organizational ethics program can take many different forms. However, the most successful programs typically involve three central processes: Multi-system intervention, gathering valid data and formal evaluation (Cohen, 1992b). First, the concept of multi-system intervention is particularly critical in developing and changing ethical climates (Trevino, 1990). Here, every aspect of organizational culture should be examined for the message it conveys regarding appropriate ethical conduct. Modifications in one area of the organization will not produce substantive change in ethical behavior without supporting corrective measures along other relevant dimensions of the culture. For example, revising a conduct code will have no impact on ethical behavior if corresponding modifications are not made in the incentive system to reflect less performance-based approaches to punishment and reward. Creating an ethics hotline or hiring an ombudsman will be seen as hypocritical by employees if top executives routinely promote managers who are known by peers and subordinates to "bend the rules." Implementing a training program to teach employees ethical decision-making skills is a wasted effort if the ethical ramifications of organizational decisions are not seriously considered by senior management.

Second, the most effective ethics programs are tailored specifically to the unique ethical concerns of a particular organization (Cohen, 1992b). In order to accomplish this goal, it is imperative to gather valid data about the ethical history and practices of the institution—examining important company documents and exploring perceptions of the organization's ethics with employees at all hierarchical levels. An *ethics audit* is one means of obtaining needed information. Such an audit may include individual interviews, focus groups, survey studies, participant observation, and analysis of organizational communications. Through this process, the various aspects of organizational culture may be examined in terms of their perceived impact on ethical climate and individual behavior. An ethics audit can illuminate various pressure points on employees, provide insight into socialization processes and clarify contradictions between stated values and actual organizational practices (Trevino, 1990).

Finally, comprehensive evaluation of interventions designed to modify organizational culture is an equally important element of effective organizational transformations. Organizational change professionals emphasize the value of such assessment as a learning tool for both management and employees (Burke, 1982). Practitioners in the business ethics field are particularly aware of the need to evaluate the effectiveness of ethics-related interventions, since adequate models for this type of organizational transformation are still in the developmental stages (Cohen, 1992b). Internally, evaluating the components of an ethics program should include monitoring employee receptiveness to the process and content of interventions, as well as documenting reductions in unethical practices and changes in employee ability to recognize and resolve ethical problems in routine organizational activities. External evaluation should involve assessing public response to the organization's ethical conduct over time (Guerrette, 1988).

The three strategies outlined above involve a preventative, as well as a remedial approach to resolving ethical problems in an organization. Multi-system intervention ensures that all aspects of organizational culture affecting ethical conduct communicate a consistent message to employees, thereby clarifying expected behavior for both the present and the future. Gathering valid data enables the root causes of ethical difficulties to be uncovered so that the appropriate systems can be targeted for change. Evaluating interventions facilitates the development of more effective strategies over time.

Obstacles to Transforming Ethical Work Climates. Despite potential benefits, this comprehensive approach to transforming an organization's ethical climate is extremely challenging to realize. Particularly in the business community, a cynical, or at best, uncertain, attitude exists regarding the role of ethics in organizational operations. It is quite common that managers perceive solving ethical problems to be a matter of "moralizing" individuals or reducing external economic pressures rather than seeing the source of ethical difficulties as emanating from the organizational culture itself. Moreover, managers typically lack an understanding of the interplay between ethical issues and other routine facets of organizational life. Consequently, these managers may take a short-term view toward resolving ethical difficulties, resisting the commitment of financial and human resources required to accomplish the type of large-scale change proposed. Management may also actually fear that improving the ethical conduct of employees could potentially reduce desirable competitive behaviors that enable the organization to meet its economic goals. The absence of tested models for effective interventions to change ethical work climates may also contribute to management's reluctance to invest in comprehensive strategies for change. Furthermore, significant organizational resistance occurs quite predictably whenever intensive transformations in institutional culture are considered. This resistance is particularly acute in the area of organizational ethics, since managers may be concerned about exposing the institution to liability if severe ethical problems are revealed (Cohen, 1992b).

The Role of Ethics Consultants. Since changing the ethical climate of an organization involves so many complex cultural interventions, and because managers are typically unfamiliar with specific steps for tackling ethical problems, it is recommended that this process be facilitated by engaging external consultants who specialize in collaborating with organizations to address ethical concerns. In recent years, professionals in this field have begun to emerge from academia and the law, as well as from more broadly based management consulting firms. Some have training in philosophy or theology, or have expertise in specific areas of legal compliance and government regulation. Others have extensive past experience working as members of complex organizations. Still others have a broad repertoire of skills in managing organization development and change.

The greater objectivity and specialized expertise of external ethics consultants can contribute valuable insights to organizations' efforts toward developing more ethical work environments (Guerrette, 1988). However, since ethics consulting is a relatively new domain in organizational consultation, several specific approaches for working constructively with ethics consultants are suggested here.

A critical first step in working with external consultants is ensuring that top management is fully committed to the project. Disappointing outcomes of many consultancy engagements are frequently the result of weak commitment to the effort on the part of senior management (Block, 1981). Since addressing organizational ethics is often seen as a marginal organizational concern, or, at worst, one which may produce potentially volatile repercussions for the organization, serious commitment from the top is especially crucial to ethics consulting engagements (Cohen, 1992b; Guerrette, 1988).

Second, before planning a program for data gathering and intervention, it is necessary that client and consultant reach mutual agreement on the desired procedures and outcomes of the engagement (Burke, 1982). While conflicts can arise whenever managers turn to outside experts for advice, this problem may be particularly common in ethics consultation. Although practitioners in the field of professional ethics come from diverse backgrounds, many hold a different view of work organizations than the economic model ascribed to by most managers in business firms (Longenecker, 1985). Furthermore, ethics consultants from the disciplines of philosophy, theology or other branches of academia may not share the same vocabulary about ethics as those in the business community, nor may they share the same approach to resolving ethical problems. These differences may lead to communication difficulties which in turn can hamper agreement on the process and objectives of the engagement. Thus, managers need to be aware of these potential differences and insure that an understanding is reached before consultants become deeply involved with the organization.

Third, managers in work organizations typically do not have the same understanding as ethics consultants about possible influences on individual behavior. Nor may they be able to identify the source of organizational ethics problems with complete accuracy. Similarly, they may have misguided notions of the most effective ways to modify aspects of organizational culture to create more ethical work climates. Thus managers should take a collaborative approach in working with ethics consultants, allowing consultants to participate fully in the design of information gathering and intervention strategies (Block, 1981; Cohen, 1992b).

Furthermore, although managers may be understandably concerned about providing sensitive information to those outside the organization, valid data is a necessity in order for interventions to effectively address the organization's unique ethical concerns (Trevino, 1990). Consultants should therefore be given as much access as possible to relevant company documents and should be able to discuss ethical problems in the organization with employees at all levels.

Next, the complexity of transforming the ethical climate of an organization requires not only an ability to manage organizational change but also demands some knowledge of the law and the normative concepts of philosophical or theological ethical theory (Trinity Center, 1983). It is therefore important for managers to seek out ethics consulting teams with multidisciplinary expertise. Since individuals or consulting teams with such expertise are rare, managers may need to engage several individual consultants with different sets of skills to address various phases of developing a comprehensive program. For example, organization development professionals are adept at data gathering and can also effectively orchestrate multi-system interventions. Legal professionals can offer expertise in the design of compliance programs and other control functions. Academics with a philosophical or theological background may assist with advice on the content of training programs to help employees recognize ethical issues in routine organizational activities and constructively resolve ethical dilemmas.

Finally, the goal of organizational consultation should be to facilitate the client's ability to independently manage future problems in the areas addressed by the consulting effort (Block, 1981; Schein, 1969). This knowledge transfer is particularly important in ethics consulting, since managers will predictably lack extensive expertise in this domain. Clients thus need to insure that certain members of the organization can be designated to monitor an ethics program once the consulting engagement has been concluded. When organizations can effectively manage their own ethical concerns, positive changes in the organization's ethical climate resulting from consultation efforts will be easier to maintain over the long-term.

Conclusion

Here we may summarize key elements of the preceding discussion. It is suggested first that unethical conduct emerges in work organizations when management places excessively strong emphasis on goal attainment, without a corresponding focus on observing legitimate procedures to accomplish the goals set forth. This orientation becomes pervasive throughout the formal and informal dimensions of the organization's culture, creating a climate which not only discourages ethical behavior among employees but may actually *encourage* blatantly unethical practices. In order to develop and maintain work climates which facilitate ethical conduct, it is necessary to reduce any discord between goals and means expressed in various aspects of the culture. This objective may be accomplished through a process of carefully evaluated multi-system intervention, where target areas of the intervention are determined by gathering factual data about the institution's ethical history and present climate from employees at all levels of the hierarchy. Finally, it is recommended that external ethics consultants be engaged by managers to assist with the design of comprehensive programs to encourage ethical practices in the organization.

Although the approach outlined above poses a significant challenge for managers, it is critical for leaders of today's complex organizations to resolutely address unethical behavior in their institutions. Increases in legislation to control white-collar wrongdoing, most notably the 1991 organizational sentencing guidelines, communicate in no uncertain terms the "bad ethics is bad business" (Tucker, 1992). And with fiscal crisis threatening the core of the national economy, individuals in both the public and private sector are frequently pressured to abandon ethical standards. Even in less turbulent times, organizational management routinely entails resolving conflicts with ethical dimensions. Disregarding the ethical ramifications of organizational decisions can produce serious social consequences, affecting the safety, health and economic survival of all members of the community. Moreover, since the workplace is a principle arena for developing social norms and values, creating more ethical work climates can have broader implications for moral conduct across the social spectrum.

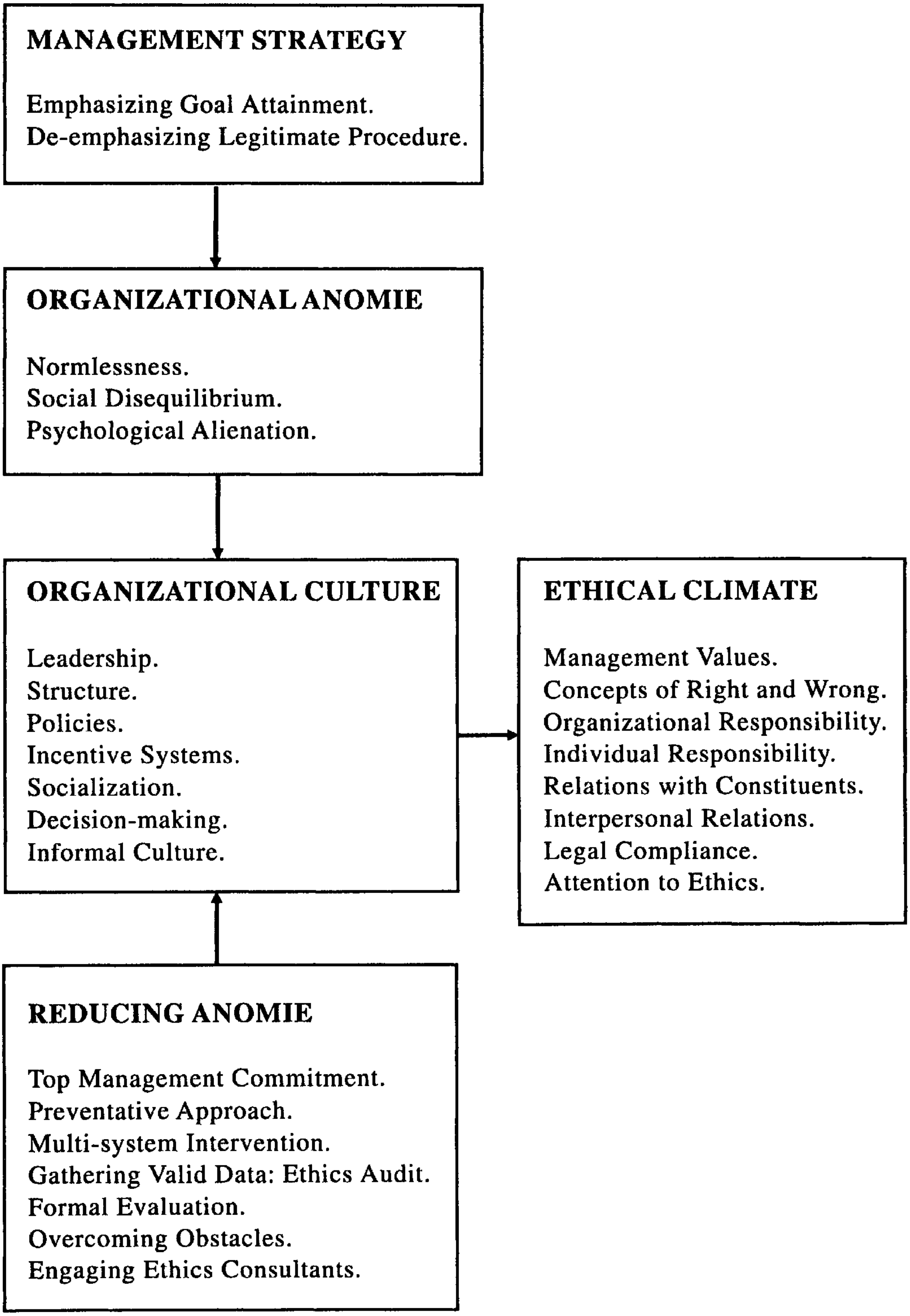

Figure 1: A Model of Ethical Conduct

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