

Employers who promote ethics should reward workers who exhibit them, study suggests

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Tying company values such as honesty and respect into employee awards and job evaluations is being championed by public relations, marketing and human resources departments in some prominent companies, a Baylor University study has found.

Building a business reputation from the inside out—with employees giving a company high marks as an ethical place to work—is increasingly being hailed as a way to get a leg up on the competition, right alongside <u>customer service</u> and quality products.

"Promoting core values is a way to engage employees and increase their commitment and loyalty to the organization and at the same time encourage ethical decision making," said researcher Marlene Neill, Ph.D., assistant professor of journalism, <u>public relations</u> and new media in Baylor's College of Arts & Sciences.

The study—"The Influence of Employer Branding in Internal Communication"—is published in the *Research Journal of The Institute for Public Relations*.

For her study on what is known as "employer branding" or "internal branding," Neill conducted interviews with 32 executives in PR, human resources and marketing, drawing from 26 companies in 11 states. Several companies are ranked in Fortune 500, the Global 500 and Fortune's "100 Best Companies to Work For."



Some of the executives' comments:

- "Instead of (an orientation) being 80 percent 'Let's get you signed up for your benefits, get your emails and get yourself through the class and out the door and off to work,' it's more of a really intense three-day sort of boot camp that is 80 percent oriented toward mission, the members (customers) we serve, the culture we have . . . so you come out of there just fired up."—From a vice president of corporate communications
- "So our values are supposed to be integrity, courage, curiosity . . . If we're struggling in an area, it makes me wonder, 'Are we not communicating well? Are we not being honest? Or are we not being perceived as being honest?"—From an HR manager whose company surveys employees about corporate values
- "Whenever you think about internal branding, you need to think about it over the life cycle of the employee—from the time they are hired and going through employee orientation until the day they walk out the door."—From the managing director of a PR agency

Organizations spend about \$54 billion annually on orientation for new employees. Part of employer branding is promoting ethics as well as benefits and training during those sessions, Neill said. Routine communications—email, newsletters and face-to-face encounters—also can be effective for companies seeking to inspire integrity, humility, team support and innovation.

But if workers come to believe that an employer does not "walk the walk" touted at orientations and in communications, they may see it as violating a "psychological contract," Neill said.

That, in turn, may lead to turnover, job dissatisfaction, distrust and reduced performance—despite good salaries, benefits and chances to



advance.

Perhaps the most powerful way to avoid those problems is linking ethics to reward systems, some companies suggest.

"When someone receives an award or gets a nomination, it has to be related to one of the values. And then we have values painted all over the office on the wall, so those are the two big reinforcements," one human resources manager told Neill. "You're also rated on the values in your annual performance review."

Other ways to inspire employees and foster ethics are codes of conduct, employee training, ethics audits, ethics hotlines, newsletters, handbooks, testimonials and an ombudsperson, Neill said.

The study recommends:

- Employers should communicate ethics in a relevant way, such as employee testimonials and historical anecdotes.
- Employers should review their core values to be sure they mesh with policies and reward systems. If not, they should make revisions.
- Employers should review recruitment and orientation materials to include core values.
- Employers should evaluate their ethics programs and see if they should add more resources, such as ethics audits or decision-making trees.
- Employers should do routine surveys to see how employees rate the company's performance in regards to <u>core values</u>.
- Employees who model ethical behavior should be rewarded through positive job evaluations and awards programs.

Many internal communicators say they provide ethics counsel to their



companies.

"You're kind of the last one to say, 'Are you sure you want to do this?" one human resources director said. "I view the role as sometimes the last common-sense checker."

Others say that giving advice about <u>ethics</u> is not among their duties—and is even discouraged. One communication specialist said she lost her a previous job in health care after raising concerns about new medical procedures.

While goals are commendable, some internal communicators warned that the company values set out in orientations and communications need to be "who you are, not who you aspire to be."

Provided by Baylor University

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