

# HOW TO CREATE A CULTURE OF ETHICS & ACCOUNTABILITY IN THE WORKPLACE

**By Esther Han, 2023**

Ethics and accountability play significant roles in company culture. From employee satisfaction and productivity to maintaining a favorable reputation with customers and business partners, prioritizing ethical decision-making and accountability has numerous benefits.

An ethical company culture results from hard work and intentional actions. Before diving into how to foster that kind of environment, here's an overview of why ethics and accountability are important in the workplace.

## **THE IMPORTANCE OF ETHICS AND ACCOUNTABILITY AT WORK**

Ethics and accountability are crucial to a productive work environment. They help shape your organization's culture, promote trust, ensure responsible behavior, and contribute to its success.

“Being a leader involves responsibility for others,” says Harvard Business School Professor Nien-hê Hsieh in the online course Leadership, Ethics, and Corporate Accountability. “As a leader, you’ll want to create a culture not just of legal and regulatory compliance but more fundamentally grounded in reliability, ethics, and goodwill.”

When it comes to employees, you must create a culture that both encourages them to work hard and saves the company from lawsuits. Wrongful termination claims can cost your organization upwards of \$100,000 in legal expenses, but you can help avoid them with a track record of ethical decision-making.

## **HOW TO CREATE A CULTURE OF ACCOUNTABILITY**

Despite its growing importance, creating a culture of accountability can be challenging. This is largely because organizational change can suffer from poor employee buy-in, an unclear vision, or inadequate understanding among managers. According to a recent Partners In Leadership study on workplace accountability, however, 91 percent of respondents included accountability at the top of their company's leadership development needs.

So, how can you build a culture of accountability? Here are five ways to get started.

### **1. Lead by Example**

Establishing a culture of ethics and accountability starts with setting an example as an organizational leader. By proactively creating a space where you encourage ethical decision-making and accountability, your team will be more likely to do the same.

Integrity and accountability are also vital to leading effectively.

“Shaping and sustaining an organization’s culture is a critical dimension of a leader’s responsibilities toward their employees,” Hsieh says in *Leadership, Ethics, and Corporate Accountability*. “In addition, the right culture—one in which employees feel they’re treated fairly and with respect—can benefit the organization from an economic perspective.”

Leading by example also promotes trust within your organization, which can be critical to establishing accountability among your team. Although 40 percent of employees report unethical behavior in the workplace, they’re 24 percent more likely to report it if they trust leadership.

To increase trust, promote accountability, and encourage ethical decisions, it’s prudent to practice what you preach.

## 2. Provide Meaningful Feedback

Giving feedback is an effective way to promote accountability within your team. Research by Gallup shows that employees who receive regular, meaningful feedback are four times more likely to be engaged.

“Within a company, one way of building accountability is to incorporate key performance indicators, or KPIs, into evaluations of managers and other employees,” Hsieh says in *Leadership, Ethics, and Corporate Accountability*. “It would then be important to regularly review how well employees are meeting those KPIs and to reaffirm that the metrics chosen are indeed useful and relevant ones.”

When providing feedback, be direct but empathetic. Let your team know you come from a place of caring and consideration, with the goal of helping them grow and improve professionally.

Remember that asking for and receiving meaningful feedback is essential to creating a culture of accountability. Request input on how you’re doing as a leader, and show initiative to improve. This can encourage your team members to continuously hold you—and each other—accountable.

## 3. Combat Workplace Bias

Building a culture of ethics and accountability requires that everyone proactively combats workplace bias and stereotypes.

Workplace bias refers to unconscious inclinations based on personal experience, cultural background, or social conditioning. Bias can affect your decisions and actions and be explicit (you’re aware of it) or implicit (you’re unaware of it).

Stereotypes—overgeneralized perceptions and beliefs about groups of people—can also lead to unfair decisions and harmful actions. They can be based on:

- Race
- Gender
- Age
- Sexual orientation

- Religious affiliation

According to Leadership, Ethics, and Corporate Accountability, promoting diversity is one of the best ways to overcome workplace bias and stereotypes.

“It’s integral to create a sense of belonging within an organization,” Hsieh says in the course.

“Having diverse people in upper management roles ensures that minority employees have role models they can relate to. But it can also be helpful to foster meaningful interactions among people in different demographic groups; for example, through mentorships or teamwork in small groups.”

Other strategies include hosting workshops to increase cultural awareness, encouraging interactions between diverse groups, and holding colleagues accountable when bias or stereotypes affect workplace dynamics.

#### 4. Give Employees a Voice

So that you and other leaders receive meaningful feedback and stay accountable, it’s vital to give employees a platform to share their thoughts. However, doing so can be unnerving.

“Finding ways to promote employee voice is not always an easy or comfortable task,” Hsieh says in Leadership, Ethics, and Corporate Accountability. “It involves both formal and informal channels of engagement. It involves real listening. And it may even feel threatening to managers and require a sense of vulnerability.”

Yet, employees need to feel heard—beyond defending their basic rights—to boost their morale.

“Fairness may require that companies establish formal channels for employees to speak out not only about rights violations but also about wants, needs, concerns, and suggestions for improvement,” Hsieh says in the course.

Despite the potential discomfort, giving employees a platform can have numerous benefits. For example, you can increase their satisfaction and reduce costly turnover by addressing their concerns. It can also lead to more innovation and creative problem-solving.

#### 5. Develop an Authentic Leadership Style

Authentic leadership is defined by principle-driven decisions. It requires putting your beliefs ahead of your company’s success and prioritizing employee satisfaction and relationships.

The benefits of having an authentic leadership style include:

- Enhanced workplace relationships
- Increased productivity
- Improved working environments
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To develop an authentic leadership style, reflect on your values, principles, and mission. What’s important to you above all else? What do you believe in? Self-awareness is one of the first steps to becoming an authentic leader.

You also need to practice authentic leadership in your daily life. For instance, by making decisions that prioritize relationships with your team and colleagues. Continuously committing to developing your leadership style through accountability and implementing feedback can ensure you garner long-term results in creating an ethical work environment.

### **TAKE ACCOUNTABILITY**

Taking accountability can be difficult—especially in the workplace. However, it's critical to fostering an ethical, productive work environment and protecting your organization from negative financial or legal actions.

If you struggle to navigate business ethics, consider sharpening your leadership skills. One way to do so is by taking an online course, such as Leadership, Ethics, and Corporate Accountability. Through engaging in an interactive learning experience featuring real-world business examples, you can develop a framework for understanding and delivering on your responsibilities to customers, employees, investors, and society.

### **Citation**

Han, E. (2023, August 22). *How to create a culture of ethics & accountability in the workplace*. Harvard Business School Online. <https://online.hbs.edu/blog/post/ethics-and-accountability-in-the-workplace>