How Can an Organization Build a Moral Culture?

For an organization to build a moral culture, it must exhibit trust and have the benefit of all involved — both inside and outside the organization — in mind. The formula for doing so is fairly straightforward. First and foremost, there must be leadership with the highest moral values. Second, there must be an environment in which employees have a sense of belonging to and interest in an organization.

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A Moral Leadership Code

Moral leadership is the starting point for any business that expects to develop a moral culture. It's the leadership that establishes the organization's values and sets the pace for its members. Individuals should take on responsibility in a manner that helps develop not only their own moral well-being, but encourages concern for the development of others. Leaders should understand the nature of the organization's workforce and display empathy for others. Leaders should be open and transparent in the decision-making process. They should work in an atmosphere of warmth and respect for employees.

Employee Moral Character Development

If the leadership of an organization promotes a moral culture and follows its own practices, its employees will act accordingly. In taking on responsibility, employees will do so in a moral way, and cause others to develop similarly. If employees appreciate that the leadership has empathy, they will act likewise. Employees will emulate leaders' follow-through on promises, exhibit fair treatment and remain effective communicators.

Small Businesses versus Large Institutions

With small business, the moral culture is a reflection of owners or founders directly. If leaders model the moral consciousness required, this sets the example for employees and volunteers. A sense of respect and belonging develops. It is the close relationships of leaders with employees that allow moral culture to become secure.

Corporations with thousands of workers may have a greater challenge because of the numbers of those at management and employee levels. Still, moral culture always starts at the top. When the leaders of the organization remain open, earn trust and communicate well, the workforce will appreciate and embrace the moral message. The workers will feel part of the organization. Because of the size of the entity, additional steps involving third-party support may be needed to reinforce the importance of moral culture.

CPCU Society Ethics Support

Those insurance organizations that promote a moral culture will find similarly suited individuals in the CPCU Society. The Society's Ethics Committee develops programs, materials and articles to encourage leaders to develop a moral culture. Members have a sense of belonging, whether it's with a chapter in their state or while engaged in Society service. This further reinforces what large institutions seek to achieve. Smaller organizations, too, benefit from such encouragement.

Conclusion

If companies do the "two-step," they will move a long way toward building and maintaining a moral culture. The key is keeping both leadership and employees in sync. ∎

Editor's note: *The opinions expressed in this column are those of the authors and do not necessarily reflect the views of the CPCU Society membership, the Society's Ethics Committee or the authors' employers. If you have suggestions for upcoming articles or comments about the "Question of Ethics" column, please contact William F. Traester, CPCU, at wtraester@archinsurance.com.*