

PRESS RELEASE

Date: EMBARGOED UNTIL 0:01 4th November 2014



Reward employees who uphold company values, as well as ‘making the numbers’, says a new Guide from the Institute of Business Ethics

“Establishing an ethical culture is recognised as key to business success yet identifying ways to influence employee behaviour is a challenge. A key tool organisations have is their performance management process,” says Ruth Steinholtz

4th November 2014: Performance management has a major influence on how employees perceive the company they work for and on how they behave. And yet IBE’s 2013 Survey exploring corporate ethics policies and programmes found that more than 40% of FTSE 350 companies do not include ethics in employee performance appraisals.

While there is nothing new in measuring *what* employees achieve (have they reached their targets; have they generated new business etc.), measuring *how* is more complex (how have employees achieved their results; did they reach their goals with integrity and by following the company’s core values?).

Performance Management plays an important role in embedding ethical values and behaviour in the culture of the organisation. It is an excellent way to reinforce desired behaviour year after year. Knowing that they will be appraised on *how* they do business as well as *what* they achieve will increase employees’ sensitivity to the ethical matters they may confront in their day-to-day business.

Performance Management for an Ethical Culture: an IBE Good Practice Guide considers how organisations develop performance management processes which measure the ‘how’ as well as the ‘what’. Drawing on interviews and surveys with IBE subscriber companies and other organisations, the Guide suggests how to address the challenges that may be faced when integrating company values and ethical behaviour into performance management. It will be useful to anyone involved in changing the culture of their organisation; from professionals in the human resources and ethics and compliance functions to senior management.

Ruth Steinholtz, author of the Good Practice Guide, said: *“When an organisation measures their employees’ performance in terms of both what they have achieved, and how it has been achieved, it shows a real commitment to creating an ethical culture. Organisations that celebrate integrity in the workplace will find that not only will they retain employees committed to values, but they will attract top talent too.”*

Philippa Foster Back CBE, IBE’s Director said: *“Scandals involving bribery, such as Siemens and GSK and mis-selling, like PPI, have shown that the ends do not justify the means. A company can make a clear commitment to ethics by rewarding employees who do their business ethically. This Good Practice Guide will help organisations use their performance management process to embed ethical values into business practice and sustain a culture of high ethical standards.”*

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To obtain an advanced press copy of the report, or to organise interviews, please contact

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EDITOR'S NOTES

Performance Management for an Ethical Culture: an IBE Good Practice Guide

By Ruth N Steinholtz with Nicole Dando

ISBN 978-1-908534-13-2 Price:£20

Publication date: 4th November 2014

Available from www.ibe.org.uk

Launch date and information

The report will be launched at the IBE at 3pm on Tuesday 4th November 2014

Ruth Steinholtz, AretéWork LLP and Mark Burton, Barclays will talk about the report and the challenges and benefits of embedding ethics into performance management. Please email events@ibe.org.uk if you would like to attend

The Institute of Business Ethics

The IBE a registered charity which promotes high standards of business practice based on ethical values.

We help organisations to strengthen their ethics culture through the sharing of knowledge and good practice.
www.ibe.org.uk

The authors

Ruth N Steinholtz

Ruth is an internationally experienced legal professional, executive coach and former general counsel with many years of practical corporate experience as a senior manager and leader in the fields of ethics and compliance in various industry sectors. She now works with organisations to design and implement global ethics and compliance programmes based upon their values and culture.

Ruth is a frequent speaker at international conferences on values based ethics and compliance as well as on leadership and the in-house legal profession and is the co-author of various publications including the IBE's Good Practice Guide to Ethics Ambassadors.

In industry, Ruth worked as General Counsel, Head of Ethics & Group Security Coordinator for Borealis AG. Previously in the UK, Ruth was European General Counsel and Global Incident Management Coordinator for Allergan Inc, and Region Counsel for Cadbury Beverages Europe. Ruth was in private law practice in San Francisco, Milan and Cairo prior to going in-house.

Dr Nicole Dando

Nicole is an Associate with the IBE. While working as IBE's Head of Projects for 11 years she wrote and trained on business ethics issues and good practice. Early in her career she was Programme Manager for the AccountAbility AA1000 standard, a research fellow in the NHS, worked on the Energy and Environment Programme at the Royal Institute for International Affairs London, and for Friends of the Earth in Japan. Nicole has a PhD from University College London.

The IBE would like to thank Barclays plc for its financial support for this project.

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employs approximately 135,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide. For further information about Barclays, please visit www.barclays.com.

Barclays plc is an example of a company that has included ethics in its performance management as part of its recent culture change process.