



Tips to Create an Ethical Business Culture

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In today's business world, you can no longer be competitive by seeking profits only. Companies must strive to have an ethical reputation for long-term sustainability. This is essential for attracting and retaining employees and maintaining a positive brand image.

However, displaying your business's ethics goes far deeper than a list of principles and an annual [charity donation](#). You must focus on ethics within your organization daily to empower your leaders and transform your company culture. Let's look at the foundation of ethical business culture and break down tips to improve your workplace today.

What is an ethical business culture?

A business's culture is often seen as abstract and difficult to quantify. It goes beyond the employee handbook and the company's [mission statement](#). Business culture is the method by which the company functions. The business culture can include how employees dress for work, how they interact with management, and how they engage with customers and clients.

To define an ethical business culture is to create an environment where doing the right thing is easy and doing the wrong thing will get you disciplined or fired. It also means involving employees in regular discussions about workplace ethics and procedures designed to uphold ethical practices. **[[Learn how to create a code of ethics and a code of conduct.](#)]**

An ethical business culture also places a high value on fairness, employee rights and equal pay while discouraging dishonesty, unpaid wages, discrimination and disloyalty to the company, its employees and its customers.



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According to a [Global Business Ethics Survey Report](#), only 21 percent of U.S. workers believe they work for an ethical business or organization.

Tips to create an ethical business culture

Creating an ethical business culture doesn't happen overnight, but it can improve when employees and leadership put it at the forefront. Here are our tips for building an ethics-driven culture you and your team members can be proud of.

Eliminate double standards.

To create an ethical business culture, employers should strive to eliminate double standards and cultivate trust among the team by being honest in their communications. This means there shouldn't be policies managers and supervisors are permitted to ignore that subordinates are required to follow and are even reprimanded for not following. This allows all employees to put the work ahead of their interests, regardless of their ranks or company roles.

Foster a respectful environment.

Ethical employers should actively work to create a workplace environment that makes it possible for managers and employees to take pride in their work and identify with the values that drive the organization.

To do this, the employer must ensure all employees have the proper resources and authority to fulfill their job responsibilities. In addition, the organization should respect the rights and dignity of all employees. Employees must have a safe place to make mistakes, take risks and ask for help. Maintaining a safe space allows for reflection and, ultimately, growth among your team.

Encourage workers to report illegal or unethical conduct.

Employers should encourage workers to report illegal or unethical conduct, such as discrimination and harassment, by ensuring that there are specific procedures employees can follow to inform their employer when these incidents occur. **[See the anti-discrimination laws you should know.]**

In addition, employees should not be made to feel that they will be reprimanded or retaliated against if they do the right thing by reporting poor behavior. Finally, all employees, including managers and supervisors, should receive training on the company's policies and procedures concerning workplace conduct.

FYI



Companies should have an anonymous reporting procedure in place. Without a safe way to report misconduct, unethical behaviors can go unchecked, causing significant harm to your company culture and potentially sparking turnover contagion.

Create a clear path for reward and recognition.

Employers should be transparent when outlining how decisions are made regarding performance, pay and promotion. In addition, the criteria for achieving reward and recognition should be clearly defined. Ethical employers make information about ethical and unethical conduct visible to all managers and employees, and they avoid recognizing or promoting employees who violate the company's values.

Focus on social responsibility.

Your business owes its success to its employees and customers. To celebrate your achievements, consider giving back to those who have contributed to your longevity. Companies should provide opportunities for employees to volunteer and improve their community. By putting a focus on service, you can demonstrate how to be socially responsible and still make a profit.

Did You Know?



An Edelman survey found that nearly 60 percent of Gen Z “expect a brand’s stand on important issues to be visible at the point of transaction.”

Invest in consistent ethics training.

Providing an employee or leader with ethics training only during the onboarding process or annually is not enough. Ethics learning should be a regular occurrence and conducted as issues arise. Don't assume your employees will always do the right thing in a difficult situation. Everyone is susceptible to making a wrong choice. Consistent ethics training and communication about ethics violations can help steer employees in the right direction.

Advice for creating an ethical business culture

While this is not a comprehensive list of the actions employers should take to create an ethical business culture, it should provide you with enough information to help you identify whether or not your workplace places a high priority on ethical business practices. Are you already engaging in any of the above best practices, or do you need to adjust how your team operates?

As you reform your company's culture, ask team members for feedback. Solicit opinions on what it's like to work for your organization, and take the time to study customer views of your enterprise. [Workplace productivity](#), employee turnover and general sentiment toward a business are all impacted by the culture your business creates. Create an ethical business culture and reap the long-term awards by building a sustainable company that employees are happy to work for and shoppers are glad to patronize.

Julie Thompson contributed to this article.



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Justin Walker of Walker Law is a top-tier employment law and business litigation attorney located in downtown San Diego. His knowledge, expertise and commitment to every case are what set Justin apart from the crowd.

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