Workshop on HRMT: The future of work, working for the future

ETHICS MANAGEMENT, LEADERSHIP & PERFORMANCE

Fabrizio Rotundi, Angela Leonetti
UNECE CapComm Group
On the behalf of the Task team on Ethical Leadership

Brussels, 11-13 October 2022
WHICH TYPE OF LEADERSHIP DO WE NEED?

Commanding leaders make decisions quickly; they don’t go through any discussions and are rarely challenged by the team.

That may inhibit critical thinking and demoralize employees as their opinions are not taken into consideration.

Visionary leaders are able to see the bigger picture and set the overall goals for their teams; they inspire creativity and teamwork because the vision of final destination is very attracting.

But, sometimes people try hard to understand what to do day by day.

Affiliative leaders show warmth and acceptance to members and rarely put them under pressure. Because of the warmth provided, members feel safe, develop a strong sense of belonging and then perform better.

This kind of leadership works best in stressful situations or whenever team members’ motivation decreases.
Ethics in an organisational context is a set of ethical values and behaviours an organisation chooses to implement its mission and vision as well as to improve effectiveness, efficiency and affordability of its overall performance.
WHAT IS PERFORMANCE IN THIS CONTEXT?

Performance is:

• the **contribution** (results and the ways to accomplish them)
• that an **actor** (a community, an organisation, an unit, a team, an individual)
• will provide through his/her own **decisions and actions**
• to accomplish the **objectives and goals** related to the stakeholders’ needs that have to be met.

**PERFORMANCE** = \( f ( \text{Person} \& \text{Organisation}) \)

**HINDERING FACTORS**

- deficit of controls
- deficit of transparency
- overregulation
- lack of turnover in responsibilities
- deficit of accountability;
- deficit or lack of competencies
- deficit of law compliance
- blurred separation between policy and management roles
This model is a key to understanding why an individual may choose to behave in an unethical or even illegal way. It actually identifies three concurrent features that can affect wrongful behaviour:

1) internal needs (motive)/external pressure;
2) chances/opportunities;
3) rationalisation/self-excuse.

To act out (= to commit fraud), all three features have to be triggered together.

- The «internal needs (motive)/external pressure» feature depends on the individual’s story and personality reactions.
- The «chances/opportunities» feature is ruled by the context.
- The «rationalisation/self-excuse» feature is performed by the individual and yet influenced by the context.

*Source: American sociologist and criminologist Donald Cressey
WE OFTEN SAY «LEADING BY EXAMPLE» …

... BUT, THERE CAN BE DIFFERENT WAYS TO DO IT…

✓ For example, we can call ourselves “leaders” because we are “charismatic”, because our strong personality almost hypnotizes people … and that can equally be for good or bad!

✓ Instead, we can call ourselves “leaders” because we first act consistently with ethical principles … whenever needed.

People will choose to follow us because they get inspired by our behaviour and not hypnotized by our personality
The Task Team on Ethical Leadership

- started its activity in 2021 as a follow up of the Risk Management Framework and related Guidelines, released in 2017 by the Modernisation Committee on Organisational Framework and Evaluation, under the coordination of the UNECE HLG-MOS;

- has been focusing both on ethics management as a key strategy to all processes and activities within an organization, namely “business ethics” (or corporate ethics) and on data ethics;

- acknowledges the excellent work carried out by the Task Team, coordinated by CSO Ireland, on mapping and describing a list of “core values to the Fundamental Principles of Official Statistics” that was proposed to the CES Bureau as follow-up of the discussion on “How national statistical systems adhere to the core values of official statistics” at the Plenary Session of the Conference of European Statisticians (CES) held in June 2021.

Among the others, the Task teams goals, approved by the HLG-MOS are:

1. To identify possible common practices in ethics management;
2. To define a common vocabulary and give concrete suggestions to support NSOs’ leadership in real-work-type
3. To provide a reference handbook to figure out how to deal with potential behavioural dilemmas

Co-chairs: Fabrizio Rotundi, Italy and Eric Rancourt, Canada

Angela Leonetti, Italy
Elsa Dhuli, Helda Mitre, Alma Kondi, Albania
Martin-J Beaulieu, Susie Fortier, Canada
Simon Whitworth, Alice Toms, UK
Niels Ploug, Denmark
Tine Pestaj, Slovenia
Andrea Ordaz-Németh, Hungary
Samuel Schuetz, Switzerland
Taeke Gjaltema, Tetyana Kolomiyets, UNECE
• Early in 2021 the task team delivered a short preliminary poll to know how many NSOs had been implementing policies, procedures and programmes on ethics management.

The preliminary poll was also intended to learn which NSOs were interested to be informed about successful ethics management practices from the NSOs that had developed or were developing them.

• The poll has achieved good results: more than half of the recipients have responded to the short questionnaire and expressed interest in the subject.
Based on the encouraging results, the Task Team submitted a second survey to collect as much information as possible about the existence of practices on Ethics management and Ethical Leadership which may reflect on organisational process (business ethics) and on both statistical production and research (data-ethics).

Possible ethical issues related with the business are: Pressure to compromise organizational standards, Observed misconduct, Retaliation against misconduct complainant, abuse of authority, Unethical Accounting.

On the other hand, the multiplication of data sources and the development of technology have highlighted the importance of data ethics that addresses questions about the appropriate use of data at various stages of their life cycle.

Example of ethical issues related with the use of data are: using biased data to inform decision makers, using data that can reinforce existing inequalities and privacy intrusion that is not proportional to the benefit of a project.
The common thread of the analysis seems to be the consideration that Ethical leadership is a driver for Ethics management: people are more motivated to perform at their best in those organisations whose leaders’ ethical example is so convincing to generate in them a better sense of belonging.

The results of the analysis give an overall picture of the different ways to manage ethics among the NSOs surveyed, by exploring the two different areas of ethics management: business ethics and data-ethics.

- **About 70% of respondents have their own Codes of conduct,** currently under revision in some cases, which represents the main tool to establish ethics management policies.

- A little less than half respondent NSOs have declared having a Data Ethics Policy or Framework in place or in development.

From this point on, this Task Team activity has been focusing on business Ethics, since data ethics is being investigated by the Task team which is carrying out the in-depth review on the data ethics policies applied by the NSOs, under the coordination of the CES Bureau.
This additional survey is expected to delve into the suggestions come from the response analysis of the 2021 survey.

It especially investigates “business ethics” or “corporate ethics”, that is, ethics as a cross-cutting element throughout the organisation and representing a key for a qualitative performance improvement.

It also contains some references to data-ethics that is further investigated by other teams within UNECE.

Where information collected through this third survey makes it possible, the goal is to try connect business ethics practices to GAMSO and GSBPM and include some specific statements on ethics in these models.
Ethics cuts across the Business Architecture framework GAMSO: understanding how it comes through strategies to production processes – thanks to proper assets and tools – is a key to turn ethical principles into action.

The GSBPM recognises several over-arching processes that apply throughout the production phases, and across statistical business processes, including quality management which is significantly affected, like the others, by Ethics.
NSOs recognize the importance of aligning strategic goals and the statistical production processes with a set of values anchored in ethics.

In countries where ethics management is still in development, references are often made to international recommendations for quality and methodology (e.g., Recommendation of the OECD Council on Good Statistical Practice and the European Code of Practice).

However, it is important to acknowledge that it is possible to follow the international recommendations to the letter, and still encounter or take unethical actions or decisions in the production of official statistics.
A: The creation and implementation of a Statistical Ethics System was a bet of the current administration of DANE, pursuing the idea that it is relevant to incorporate and adapt in the mission of the entity, an ethical dimension beyond the adoption of declarations, agreements and good practices agreed upon by the international statistical community. The constitution of this statistical ethics system seeks to: 1) contribute to the improvement of quality in the production of statistical information by considering an ethical dimension in statistical production; 2) meet the moral demands of society; 3) strengthen the credibility and legitimacy of the institution in the eyes of citizens; and 4) provide instruments and tools that enable it to diagnose and address ethical risks that may arise in the production of statistical information. (Colombia)

A: We have a strategic transformational priority around making the organisation work in a more open and transparent manner and have set objectives and plans for this. (New Zealand)

A: Statistics Austria adheres to various standards which are part of generic quality frameworks relevant for official statistics as the European Statistics Code of Practice, the United Nations fundamental principles of official statistics and the OECD Recommendation of the Council on Good Statistical Practice. Within the principles of those standards ethical issues are mapped to a wide extent. (Austria)

A: Law on the Civil Service defines principles of civil servants’ official ethics, therefore no local provisions are necessary. (Lithuania)
There is an overlap between civil service or public administration ethical guidelines and NSO guidelines: where there are gaps in ethics management, NSOs refer to ethics codes in the public sphere. Employees of national statistical offices are civil servants; however, there are specificities to the official statistics production process that deserve/need to be explicitly addressed in terms of ethics.

The parameters determining ethical behavior in NSOs range from subjective (e.g., do they know how they are acting is right?) to rule-based (e.g., Codes of Ethics, Codes of Conduct).

There NSOs that are active in ethics management reported having scarce dedicated measures that link ethics to decreased disciplinary measures, increased performance or improved well-being at work; however, the NSOs overwhelmingly consider ethics management to have boosted improvement in these areas.
GAMSO & 3° SURVEY: CAPABILITY DEVELOPMENT

Capability development: MONITOR CAPABILITY IMPROVEMENTS

- Maintain capability improvements
- Promote capability improvements
- Evaluate capability improvements

Q: On the basis of your experience, has the Ethics management within your Organisation improved well-being at work?
A: We would say yes, because staff now knows where to ask for advice. Also, our ethics management is incorporated into our staff training programmes and we provide a lot of information on ethical issues for our staff. (Finland)

A: Ethics management and ethical principles are considered as part of standard ABS business practices. For instance, ABS employees are expected to adhere to ethical standards of behaviour in all work-related matters, as per the APS Code of Conduct. The ABS recognise that ethics management promotes integrity among employees and gain trust from key stakeholders which can improve overall staff well-being at work and organisational performance. The application of ethics management can further increase organisational performance by reducing unethical behaviour and improving staff commitment to the organisation. (Australia)

Q: On the basis of your experience, has the Ethics management increased the performance of your Organisation?
A: While this is something difficult to accurately measure, employees are clearly informed of the core values, expected behaviours, roles and responsibilities and possibilities to disclose potential ethical issues without reprisal. Employee awareness improves the well-being at work by ensuring an application of the Code of Conduct and Values and Ethics Code. (Canada)
Where ethics management or guidelines are in place, there is a range in terms of disposition (active/passive) and type of management (preventative/remedial).

<table>
<thead>
<tr>
<th>Disposition</th>
<th>Preventative</th>
<th>Remedial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passive</td>
<td>Employees sign documents acknowledging they have <a href="#">read the relevant ethics/conduct documents</a>.</td>
<td>Whistleblowing channels.</td>
</tr>
<tr>
<td></td>
<td>Ethics officer/team serves as a <a href="#">consultant/consultation body</a>.</td>
<td>Protective disclosures, Public Servants Disclosure Protection frameworks.</td>
</tr>
<tr>
<td>Active</td>
<td>Ethics officer/team conducts <a href="#">preventative conversations</a> with units.</td>
<td>Disciplinary measures following breaches of the codes of conduct/ethics.</td>
</tr>
<tr>
<td></td>
<td><a href="#">Communication campaigns</a> for ethics.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><a href="#">Internal training</a>.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><a href="#">Due diligence, risk assessments</a>.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ethics management ensures that the <a href="#">NSO</a> does not face ethical issues via the public debate or by data protection authorities, saving resources putting out fires and instead gain the public’s trust.</td>
<td>Regular reports within NSO to Director-Generals, and outside of NSO to Public Ethical Commissions, State Auditors or equivalent.</td>
</tr>
</tbody>
</table>
Corporate support: MANAGE BUSINESS PERFORMANCE AND LEGISLATION

- Manage business performance
- Manage change and risk
- Manage legislation and compliance

Q: Does your Organisation provide for the allocation of any performance objectives that are linked to the fulfilment of strategic projects for the implementation of ethics?

A: The Code of Ethics for Officials consists of values that are characteristic of democratic civil service. The Code highlights six core values: lawfulness; focus on people; trustworthiness; professionalism; impartiality; openness and cooperation. Each core value consists of explanatory principles. For instance, the core value of impartiality includes the principle of equal treatment and the core value of focusing on people includes the principle of politeness. The explanatory part of the Code of Ethics gives examples for the purpose of better understanding and implementation of core values and principles. (Estonia)

Q: Does your Organisation have any Ethics & Compliance program?

A: The Code of Ethics for Officials consists of values that are characteristic of democratic civil service. The Code highlights six core values: lawfulness; focus on people; trustworthiness; professionalism; impartiality; openness and cooperation. Each core value consists of explanatory principles. For instance, the core value of impartiality includes the principle of equal treatment and the core value of focusing on people includes the principle of politeness. The explanatory part of the Code of Ethics gives examples for the purpose of better understanding and implementation of core values and principles. (Estonia)

Q: Do you conduct Ethics & Compliance risk assessments?

A: The Anti-corruption Plan identifies and assesses which behaviors can facilitate fraud or any actions against ethics that may occur in Istat. 1. what to do: to engage stakeholders in every step of ethics management implementation process; to make strategic ethical objectives clear; to set up individual objectives on ethics compliance; to regularly make room for discussion on ethics and “grey zones” (circumstances where the line between ethics and discretionary power is not that clear) among managers and employees; to fully integrate different management systems.

2. What not to do: to enforce ethics objectives without preliminary consultation; to consider ethics management as something apart from the other management systems; to set up a performance assessment system that doesn’t take into account the importance of leading by example. (Italy)

A: The NSO submits to several types of periodic assessments and audits: (1) internal; (2) by the Malta Competition & Consumer Affairs Authority; (3) by an organisation subcontracted by EUROSTAT, among others. The role of the Malta Statistics Authority is overarching: it monitors governance, technical and financial matters through structured meetings and sub-committees. (Malta)
The main Task Team outputs proposed for 2022/23 are:

- **common vocabulary** as regard with Ethics management, data ethics, leadership, performances, etc.;
- **organizational framework** grounded on ethics principles;
- **concrete suggestions** (a sort of Reference Handbook, including case studies) to support NSOs’ in real-work-type situations;
- **collaborative platform** and **meeting** where sharing information, experience and Ethics management practices;
- **possible specific statements on Ethics in the GAMSO and GSBPM models**, to align them with the ethics framework.

Q21. What are the expectations of your NSO towards the UNECE Task Team on Ethics in terms of concrete guidance on the topic of Ethics?  *(from the TT 2nd Survey)*
Thanks for your attention !!!

Fabrizio ROTUNDI
rotundi@istat.it

Angela Leonetti
leonetti@istat.it