

# Culture-ETHICS Connection

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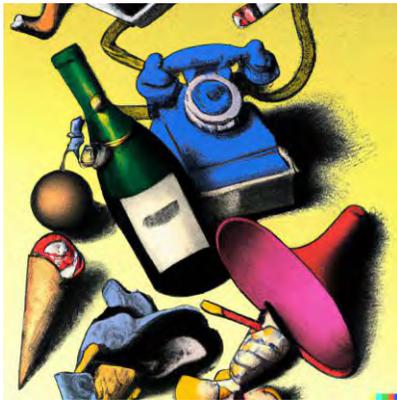
# Introduction



# Definition of Ethics and Culture



- Ethics refers to the principles and values that guide human behavior and decision-making, particularly REGARDING What is considered right or wrong.



- Culture, on the other hand, refers to the shared beliefs, values, customs, behaviors, and artifacts that characterize a group or society.

# Relationship Between Ethics and Culture

- ETHICS IS SHAPED BY CULTURE
- PERSONAL V. COLLECTIVE VALUES
- MORAL RELATIVISM
- POWER DISTANCE
- TIME ORIENTATION

# Creating an Ethical Culture

- **BELIEF V. DESIGN**
- **CLEAR VALUES**
- **MORAL ATTENTIVENESS**
- **INCENTIVES**
- **CULTURAL NORM**

# Clear Values

- Mission/Value/Vision Statements
- Culture PlayBook

## Belief → Behavior → Outcome (BBO) Roadmap

The BBO is a roadmap for our culture. It clarifies the specific behaviors and results driven by our beliefs. The behaviors outlined in the BBO Roadmap capture how we engage with each other and our customers. Our goal is to create a work environment such that the Members Trust Company team consistently engages in behaviors that produce exceptional outcomes.

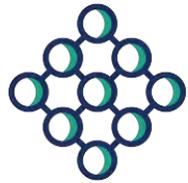
What We Believe	How We Behave	Outcomes We Achieve
Respect and Collaboration	<ul style="list-style-type: none"><li>• Quick. Clear. Kind.</li><li>• Align for Purpose</li><li>• Make it Fun</li></ul>	Team Success
Customer Oriented, Solutions Driven	<ul style="list-style-type: none"><li>• Embrace the Mission</li><li>• Own Your Work</li><li>• Identify Solutions</li></ul>	Anticipate Needs and Exceed Expectations
Empowering Our People	<ul style="list-style-type: none"><li>• Be Coachable</li><li>• Own Your Space</li><li>• Take Smart Risks</li></ul>	Grow to Your Potential

# Moral Attentiveness



**MORAL ATTENTIVENESS IS “THE EXTENT TO WHICH AN INDIVIDUAL CHRONICALLY PERCEIVES AND CONSIDERS MORALITY AND MORAL ELEMENTS IN HIS OR HER EXPERIENCES” (S. J. REYNOLDS, 2008)**

# Incentives



**VARIETY IS ESSENTIAL**



**ETHICAL MOTIVATION**

# Cultural Norms



**TONE AT THE TOP**



**ETHICAL LEADERSHIP**

# ESTABLISHING AN EFFECTIVE ETHICS PROGRAM

1. **HIRING (INTERVIEWING AND ONBOARDING)**
2. **POLICIES AND PROCEDURES**
3. **REVIEWS AND TRAINING**
4. **INCENTIVES & COMPENSATION**

# HIRING

1

**FIRST IMPRESSIONS**



**ACCULTURATION**



**REPRESENTATION**

# POLICIES AND PROCEDURES

## Code of Ethics.

- PROTECTION & USE OF BANK ASSETS.
- REGULATORY COMPLIANCE
- WHISTLE-BLOWER POLICY
- ENFORCEMENT
- CONFLICTS OF INTEREST
- INSIDER ACTIVITIES
- SELF-DEALING
- CONFIDENTIALITY
- FAIR DEALING

## Ethical Matrix

- WHAT IS RIGHT V. WHAT IS LEGAL
- STAKEHOLDER CONSIDERATION

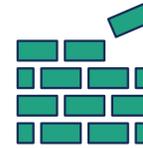
# REVIEWS & TRAINING



**DESIGN**

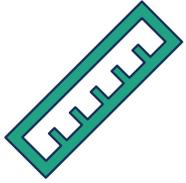


**FREQUENCY**



**REINFORCEMENT**

# COMPENSATION



**ALIGNMENT**



**CLARITY**



**CONSISTENCY**

# CONCLUSION

**Ethical decisions are made in context. Organizations should seek to create an environment that makes being good as easy as possible. That means attending carefully to the contexts people are in, making ethical principles foundational in strategies and policies, keeping ethics top of mind, rewarding ethical behavior through a variety of incentives, and encouraging ethical norms in day-to-day practices. Nicholas Epley, & Amit Kumar. (2019).**

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# THANK YOU

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